



# Heskett Newmarket Community Shop



# Business Plan

Registered with the Financial Conduct Authority | Registration number 9295

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# 1 EXECUTIVE SUMMARY

## **Hesket Newmarket – A small village with a big heart**

Hesket Newmarket is a small village situated just inside the northern edge of the Lake District National Park. It is a collection of mainly 18th century cottages, gathered around a village green and market cross. It was little more than a hamlet until the 18th century, when the market charter was granted.

There are no A roads, no major employers, no village hall, and the local economy depends largely on farming and tourism. There are very few services available locally, and no public transport links, meaning that residents have a high reliance on their own means or the support of neighbours.

The village has a tremendous community spirit and already has two community enterprises. The first being the village micro-brewery, Hesket Newmarket Brewery Co-operative Ltd, which was bought by the community in 1999. In 2003, the village pub, the Old Crown Inn, became the first community owned pub in the country. Such was the interest generated by the community acquisition of the brewery and village pub, HRH King Charles 3rd, the then Prince of Wales, visited the brewery, the pub, and the shop in 2004 and again in 2007.



## Introduction

The village shop and post office in Heskett Newmarket is in danger of closing due to the retirement of the current owner and subsequent sale of the premises. Owing to the marginal nature of the business, it is unlikely that anyone would buy it as a going concern, the likelihood being that this valuable asset would be sold to a housing developer and lost to the community.

The project's aim is to save the shop and post office from closure by taking it into community ownership thereby safeguarding the social infrastructure needed to mitigate the impacts of rural isolation.



The strategic objectives of the project are:

### 1. Preserve Essential Services:

Maintain access to fresh food, groceries, and post office services, which are vital for the community's daily needs and social infrastructure.

### 2. Combat Isolation:

Provide a focal point for social interaction and support, particularly for isolated and vulnerable residents.

### 3. Support the Local Economy:

Stock and promote local produce, thereby supporting local farmers and producers.

### 4. Enhance Community Engagement:

Offer volunteer and employment opportunities, fostering a stronger sense of community and involvement.

### 5. Develop Sustainability:

Ensure the shop and post office become a thriving, sustainable business owned and run by the community for its benefit.

## Background

Extensive engagement activities demonstrated that the community did want to purchase the premises and safeguard the business, one of only two shops, and the sole post office within a 200 square mile area of rural Cumbria. There is also a strong desire to enhance the current offering by developing an inclusive community hub that would include reopening the tearoom and providing access to a discrete meeting room that could be used, for example, by community healthcare providers and for other private and social activities.

A community share offer was launched to raise funds which had a minimum shareholding of £100. The share offer was open for 10 weeks, attracted 290 members and raised just over £345,000. To date we've raised over £16,000 through fundraising and donations.

It is clear that the community are willing to support the project financially and with their time. However, funding support from other sources is essential to ensure the community asset can be saved.

### a. The Proposed Scheme

Our day one proposal is to continue to run the shop & post office as it has been, with no disruption to services for our community. Existing staff are keen to work with us to ensure a successful handover into steady state running. We would then seek to make improvements to the services offered by reopening the tearoom, expanding and optimising the product range, and then move onto developing some space within the building into a social hub.

### b. Feasibility

There has been a shop and post office in the village for about 200 years. It has always been well supported by both the local and wider community. Our project seeks to save this valuable and long-established business. Since we intend to take on an existing, if marginal business, we have not conducted a formal feasibility study. The fact that the shop & post office are currently viable is evidence of feasibility.

There is scope to improve the overall viability by reinstating the previously successful tearoom and by reducing staff cost by use of volunteers.

### c. Our Community

The immediate community: Heskett Newmarket is a small village of 401 people in rural north Cumbria, with a strong sense of community stemming from well-established farming families and a stable population.

The wider community: Our customer catchment broadly aligns to the seven surrounding parishes of the Northern Fells area with a total population of about 3,700.

### d. Competition:

The nearest major supermarkets require a car journey of at least an hour's return trip. In the absence of public transport, the associated high fuel costs make the village shop offering more competitive than might be imagined.

Whilst there is a shop in the neighbouring village of Caldbeck, it is not within walking distance of Heskett Newmarket for everyone. The road between the villages has a speed limit of 60mph and there is no accessible footpath.

## About the Business

### a. Legal Structure

Hesket Newmarket Community Shop Limited (The Society) is registered with the Financial Conduct Authority (FCA) as a Community Benefit Society (CBS) under the Co-operative and Community Benefit Societies Act of 2014. Our FCA registration number is 9295 and is dated the 15th May 2024.

### b. Management Structure

The elected Management Committee will delegate the day-to-day management of the shop and post office to a paid manager(s) with whom they will maintain a supportive and professional relationship.

### c. The Management Committee

Our organisation's leadership team, the Management Committee, is made up of individuals from the community who collectively have the necessary qualifications and wide-ranging experience to manage a project of this scale successfully. They also have the lived experience to understand how the loss of the village shop and post office would impact on the community and the benefits that saving it, and enhancing the current offer, would bring.

Full biographical notes for each member of the Management Committee can be found at **Annex C**.

## Shop Management and Staff

On acquiring the business, our intention is to change the staffing model to a mix of paid and voluntary roles. By adopting this model, we will reduce running costs whilst still offering local employment and providing valuable volunteering and development opportunities within the community. We will also look to offer development opportunities to the younger members of the community through apprenticeships and volunteering opportunities as part of a Duke of Edinburgh scheme.

### a. The Shop offering

Given that the village shop has been trading for a number of years and has a strong and loyal customer base, our intention is not to revolutionise the current

offering, but to enhance it. We intend to expand the range of goods in the shop to include locally produced meat, cheeses and freshly baked produce, all of proven local provenance, to complement the general grocery offering. Our vision is that customers will be able to buy for every meal of the day, as well as food-to-go and convenience top-ups.

### b. Day-to-day operation of the shop

We envisage that the current opening hours of the shop and post office will remain largely unchanged. That said, Sunday morning opening is being considered for the provision of newspapers and freshly baked products.

### The Post Office

Being the sole Post Office within a 200 square mile area, retaining this service is a fundamental part of this community venture. The continued presence of a post office in the village has a major benefit and makes postal and banking services accessible to all within the community. With the nearest remaining banks being about an hour's round trip away by car, the village post office offers accessible banking services to the community and is a popular banking choice for local businesses and community groups.

### The Tearoom

The additional income generated through the reopening of the tearoom will be a significant contributor to the overall success of the business. The tearoom will not only act as a meeting place for the community, but it will also provide a welcome destination and refreshment stop for the many visitors, walkers and cyclists who pass through the village. Being situated so close to the northern fells of the Lake District and sitting on several major cycling routes, the village attracts a large number of visitors, who currently are unable to access refreshments or toilet facilities. Our offering will address that shortfall and generate valuable revenue for the local economy.

### Future development Ideas

Following the reopening of the tearoom we plan to refurbish a room at the back of the property that could be let out as a discrete meeting room. This room could be used for a range of purposes from using it as a drop in office for homeworkers to enabling healthcare providers to run clinics within the community.

Looking further ahead, we plan to develop the facility into a resilience hub complete with back-up power. This aligns with the Cumbria Community Resilience Forum strategy and would mean that the building could be used as a refuge during times of prolonged power outages where people could find food, warmth and charging facilities for mobile phones etc.

### Communications

To ensure we reach all customer groups, we have established a mix of communication channels. These include, a dedicated website, Facebook Page, Instagram site and more traditional routes that include regular newsletters and feedback questionnaires. We also plan to continue hosting open meetings where the community hear about progress and provide feedback directly to the Management Committee.

### Financial Data

Using past financial performance data for the business, and realistic cash flow projections for the next 5 years, we are confident that our project is both viable and sustainable. Financial details can be found at Annex D

### Performance Indicators

It is incredibly important that the Management Committee regularly monitor performance and business critical elements of the overall business. To that end, a set of Key Performance Indicators (KPIs) have been agreed that will be used as a management tool to evaluate actual performance against forecasts at set points through the trading year.



