



RAINBOW PROJECT LYMINGTON ROAD HIGHCLIFFE BUSINESS PLAN

**Highcliffe Residents Association CIC
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EXECUTIVE SUMMARY

The Rainbow Project will deliver a refurbished Grade II school and associated caretaker's house for community use. This is Phase 1 of a larger project. Phase 2 will see the acquisition of two houses on the adjoining site owned by Christchurch Borough Council and the development of affordable housing.

The Old School, caretaker's cottage and adjoining carpark in Highcliffe, Dorset, will be transferred to the ownership of HRACIC at the end of June 2011. HRACIC, a community owned and led organisation which is also a Community Land Trust, will refurbish the buildings and will lease most of the Old School back to the Rainbow Nursery CIC. The building will provide space for community use, including space for youth provision, which does not exist in the village at present. The caretaker's house will be let at a commercial rent to support the running and maintenance of the Old School, but preference will be given to a local tenant, and a rent reduction could be negotiated in return for caretaking duties.

HRACIC is a longstanding community organisation first formed in 1945, which has about 6,000 members who pay a subscription to belong to the CIC. Over the past few years, they have worked in partnership with both local authorities to deliver a range of physical improvements to Highcliffe, including renovating footpaths and the 'High 5' project for young people. HRACIC has received overwhelming support from the local community for the asset transfer of the Old School to community ownership and use and will work in partnership with their anchor tenant, the Rainbow Nursery CIC to ensure the successful delivery of the project.

The Rainbow Project aligns with the strategic objectives of HRACIC and also has its own objectives to ensure that it meets local needs. The strategic objectives for the project are:

- to work in partnership with others to provide a range of accessible and affordable community and leisure opportunities
- to build the capacities of the local community
- to work towards financial independence for the Rainbow Project.

A fundraising and marketing plan has been prepared for the Rainbow Project and this has been aligned with the financial plan, which includes a financial risk assessment in addition to a risk assessment for the overall project.

Dorset County Council has offered to contribute £10,000 toward the refurbishment of the Old School and will also support HRACIC in the drawing up of tenders and in the management of the tender process. HRACIC is seeking £50,000 from the Adventure Capital Fund as a 60:40 split of grant to loan funding. This will enable urgent capital works to be undertaken and will secure the financial viability of the project. The total funding required for the capital programme is £79,313, which is split as follows:

- Dorset County Council - £10,000 (13%)
- Adventure Capital Fund – Loan - £30,000(38%)
- Adventure Capital Fund – Grant - £20,000 (25%)
- HRACIC – own funds £19,313(24%)

The financial modelling indicates that the project will be sustainable from Year 1 and that the loan repayments can be covered if we use HRACIC reserves in the first year to commit to the cash flow **See Financial Plan: -Cashflow**

2. INTRODUCTION

LEGAL STATUS AND HISTORY

HRACIC

Highcliffe Residents Association was formed in 1945 and, in April 2007 became a Community Interest Company (HRACIC). HRACIC is also constituted as a Community Land Trust. The organisation has approximately 6,000 members (3,800 households). Each household pays £2 per year membership. There are between 50 and 100 active members.

Highcliffe is a village in Dorset with a predominantly elderly population. HRACIC has worked with Christchurch Borough Council on a number of projects to improve the local area and amenities, including the renovation of the footpaths around the seafront which has enabled residents and visitors to enjoy Highcliffe's unique position on the south coast. However, to date, facilities and resources have focused on Highcliffe's elderly residents.

HRACIC identified a need for facilities for young people