# 2

## HESKET NEWMARKET: A SMALL VILLAGE WITH A BIG HEART



**Hesketh Newmarket is a small village situated just inside the northern edge of the Lake District National Park, nestling in the Caldbeck fells. It is a collection of mainly 18th century cottages, gathered around a village green and market cross. It was little more than a hamlet until the 18th century, when the market charter was granted.**

The heart of the village surrounds the edges of a long sloping elliptical village green that once hosted the market from which the Newmarket part of the name derives. Several of these buildings being former public houses and a smithy, buildings that testify to the village's historic role as a market and meeting place for the scattered farms of this part of the Lake District

The village has numerous listed buildings dating mainly from the late 17th to early 19th centuries, including the Market Cross in the centre of the green and the unusual cross-shaped Hesketh Hall which is a square house with a large central chimney. The shape of the house is all angles and annexes – the story goes that it was built this way so that shadows from the twelve corners of the building function as a sundial.





Charles Dickens and Wilkie Collins stayed in the village in 1857 on a walking holiday, when allegedly, Wilkie Collins broke his ankle and was brought off the fell in a dog cart. Behind the market cross is a house called 'Dickens House' which was once one of many pubs in the village.

Situated at the meeting point of some twelve roads, bridle-tracks and footpaths linking Heskett Newmarket to the high sheep-grazed fells, the village is a popular destination and offers a welcome rest stop for cyclists and walkers visiting this quiet and unspoiled corner of the Lake District National Park.

As Alfred Wainwright described in his famous Pictorial Guides, this part of the Lake District - the Northern Fells - is geographically quite independent and separate from the rest of the fells. Skiddaw and Blencathra are well known and our local fells, Carrock Fell and High Pike, provide stunning climbs and views. High Pike is the highest point on the Cumbria Way, a popular long distance route linking Ulverston and Carlisle, and the village sits on the Reivers Route, a 170 mile coast-to-coast cycling route from Tynemouth to Whitehaven.

The village has a tremendous community spirit and already has two community enterprises. The first being the village micro-brewery, Heskett Newmarket Brewery Co-operative Ltd, which was bought by the community in 1999. In 2003, the village pub, the Old Crown Inn, became the first community owned pub in the country. It was officially opened by Sir Chris Bonington who sent a message from Kathmandu to officially open the pub. Such was the interest generated by the community acquisition of the brewery and village pub, HRH King Charles 3rd, the then Prince of Wales, visited the brewery, the pub, and the shop in 2004 and again in 2007.

The village is not just home to its residents but a destination for many with holiday homes, Airbnb and the superb family run Denton House Guest House. It also hosts many events including cycle rallies, fell races, the annual Vintage Motorbike Rally, Heskett Newmarket Agricultural Show and a popular Music Festival now in its eleventh year.



**The name is recorded in 1227 as Eskeheued**

Pointing to Old Norse eski = ash (tree) + Anglo-Saxon hēafod = "ash-head" = "hill with ash trees on.

# 3 INTRODUCTION

The village shop and post office in Heskett Newmarket is in danger of closing due to the retirement of the current owner and subsequent sale of the premises. Owing to the marginal nature of the business, it is unlikely that anyone would buy it as a going concern, the likelihood being that this valuable asset would be sold to a housing developer and lost to the community.

The project's aim is to save the shop and post office from closure by taking it into community ownership. Such a move is fully supported and will help combat the rural disadvantages of no public transport, few public services, limited broadband and mobile phone coverage and scattered, isolated households. Safeguarding and developing this vital asset will support the infrastructure needed to mitigate these disadvantages.

The problems associated with the adverse impact on mental and physical wellbeing resulting from rural isolation are well documented: e.g. Rural England – Older People in Rural Areas – Vulnerability Due to Loneliness and Isolation 2016 and a position paper by Action with Communities in Rural England ACRE. The absence of access to a shop, and public transport are all major contributors to isolation. Developing an inclusive community hub will help to reduce isolation by providing a place to meet and engage with others from the community, regardless of their age or background. See **Annex F** For reference links.

Poverty in the area is easily masked by a few more affluent households. In reality, the shop provides a



Image: From the archives

vital lifeline for those who otherwise wouldn't have the opportunity to meet others, especially those on low incomes, older vulnerable people and the younger members of our community. It is a key enabler to independent living for some through the provision of essential banking facilities and access to fresh food and groceries.



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## Our stated mission

If the shop was lost, without any public transport serving the area, accessing the nearest post office, bank and major supermarket would require a dedicated car journey of about an hour's round trip. Given the price of fuel, the additional cost of accessing banking and food supplies would be prohibitive for many within the community.

Not only will the community benefit from our project through the provision of services, employment, volunteering and development opportunities, the shop and tearoom would also offer a destination for visitors to the area and an outlet for locally produced food and products, including those from our community micro-brewery, thereby supporting the local economy.



### *Our stated mission is:*

**'To safeguard the social infrastructure of our rural community by placing Heskett Newmarket village shop and hub at the heart of the community by developing and maintaining a thriving and viable business, run by and for the community, providing access to fresh food, local products and post office services.'**

**'Offering a welcoming and safe environment, the hub will not only act as a focal point for the community but will help combat social isolation by providing a friendly meeting place and support for those living in isolation, essential for combatting poor mental health, loneliness and to support those without family networks.'**

This Business Plan sets out one of the key issues facing our community. It highlights the issue, the energy and commitment within the community to find a pragmatic and workable solution and how we intend to achieve our aims. This plan outlines the strategic and management case for the project as well as setting out the financial details showing both historic performance and future financial forecasts.

# 4 BACKGROUND

Following the news that there was a real possibility the village shop and post office faced closure, a group of interested community members formed a small team to gather the views from the wider community about saving the shop and post office and what they would like from the business if it was to be saved.

Extensive engagement activities demonstrated that the community did want to purchase the premises and safeguard the business, one of only two shops, and the sole post office within a 200 square mile area of rural Cumbria.

There is also a strong desire to enhance the current offering by developing an inclusive community hub that would include reopening the tearoom and providing access to a discrete meeting room that could be used, for example, by community healthcare providers and for other private and social activities.

With the backing of the community, our Society was formed out of a common desire to save the village shop and post office from closure. Our Management Committee are best placed to run the project for the community because they are the community and understand the challenges and pressures associated with rural life.



Hesket Newmarket has the sole post office within a 200 square mile area of rural Cumbria





A questionnaire was produced seeking feedback from the community about how the shop could be developed to better reflect their needs, this feedback has been incorporated into our plans. Several open meetings have since been held to provide the community with updates on progress and seek further feedback through Q&A sessions. We proactively targeted younger people in our surveys by engaging with local youth organisations and included their feedback in our plans also.

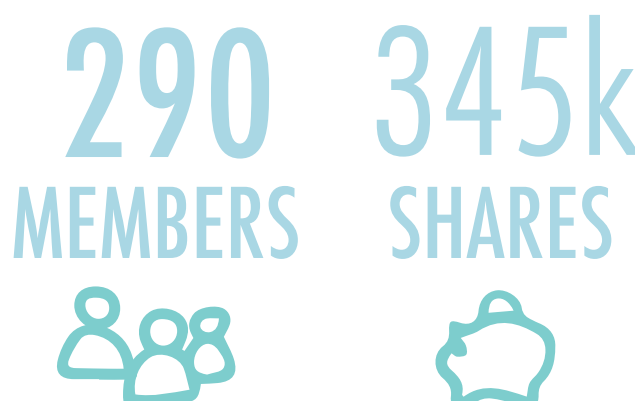
Several options for saving the shop and post office were proposed and explored. These ranged from building a new structure within the village to utilising existing buildings on a shared use basis. All these alternative options proved unviable. In the absence of viable alternatives, the only remaining option was to secure the current premises. Details of the options considered can be found at **Annex A**.

We registered with the Financial Conduct Authority as a Community Benefit Society, established our online presence and boosted our reach with national TV and radio interviews. We've held several successful fundraising activities within the community and have just completed a ten week community share offer.

The offer had a minimum shareholding of £100 and attracted 290 members and raised just over £345,000. To date we've raised over £16,000 through fundraising and donations, recruited two volunteer coordinators and signed up about 50 volunteers willing to help run the business.

It is clear that the community are willing to support the project financially and with their time. However, funding support from other sources is essential to ensure the community asset can be saved.

The Management Committee continues to identify potential funding streams that will close the gap between community funding and the total investment needed to save the shop and post office. An application has been prepared for potentially significant funds from the Government's Community Ownership Fund. This has been on hold to new applications since the election. In the meantime, we're exploring social investment options and applying to smaller funding organisations.



## 4a. The Proposed Scheme

### The objectives of our organisation are:

To acquire, run and develop Hesket Newmarket village shop and post office into a thriving, viable and sustainable business, owned by its members and run for the benefit of the community.

To provide access to fresh food and post office services that will help safeguard the social infrastructure of the rural community by maintaining a focal point and meeting place for those living in isolation, essential for combatting poor mental health, loneliness and to support those without family networks.

To help alleviate social deprivation and isolation by developing an inclusive and diverse Community Hub welcoming all ages and backgrounds.

To create meaningful development, volunteering and apprenticeship opportunities.

To provide a focus for tourists to the area thereby supporting the local economy.

To support other local businesses by stocking and selling local produce where commercially viable to do so.

All such other means of achieving any of the foregoing Objects.

Our day one proposal is to continue to run the shop & post office as it has been, with no disruption to services for our community. Existing staff are keen to work with us to ensure a successful handover into steady state running. We would then seek to make improvements to the services offered by reopening the tearoom, expanding & optimising the product range, and then move onto developing space into a social hub.

The community is very keen to see the tearoom reopened within the business and this will be one of our first priorities. In addition to raising additional income the tearoom will provide a safe and inclusive meeting place for the community and visitors alike.

We have already identified a group of volunteers who will support the tearoom. Apart from residents, the tearoom will benefit fell walkers and cyclists stopping for refreshment and cake. We also plan to open the tearoom toilet to the public as there is a shameful lack of such facilities in the area.





Image: From the archives

## 4b. Feasibility

There has been a shop and post office in the village for about 200 years. It has always been well supported by both the local and wider community. Our project seeks to save this valuable and long-established asset. Since we intend to take on an existing, if marginal business, we have not conducted a formal feasibility study. The fact that the shop & post office are currently viable is evidence of feasibility.

That said, comprehensive and ongoing engagement with the local community, and people from surrounding parishes, through various channels such as questionnaires, a series of public meetings and social media have provided a clear message that the business is both valued, used and must be maintained for the community.

There is scope to improve the overall viability by reinstating the previously successful tearoom and by reducing staff cost by use of volunteers. An existing staff member has stated that she will retire after a successful handover to our enterprise, so no redundancy costs are anticipated.

Using past financial performance data for the business, and realistic cash flow projections for the next 5 years, we are confident that our project is both viable and sustainable. Financial details can be found at **Annex D**.



## 4c. Our Community

### The Immediate Community:

Hesket Newmarket is a small village of 401 people in rural north Cumbria, with a strong sense of community stemming from well-established farming families and a stable population.

There are no A roads, no major employers, no village hall, and the local economy depends largely on farming and tourism. There are very few services available locally, and no public transport links, meaning that residents have a high reliance on their own means or the support of neighbours.

Hesket Newmarket has a small village shop and post office, one of only two shops and the sole post office in a 200 square mile area. The shop is a lifeline for many people, and a social hub for the community. The customer base of the shop extends to the seven neighbouring parishes in the Northern Fells area.

### The wider community:

Our customer catchment broadly aligns to the seven surrounding parishes of the Northern Fells area: Ireby & Uldale, Boltons, Westward & Rosley, Sebergham & Welton, Caldbeck, Castle Sowerby and Mungrisdale with a total population of about 3,700. Full details of the immediate and wider community can be found at **Annex B**



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## 4d. Competiton

The nearest major supermarkets require a car journey of at least an hour's return trip. In the absence of public transport, the associated high fuel costs make the village shop offering more competitive than might be imagined. (Major supermarkets at Wigton/ Dalston/ Penrith/ Keswick/Carlisle are a 24-32 mile round trip, with associated fuel and parking cost)

Whilst there is a shop in the neighbouring village of Caldbeck, it is not within walking distance of Hesket Newmarket for everyone. The road between the villages has a speed limit of 60mph and there is no accessible footpath.

### **Their offering is different in that it lacks:**

- Post office
- Banking services
- Parking
- Tearoom

Importantly we don't consider the Hesket Newmarket and Caldbeck shops to be in competition – it is more of a complementary relationship. The two shops have historically coexisted favourably and will continue to do so. We will work together where opportunities arise.

# 5

## ABOUT THE BUSINESS

### 5a. Legal Structure

Hesket Newmarket Community Shop Limited (The Society) is registered with the Financial Conduct Authority (FCA) as a Community Benefit Society (CBS) under the Co-operative and Community Benefit Societies Act of 2014. Our FCA registration number is 9295 and is dated the 15th May 2024.

Being a CBS means that our chosen legal structure ensures the shop is owned and controlled by the community and run for the benefit of the community. This chosen model ensures that the shop serves the interests of the community and contributes to the local economy. It enables us to raise capital through a community share issue whilst enshrining the democratic principle of one member one vote regardless of the level of each individual's investment.

As a CBS the business will be overseen by the Financial Conduct Authority (FCA). The rules for the society are based on the model rules designed for community businesses by Plunkett UK, as approved by the FCA, and publicly available on the Mutuels Register: <https://mutuals.fca.org.uk/Search/Society/31711>

### 5b. Management Structure

The Society's Management Committee, as per our Rules, will be made up of not less than three and not more than ten members, who shall mainly be elected by and from the Members. Not more than one quarter of the Management Committee may comprise persons co-opted by the Management Committee.

The elected Management Committee will delegate the day-to-day management of the shop and post office to a paid manager(s) with whom they will maintain a supportive and professional relationship.

### 5c. The Management Committee

Our organisation's leadership team, the Management Committee, is made up of individuals from the community who collectively have the necessary qualifications and wide-ranging experience to manage a project of this scale successfully. They also have the lived experience to understand how the loss of the village shop and post office would impact on the community and the benefits saving it, and enhancing the current offer, would bring.



In support of the Management Committee, there is an additional group of individuals who provide professional support and advice in specific areas where needed. The membership of this 'skills pool' live and work within the community and understand the benefits the project will deliver to the wider community.

The Management Committee is currently made up of seven individuals ably supported by an IT consultant whose skills are drawn upon as and when needed.



## 5d. The current office holders are:



**Chairperson: Philippa Groves**

Philippa is an active member of the community and a founder member of the Community First Responders team, she started her own charity, the Eden Lifeline Project which was set up to raise funds for defibrillators in schools and village halls and to educate and train people about the use of defibrillators. She was awarded an M.B.E. in 2021 for Services to Cumbria.



**Vice Chairperson: Simon Hewitt**

Simon has been part of the local community since his days in Caldbeck Young Farmers Club. Most of his career was spent in the Civil Service where his focus was on International Trade and delivering specialist services on behalf of the Scottish, Welsh and English Governments. Prior to joining the Civil Service, Simon set up and established successful retail businesses.



**Treasurer: Martin Woodham**

Martin's main career was as a management consultant at IBM, where he advised large businesses on transformational programmes of work. A former GP practice manager, Martin ran one of the top 4, highest-rated GP practices in England, rated 'Outstanding' by the Care Quality Commission.



**Secretary: Michelle Boundy**

Michelle has worked as a financial ombudsman for the last ten years and is a trained mediator. She has considerable regulatory and business management experience having set up and run two community credit unions: one as a volunteer Board Director, the other as CEO.

Full biographical notes for each member of the Management Committee can be found at **Annex C**.

**Marketing and Design: Helena Davies**

Cumbrian by birth, Helena is a graphic design and marketing professional with experience in brand creation and development. She has a first-class degree in Graphic Design, which enabled her to pursue her passion for design in several pivotal roles.

**Community Liaison: Martin Nicholson.**

Martin trained at Askham Bryan Agricultural College before returning to the family farm from where he established a well-known herd of pedigree Aberdeen Angus cattle. Alongside running the farm, Martin established and ran a successful bloodstock export and haulage business transporting animals across many countries.

**Professional Advice and Guidance: John Brown**

John is the past President (twice) of the Chartered Institute of Patent attorneys, past Honorary Treasurer of Society of Chemical Industry, past Company Secretary of Heskett Newmarket Brewery Limited (Co-Operative), past and present trustee of a number of charities including present chairman of the Executive Committee of Allerdale Disability Association.

**IT Consultant: Izzy Garnsey**

Izzy is a data scientist and software developer for a UK not-for-profit organisation that works to measure and improve the carbon footprints of farmers and supply chains. She has a Masters in Statistics from the University of Strathclyde.



## SHOP MANAGEMENT AND STAFF

Currently the shop and post office is run by the present owner with the support of 1.5 FTE paid employees, giving a total of 2.5FTE to manage and run the business. On completion of the sale, the fulltime paid employee plans to retire, leaving 0.5FTE who may wish to transfer with the sale of the business.

On acquiring the business, our intention is to change the staffing model to a mix of paid and voluntary roles. By adopting this model, we will reduce running costs whilst still offering local employment and providing valuable volunteering and development opportunities within the community. We will also look to offer development opportunities to the younger members of the community

through apprenticeships and volunteering opportunities as part of a Duke of Edinburgh scheme.

To achieve this, we will appoint either one fulltime paid manager (1FTE) or two part time managers who would job share with a slight overlap in hours to allow handover (making 1.2FTE). In addition to managing the day-to-day operation of the shop and post office, the role of the paid manager(s) would be to undertake the activities that carry most responsibility, such as ordering stock, pricing, invoicing and balancing the tills. They would also be responsible for supervising the volunteer staff on a day-to-day basis.



We currently have a bank of about 50 volunteers who have committed to working in the shop and tearoom. We estimate that we will require about 90 hours of volunteer time each week to run the shop and post office during the normal operating hours, plus an additional 30 hours of volunteer time to serve in the tearoom during opening hours (depending on opening hours). This equates to a total requirement of about 30 volunteers to maintain the business.

The main role of the volunteers would be to undertake the tasks that carry less responsibility such as customer facing roles and replenishing stock. Full training will be provided to the volunteers to enable them to serve in the shop, handle post office transactions and handle food safely. We also intend that all volunteers will undertake Dementia Awareness and First Aid training to support our vision of an inclusive, safe community hub.

Management of a volunteer rota can be very time consuming. For that reason, we have identified two individuals who will take on the role of managing volunteer training and rotas to ensure both that the business can be appropriately staffed and that the volunteers are fully informed.

Although there is a strong desire from within the community to support the venture, the Management Committee are mindful that the enthusiasm of volunteers can wane after a while. It is for that reason that we will monitor the situation closely and transition to offer more paid employment as the need arises and funds allow.



## VOLUNTEERS

**50** volunteers committed



**30** volunteers needed each week



**90** volunteer hours required per week





## 6a. The shop offering

Given that the village shop has been trading for a number of years and has a strong and loyal customer base, our intention is not to revolutionise the current offering, but to enhance it. We intend to expand the range of goods in the shop to include locally produced meat, cheeses and freshly baked produce, all of proven local provenance, to complement the general grocery offering.

Our vision is that customers will be able to buy for every meal of the day, as well as food-to-go and convenience top-ups. It is accepted that we may not be able to compete directly with supermarkets on the range and price of goods, but when the additional cost of fuel directly associated with accessing those supermarkets is factored in, it means that we can be more competitive than might be assumed. Given the broad customer base, we accept that customers will shop at different price points,

some preferring budget ranges whilst others prefer to buy branded lines and seek higher value locally produced offerings. For that reason, we will stock a mix of product ranges to ensure the broadest appeal.

'Our **vision** is that customers will be able to buy for every meal of the day, as well as food-to-go and convenience top-ups.'

Carrying a stock of, for example, locally produced meat carries a risk if sales are low. For that reason, we have negotiated favourable terms with local producers to enable us to initially showcase their ranges by stocking a small representative sample and taking orders, before increasing our stock levels as demand increases.

Aside from the food and grocery offering, we will add a selection of additional lines of locally made crafts and gifts such as beeswax candles and local arts and crafts. These additional lines will be aimed at the impulse purchases market and will further supplement sales made in both the shop and tearoom.





## 6b. Day-to-day operation of the shop

We envisage that the current opening hours of the shop and post office will remain largely unchanged. The shop and post office will continue to open at 8:30am and close at 5:30pm on Monday to Friday, with Saturday being a half day. Sunday morning opening is being considered for the provision of newspapers and freshly baked products. Should this happen, we may consider Tuesday as a half day.

Deliveries of bakery products, milk and vegetables will be received daily, along with newspapers etc, with general groceries and other products being received three times per week. Suppliers will deliver directly to the shop following orders being placed by the shop manager. Retail prices will be set by the manager based on the wholesale market and the pricing policy of the shop. This is broadly what happens under the current management.

To ensure that food wastage is kept to an absolute minimum, in addition to careful stock rotation, anything

Sunday morning opening is being considered for the provision of newspapers and freshly baked products.



that is found to be approaching its 'best before date' will be reduced in price for a quick sale or preferably used as ingredients in the tearoom offering.

Delivery of grocery and newspapers orders directly to customers will continue as they do now subject to a nominal mileage charge. Customers can place their advance orders by email or phone and orders will be delivered by a volunteer who can claim a mileage allowance if they use their own vehicle.

As the existing cash registers are fit for purpose, they will continue to be used to capture transactions until such time as they need to be replaced. A separate till is used for post office transactions, this will be updated in line with post office requirements.

As part of our forward planning, we have researched the functionality and cost of replacing the current tills with Electronic Point of Sale (EPOS) systems. Whilst there is no immediate need to invest in such a system, when the time is right, we will investigate the feasibility of installing an electronic till with barcode scanning technology. We do not envisage investing in a more sophisticated stock control system.



# 7 THE POST OFFICE

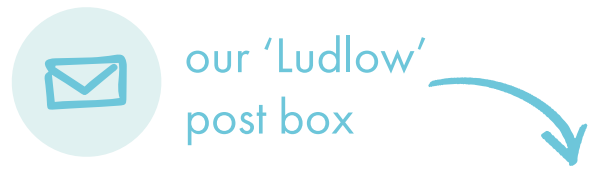
Being the sole post office within a 200 square mile area of the village, retaining this service is a fundamental part of this community venture.

The continued presence of a post office in the village has a major benefit and makes postal and banking services accessible to all within the community. With the nearest remaining banks being about an hour's round trip away by car, the village post office offers accessible banking services to the community and is a popular banking choice for local businesses and community groups.

The only local alternative is to rely on a once-a-week (scheduled 3-hour presence) mobile post office in a neighbouring village, which has no disabled access. The service is unreliable and subject to short notice cancellation.

A permanent post office in the village overcomes that problem, offering a service on 6 days of the week, it also helps create footfall and additional custom for the shop, and offers easy accessibility to all, particularly the more elderly residents.

The post office will also act as a collection and drop off point for numerous online courier companies, negating the need for people to drive to the nearest town.



We have established an excellent working relationship with the Post Office, and we are confident that we can achieve a seamless transfer from the existing Postmaster to the Society whilst maintaining the existing contract with the Post Office.

The Post Office franchise will be owned by the Society. In line with Post Office requirements for a community venture such as this, a Postmaster, responsible for the management of the post office will be appointed to serve as part of the Management Committee.

This will be a voluntary role and subject to the approval of the Post Office. Income generated through the post office will be paid into the business and not to the nominated Postmaster. If the Postmaster and manager of the shop are two different people, they will work closely together to ensure the smooth and accurate running of the post office.

The opening hours of the post office will mirror those of the shop.

# 8 THE TEAROOM

The additional income generated through the reopening of the tearoom will be a significant contributor to the overall success of the business.

The community are keen to see the tearoom reopened and this will be achieved within the early months of acquiring the business.

The cost of reopening the facility is minimal as only a light refurbishment is required. Details of the cost involved can be found in the financial summary at **Annex D**

The reopened tearoom will offer a range of speciality teas and coffees sourced from a local blender, along with light lunches, homemade cakes and freshly baked products. A takeaway service will also be available from the tearoom.

The tearoom will not only act as a meeting place for the community, but it will also provide a welcome

destination and refreshment stop for the many visitors, walkers and cyclists who pass through the village. Being situated so close to the northern fells of the Lake District and sitting on several major cycling routes, the village attracts a large number of visitors, who currently are unable to access refreshments or toilet facilities. Our offering will address that shortfall and generate valuable revenue for the local economy.

As an additional income generating provision, the tearoom will offer a bespoke cake making service where novelty and speciality cakes will be made to order.

To ensure that the younger members of the community can benefit from the reopening of the tearoom, we will make the facility available to host events aimed specifically at the 12-16 year age group, such as pizza nights and social events.

Cakes and bakery products sold in the tearoom will largely be made in-house by volunteers drawn from the already established bank of volunteers. They will also manage the day-to-day operation of the tearoom under the supervision of a designated volunteer team leader.

The opening hours of the tearoom will largely mirror those of the shop and post office.



# 9 FUTURE PLANS

Further development of the asset is also being considered by the Management Committee that will enhance the offering and expand the range of services available.

Following the reopening of the tearoom we plan to refurbish a room at the back of the property that could be let out as a discrete meeting room. This room could be used for a range of purposes from using it as a drop-in office for homeworkers to enabling healthcare providers to run clinics within the community for such services as chiropody, hearing checks and general health care.

This room would also provide an ideal base for support groups working with teenagers and young adults in the area. Rural living can be challenging for this age group, a support network aimed at building confidence could equip them with the skills they need to thrive in a busy and demanding working environment.

Although there is a suitable room available, accessibility is currently an issue so some small scale modifications would be required.

Looking further ahead, we plan to develop the facility into a resilience hub complete with back-up power. This aligns with the Cumbria Community Resilience Forum strategy and would mean that the building could be used as a refuge during times of prolonged power outages where people could find food, warmth and charging facilities for mobile phones etc.

As funds allow, the first floor of the property could be refreshed to offer holiday accommodation. Subject to planning approval, this further development of the existing building could generate significant additional income for the community. However, the limiting factor is the absence of a separate access route to the living accommodation. Therefore, funds would be required to create the necessary access. The associated costs have not yet been explored and will be considered once the current business has been acquired and proven successful.



# 10 COMMUNICATIONS



Living and operating a business in a rural area brings additional challenges.

Keeping our customer base informed about all aspects of our business is one of those challenges and is a critical factor in ensuring the success of the business.

To ensure we reach all customer groups, we have established a mix of communication channels. These include a dedicated website, Facebook Page, Instagram site and more traditional routes that include regular newsletters and feedback questionnaires. We also plan to continue hosting open meetings where the community hear about progress and provide feedback directly to the Management Committee.

Additionally, we will establish a 'user group' consisting of people who use the shop regardless of whether or not they are shareholders. The role of this group will be to provide feedback to the Management Team about such things as the customer experience and the range of offerings provided by the business.





## FINANCIAL DATA

Comments on the accounts history – our basis for forecast (Trading accounts 2020 to 2024) (comments provided by an independent qualified accountant as adviser to the CBS board)

The accounts show the effect of COVID (increased turnover and less travelling), and latterly post COVID decreases, which was to be expected. It is also understandable that because the present owner is seeking retirement in the near future, the full potential of the business is not being explored.

There is enough resource to enable the business to run at the current level of trading, in the short run. There are early discussions of additional services e.g. tearoom, bakery, and also a willing group of volunteers as shown by the survey.

The business/trading section of the CBS, should be able to sustain itself, and be viable for the long term.

### 11a. Funding requirement

We anticipate that our project will require about £484,000 of investment to acquire the building and the business, to make initial improvements necessary to enhance the business offering. A prudent contingency/reserve of £44,000 is included in this requirement.

£63,127 of revenue funding will be required to cover initial expenses such as stock, insurance and any compliance certification.

The total funding requirement is £547,127.

We have raised £345,000 through our community share offer which reduces our capital requirement to £139,000. We have raised £16,000 through fundraising and donations which reduces our revenue requirement to £48,127.

We plan to raise the remaining capital and revenue funding required through grant funding and/or social investment.

**Figure 1. shows a breakdown of the total funding requirement:**

Note: We anticipate £547,127 of capital funding required assuming a valuation of £435,000

Capital requirements		Notes
Asset purchase	£435,000	STS
Immediate improvements	£5,000	Reinstate tearoom, move delivery room
10% Reserve fund	£44,000	
<b>Total</b>	<b>£484,000</b>	
Stock	£12,500	
Working capital		
Shop till float	£150	
Immediate bills	£1,500	Insurance, certificates etc
1st year salaries	£37,727	
Stamp Duty	£11,250	
<b>Total</b>	<b>£63,127</b>	
<b>Launch funds required</b>	<b>£547,127</b>	

£5,000 is included for initial improvements to allow the tearoom to reopen and improve the stock/deliveries room, and a figure of £1,500 is included for initial expenses such as insurance and any compliance certification, plus an element of working capital.

Grant funding, and/or and Social Investment, will contribute £200,000 (capital) and £35,000 (revenue) of the £435,000 required to purchase the shop & post office, with community contributions funding the balance required to make initial improvements and successfully begin trading as per the breakdown below (Note: The community contributions shown in the table below are correct as of the 20th September 2024):

**Figure 2. Shows a breakdown of funding streams:**

Community donations	£12,687
Grant / social investment	£200,000
Share offer	£345,000
Fundraising	£3,626
Revenue funding	£35,000
<b>Total</b>	<b>£596,313</b>

Our share offer opened on the 18th of June 2024 and closed on the 31st of August 2024, it offered a minimum investment of £100 to ensure wide participation.

It was open to everyone, whether they lived nearby or further afield, whether they used the shop frequently or once in a lifetime. Our aim was to raise at least £250,000 with this share offer, and our optimum target was £500,000.

The offer attracted 290 members and raised just over £345,000.

## 11b. Financial projections

We have based our projections on the accounts provided by the incumbent owner which detail his trading position over the past three years. Proportionate uplifts to historic figures have been applied, and we have made modest assumptions about potential tearoom revenue as we have little firm history to base this on. Our assumptions for the tearoom have been cross-checked with the volunteer-run pop-up tearoom run in Mungrisdale by the Northern Fells Group.

Assuming that the post office income continues at the same level, i.e. we are able to ensure continuity of the Post Office contract, the profit position improves modestly over the ensuing 5 years.

Aggregate cash generation over the 5 years modelled represents circa £20,000 net PA, demonstrating that if this were a straight investment of £450,000 it would be making minimal returns – hence its unattractiveness to a commercial investor/ operator. Full cash flow projections and assumptions can be found at **Annex D**.

**Figure 3. Shows our Sales projections for the 5 years to 2029 are as follows:**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Turnover</b>					
Shop	£ 174,650	£ 181,636	£ 188,902	£ 196,458	£ 204,316
Cost of Sales	£ 135,920	£ 141,241	£ 146,894	£ 152,773	£ 158,887
Gross Profit	£ 38,731	£ 40,396	£ 42,008	£ 43,685	£ 45,429
Gross Profit %	22.2%	22.2%	22.2%	22.2%	22.2%
<b>Tea room</b>					
Tea room	£ 15,356	£ 16,124	£ 16,930	£ 17,777	£ 18,666
Cost of sales	£ 7,283	£ 7,429	£ 7,577	£ 7,729	£ 7,884
Net profit	£ 8,073	£ 8,695	£ 9,353	£ 10,048	£ 10,782
Post Office income	£ 25,017	£ 25,017	£ 25,017	£ 25,017	£ 25,017
<b>Total net income</b>					
Total net income	£ 71,821	£ 74,108	£ 76,378	£ 78,750	£ 81,228



**Figure 4. Shows our Expenses projections for the 5 years to 2029 are as follows:**

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Wages & Salaries	£ 37,726.78	£ 38,670	£ 39,637	£ 40,628	£ 41,643
Rates	£ 763	£ 802	£ 842	£ 884	£ 928
Light, heat & power	£ 3,597	£ 3,957	£ 4,352	£ 4,788	£ 5,266
Insurance	£ 1,026	£ 1,077	£ 1,131	£ 1,188	£ 1,247
Repairs & maintenance	£ 1,073	£ 1,127	£ 1,183	£ 1,242	£ 1,304
Phone & post	£ 1,141	£ 1,198	£ 1,258	£ 1,321	£ 1,387
Sundries	£ 256	£ 269	£ 282	£ 297	£ 311
Finance & depreciation	£ 6,648	£ 6,981	£ 7,330	£ 7,696	£ 8,081
	£ 52,232	£ 54,080	£ 56,015	£ 58,043	£ 60,168

The staffing model is for 2x 3-day (8.5 hours day) managerial staff with volunteers providing all other staff hours. With possible half days on Tuesday and Saturday, the managers will overlap for a full day each week. We have budgeted for a £13.50 hourly rate (FTE £29,835 PA), a 3% uplift for pension and Class A NI contributions for modelling purposes.

Staff costs are modelled at 2.5% annual increase, with all other cost elements at 4% bar heat, light and power at 10%. Staff-related changes will be subject to consultation and do not reflect any changes to individual wages or hours worked. TUPE regulations will apply to transferred staff.

**Figure 5. Shows our net Profit and Loss projections for the 5 years to 2029 are as follows:**

Turnover	Year 1	Year 2	Year 3	Year 4	Year 5
Shop	£ 174,650	£ 181,636	£ 188,902	£ 196,458	£ 204,316
Tea room	£ 15,356	£ 16,124	£ 16,930	£ 17,777	£ 18,666
Cost of sales	£ 143,203	£ 148,670	£ 154,471	£ 160,502	£ 166,771
Post Office income	£ 25,017	£ 25,017	£ 25,017	£ 25,017	£ 25,017
<b>Total net income</b>	£ 71,821	£ 74,108	£ 76,378	£ 78,750	£ 81,228
<b>Expenses</b>	£ 52,232	£ 54,080	£ 56,015	£ 58,043	£ 60,168
<b>Net profit</b>	£ 19,589	£ 20,028	£ 20,363	£ 20,707	£ 21,059

Assuming that the post office income continues at the same level i.e. we are able to ensure continuity of the Post Office contract, the profit position improves to a modest £21,059 in 2029 - however these funds, if achieved, will allow us scope to offer support to community initiatives.

## 11c. Performance Indicators

It is incredibly important that the Management Committee regularly monitor performance and business critical elements of the overall business. To that end, a set of Key Performance Indicators (KPIs) have been agreed that will be used as a management tool to evaluate actual performance against forecasts at set points through the trading year.

All KPIs have an associated Red, Amber and Green (RAG) status and they include:

- 3 month and 6 monthly sales achieved against forecasts.
- Target % Gross Profit being met
- Percentage of stock wastage
- Volunteer numbers remaining on target or increasing
- Volunteer rota filled 2 weeks in advance
- 95% Positive feedback from customer research (feedback questionnaires or online reviews)



Image: From the archives

# 12 ANNEXES

**Annex A – Options considered and discounted**

**Annex B – The Community**

**Annex C - Full Biographies of the Management Committee**

**Annex D – Financial data and assumptions**

**Annex E – The Risk Register**

**Annex F – References**

## Annex A

Other schemes considered – and why rejected.

We considered other possible locations for the shop & post office, none of the alternatives are either viable or likely to prove as successful in maintaining, and improving, current services. Our analysis is shown below:

Option	Pros	Cons	Notes
New build/ temporary building on the back green.	Can be designed from scratch according to needs	Parish Council in opposition. Planning challenge. Lack of available land and high associated costs.	The land is owned by the Parish and is in the National Park, conservation area
New build/ temporary building on the play area, with that relocated to the allotments	Reduced capital requirement	Against Play Area constitution; Allotment owner likely in opposition; planning challenge; parking issue	National Park land, conservation area
Pop-up facility in the Free Church	Reduced capital requirement	Free Church in opposition: parking issue; neighbours in opposition	
Any other local site suitable for building		None available	

## Annex B

### The Community

#### The Immediate Community:

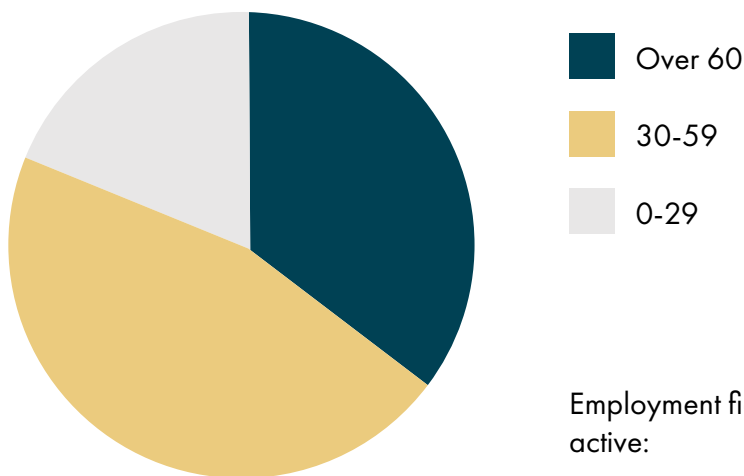
The area that includes Hesket Newmarket is a large lightly populated region with several hamlets and farms. Within the area there are 177 houses with about 401 people. 61% are owned outright, the others being a mix of rented/mortgaged/various rented property.

111 properties are family homes. 44% of households meet the 2021 Census definition of deprived in one or more dimensions. (Household deprivation was measured against four dimensions for the 2021 census - employment, education, health/disability, and overcrowding.) Our ward has a 14.8% rate of fuel poverty, and 10.1% of households receive Universal Credit

Gender Grouping is broadly in line with national demographics, at 183 male and 218 female.

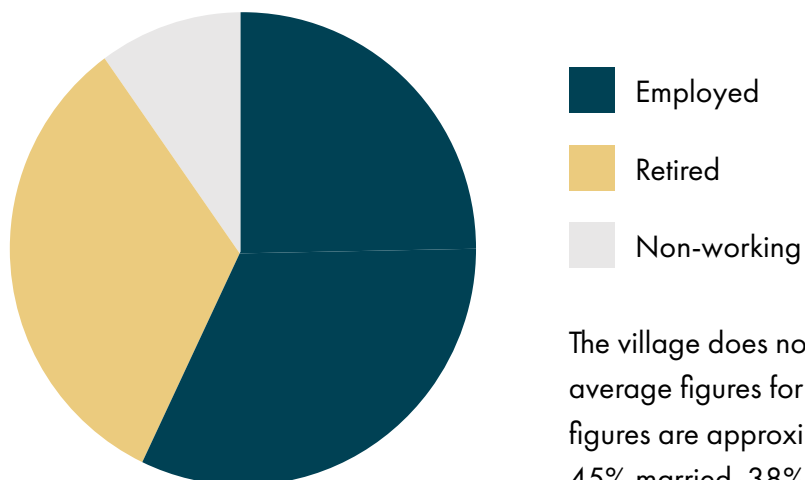
The age split is typical of rural Cumbria, with a 'old-old' population:

#### Age profile



Employment figures show that 350 villagers are economically active:

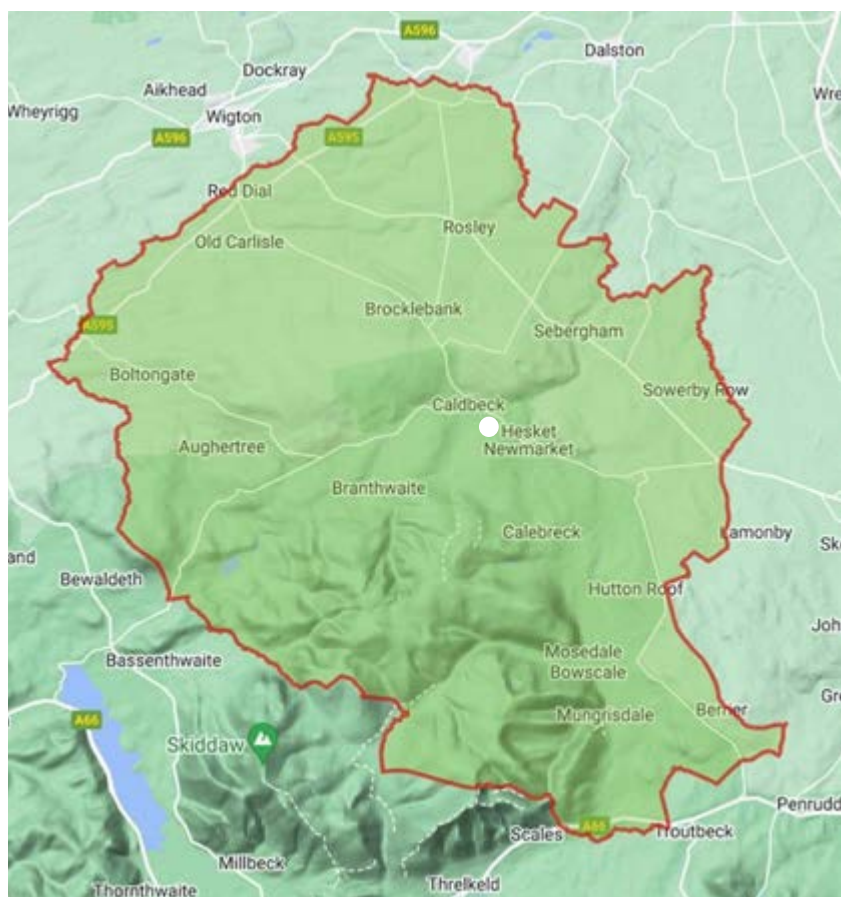
## Employment



The village does not show a significant deviation from the average figures for the UK. In the UK as a whole, the average figures are approximately as follows for relationship statuses: 45% married, 38% single, 9% divorced, 6% widowed, and 2% separated.

### The wider community:

Our customer catchment broadly aligns to the area covered by the Northern Fells Group Community Charity. This encompasses the parishes of Ireby & Uldale, Boltons, Westward & Rosley, Sebergham & Welton, Caldbeck, Castle Sowerby and Mungrisdale with a population of 3,700.



## Annex C

### Full biographies of the Management Committee

#### Philippa Groves M.B.E. F.R.S.A

##### Role: Chairperson

Philippa trained as a ceramist in the 1970s, setting up and running her own pottery supplying local galleries and promotional work for companies such as International Spinners and The Gallaher Group. She moved into the fabrics trade in the 1980s, designing and setting up major exhibitions at Earls Court and Olympia. Philippa later set up an equestrian business in Yorkshire, manufacturing and supplying goods to organisations such as The Metropolitan Police and Burberry where she advised and supplied all the goods for the launch of Burberry's first Equestrian line. She worked closely with the International League for the Protection of Horses and the World Farriers Association coordinating sending goods abroad to alleviate the suffering of working animals in many countries

Mother of three sons, a doting grandmother and passionate about donkeys, Philippa moved to Cumbria in 2000 and became actively involved in the community volunteering with the Northern Fells Group, eventually becoming one of the first village agents.

A founder member of the Community First Responders team, she started her own charity, the Eden Lifeline Project which was set up to raise funds for defibrillators in schools and village halls and to educate and train people about defibrillators. Philippa is the vice chairperson of the Castle Sowerby Parish Council. She was awarded an M.B.E. in 2021 for Services to Cumbria. She is trustee for the Northern Fells Group community charity.

#### Simon Hewitt

##### Role: Vice Chairperson

The majority of Simon's career was spent in the Civil Service where he worked for the Animal and Plant Health Agency (APHA), he's focus has been on operational delivery.

Having successfully created and established a GB wide Centre for International Trade, Simon played a key role in modernising and reshaping the operational structure of the Agency and established four other GB wide specialist service centres delivering work on behalf of the Scottish, Welsh and English Governments. As Operational Director for APHA, Simon played a leading role in the Agency's International Trade related preparations for Brexit, including working closely with Trade Unions to change existing working practices at a national level, and to implement new border control inspection regimes aimed at preventing the incursion of exotic disease.

Prior to joining the Civil Service, Simon set up and established successful retail businesses.

Now retired, Simon lives with his wife and three dogs in the home they have shared in Castle Sowerby for over 35 years. He has been part of the local community since his early days in Caldbeck Young Farmers Club.

In his spare time, Simon is a mentor for young adults as part of the Prince's Trust organisation and supports a local Red Squirrel Charity by playing an active role in conserving our native Red Squirrels.



### Michelle Boundy MSc

#### Role: Secretary

Michelle has lived in Millhouse with her husband Francis and two dogs since 2020, swapping London commutes for a quieter life with their dogs near the fells. The presence of a pub and a shop drew them to Hesket Newmarket.

Michelle has worked as a financial ombudsman for the last ten years and is a trained mediator. She has considerable regulatory and business management experience having set up and run two community credit unions: one as a volunteer Board Director, the other as CEO.

Michelle spent eight years working in local government in policy, program management and organisational development roles. She began her career as a geophysicist in the energy industry, and holds an M.Sc. in Natural Sciences.

In her spare time, when she's not DIYing, Michelle can be found hiking on the Cumbrian fells, wild swimming or walking her dogs. She also volunteers with Caldbeck's Community First Responder team.

### Martin Woodham BSc (Hons) MBA

#### Role: Treasurer

Martin's early career was in the British Army where he attained the rank of Captain before retiring from the armed forces.

His main career was as a management consultant at IBM, where he advised large businesses on transformational programmes of work, usually related to technical implementations or outsources in areas such as: retail, aerospace, engineering, distribution, government, chemicals & finance industries.

A former GP practice manager, Martin ran one of the top 4, highest-rated GP practices in England, rated 'Outstanding' by the Care Quality Commission.

Having recently retired, Martin currently does some part-time consultancy work for the local out-of-hours GP service, helping to run six daytime GP practices and focusing on improving Primary Care.

In his spare time Martin has his hands full with teenage children but manages to get out in the Cumbrian fells with the dog from time to time!

### Martin Nicholson

#### Role: Community Liaison and Operational Support

Coming from a farming background, Martin trained at Askham Bryan Agricultural College before returning to the family farm from where he established a well-known herd of pedigree Aberdeen Angus cattle.

Having achieved the appropriate technical and animal welfare related authorisations to transport livestock, alongside running the farm, Martin established and ran a successful bloodstock haulage business transporting animals across many countries.

Regularly facilitating the complex procedures involved with the export of sport horses to America, Martin managed the associated challenges of coordinating the veterinary health certification, customs declarations and airport clearances.

Prior to retiring in 2019, Martin established and ran a successful farm animal feedstuffs business at the local market before relocating to Cumbria.

Relocating to Cumbria just prior to the Covid pandemic, Martin quickly became involved with the Northern Fells Group as a Lend a Hand volunteer and found his way around the area by delivering lunches and afternoon teas from local hostelrys and deliveries of papers and groceries from the Heskett Newmarket shop.

In his spare time, Martin helps several older residents with heavier gardening and handyman odd jobs. Martin is on the Patient Participation Group for the Caldbeck Doctors Surgery.

### Helena Davies

#### Role: Marketing and Design

Cumbrian by birth, Helena is a graphic design and marketing professional with experience in brand creation and development. Artistic by nature, her passion for being creative was channelled into her first work experience as a chef running a successful local restaurant in a family business.

Helena has a first class degree in Graphic Design, which enabled her to pursue her passion for design in several pivotal roles before securing her current role as the Marketing Manager for CAFS (Cumbria Action for Sustainability).

Helena lives in Millhouse, just a mile away from the village shop, with her husband, 3 children and dog. She enjoys growing vegetables, walking in the countryside and being an active part of the community.





### John Brown BSc (Hons), CPA (Retired), EPA

#### Role: Professional advice and Guidance

John moved to Heskett Newmarket in 1996 and subsequently retired in 2006. He shows a great interest in the local community and has actively supported several community based initiatives.

He is the past President (twice) of the Chartered Institute of Patent attorneys, past Honorary Treasurer of Society of Chemical Industry, past Company Secretary of Heskett Newmarket Brewery Limited (Co-Operative), past and present trustee of a number of charities including present chairman of the Executive Committee of Allerdale Disability Association.

John enjoys travelling, in the UK, continental Europe and, when he has a good excuse, anywhere in the world.

John is passionate about the welfare of racehorses and ex-jockeys. He presently owns two racehorses and a half share in another and, whenever he can, he goes to see them race. He also has a brood mare and youngstock.

### Izzy Garnsey

#### Role: IT Consultant to the Management Committee

Isabel Garnsey, better known as Izzy, is fairly new to the village. She is a data scientist and software developer for a UK not-for-profit organisation that works to measure and improve the carbon footprints of farmers and supply chains.

Izzy has a Masters in Statistics from the University of Strathclyde, and I worked previously for the Scottish Government compiling the annual Agricultural Census of livestock and crops across Scotland.

She is an active member of the Patterdale Mountain Rescue Team, and in her free time she loves to explore the amazing hills and crags of the Lake District.



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## Annex D

### Cashflow forecast and financial assumptions

#### Cashflow forecast:

Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Funds raised	596,313				
Purchase & Stamp Duty	547,127				
Improvements	5,000				
Working capital	14,150				
Net funds CF	30,036	49,625	69,653	90,015	110,722
Sales	£ 174,650	£ 181,636	£ 188,902	£ 196,458	£ 204,316
less COGS	-£ 135,920	-£ 141,241	-£ 146,894	-£ 152,773	-£ 158,887
Less Expenses	-£ 52,232	-£ 54,080	-£ 56,015	-£ 58,043	-£ 60,168
Plus PO income	£ 25,017	£ 25,017	£ 25,017	£ 25,017	£ 25,017
Tearoom net income	£ 8,073	£ 8,695	£ 9,353	£ 10,048	£ 10,782
Net cashflow	19,589	20,028	20,363	20,707	21,059

Aggregate cash generation over the 5 years modelled represents circa £20,000 net PA, demonstrating that if this were a straight investment of £435,000 it would be making minimal returns – hence its unattractiveness to a commercial investor/ operator.

#### Financial assumptions

Our assumptions on which these forecasts are based are as follows:

- We will be able to make staffing cost savings through replacement of salaried staff with volunteers. We have budgeted total staff costs dropping by 25%
- The tearoom will operate broadly in line with the opening hours of the shop and post office, with no additional staff cost due to volunteers
- Both turnover and cost of sales will increase, and we have modelled these in lock-step, giving a constant gross margin. We believe that there are opportunities to both increase sales and reduce cost by better purchasing and perhaps a wider product range, which will improve this position if realised
- We have modelled complete financial years (Year 1 - Year 5) for clarity, however we are likely to take over the shop part-way through a financial year
- Our modelling is based on the historic shop audited accounts for the 5 years from 2020 to 2024 inclusive
- We have modelled the post office income as a flat figure ie no annual increase, as this is partially sales volume dependent, and therefore unpredictable
- All figures are net of VAT.

## Annex E

### Excerpts from the risk register

No.	Risk	Probability	Impact	Mitigation
1.	Failure to secure sufficient grant funding to enable the project to succeed	M	H	1. Strong business plan in place 2. Wide variety of funders approached 3. Actively seek new funding opportunities
2.	The COF funding window may not re-open following the general election on the 4th July 24. This would lead to the loss of a potentially significant funding stream. Or any prolonged delay in the reopening of the funding window after the general election may lead to the loss of opportunity to purchase the existing building and business.	M	H	1. Explore options alternative funding providers 2. communicate the importance of the share offer to achieve maximum investment from the community and further afield. 3. Reach out to our local MP once outcome of the election is known. 4. Keep the current owner of the business informed and maintain continued support for as long as possible
3.	The project takes longer than planned to raise the necessary funds leading to the business being placed on the open market	M	H	1. Maintain good relationship with current owner 2. Ensure timely application for grant funding. 3. Timely launch of the share offer
4.	The Steering Group fail to secure the PO on the current terms	M	H	1. Maintain good relationships with the PO regional manager. 2. ensure timely application to the PO 3. Maintain good relationships with current Postmaster 4. JD for potential Postmaster candidates in place to allow successful recruitment of suitable candidate.
5.	The Management Committee underperforms due to lack of experience or appropriate skill set leading to a lack of confidence and failure secure appropriate funding	L	H	1. Identify any gaps in the skillsets required to ensure a successful outcome. 2. Seek appropriate skill sets required to fill any gaps through the Skills Pool, or further afield. 3. Be aware of our limitations and seek professional support when/if required.
6.	The Financial Services Compensation Scheme provides cover when banks fail up to the value of £85,000 per claim. We have over £345,000 of share capital with the Co-op and there is a risk albeit small that the money could be lost in the event of issues with the Co-op Banking Group.	L	H	Investigate other places to deposit funds such as additional bank accounts, bonds and charitable fund managers.

No.	Risk	Probability	Impact	Mitigation
7.	There is an inherent risk to our IT systems from digital attacks which could result in loss of data or funds. Aspects of cybersecurity risks include loss of data through theft, damage or ransomware; password protection within and external to the Society's systems on our smart devices; protecting our systems against malware and phishing dangers.	M	H	Investigate backing up our data; installing a password safe with two step authentication or enabling this on our Google Drives; and educating ourselves about phishing.
8.	Failure to recruit and retain a sufficient number of volunteers to staff the shop, potentially leading to reduced opening hours.	L	M	1. Raise profile of the need to maintain a bank of volunteers. Advertise opportunities early and maintain a pool of interested people. 2. Create and maintain appropriate induction and training packages. 3. Seek feedback on what volunteer training needs and the quality of training received. 4. Maintain a point of contact for volunteers so that they have a known contact. 5. Appoint a suitably skilled single point of contact to manage the volunteers and to manage the staffing rota. 6. Make volunteer rota visible to all volunteers so that gaps are easily visible and can be filled quickly.
9.	Lack of suitable numbers of volunteers willing to undergo training in Post Office and food hygiene procedures leading to inflexibility of workforce and poor customer service	L	H	1. Use volunteer questionnaire to identify those unwilling to undergo training and prioritise those who are willing. 2. Arrange inhouse training wherever possible 3. Arrange group training wherever possible to reduce anxiety and increase support. 4. Be open and share information about what is involved 5. Provide opportunity for those worried about the training to speak privately to a member of the management team.

No.	Risk	Probability	Impact	Mitigation
10.	An accident or incident on the premises leading to injury of a member of staff or customer	M	M	1. First aid training provided to an appropriate number of staff. 2. Clear instructions available on how to deal with specific incidents including appropriate contact numbers. 4. Appropriate and well maintained safety equipment available, visible and in working order 5. Standard operating procedure produced where appropriate and available to all staff. 6. Appropriate insurance policies in place ie, Public Liability.

## Annex F

### References mentioned within this document

<https://www.lakedistrict.gov.uk/planning/conservationareas/hesketnewmarketca>

[https://www.bbc.co.uk/cumbria/content/articles/2005/08/16/your\\_community\\_edden\\_hesket\\_newmarket\\_feature.shtml](https://www.bbc.co.uk/cumbria/content/articles/2005/08/16/your_community_edden_hesket_newmarket_feature.shtml)

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<https://northernfellsgroup.org.uk/>

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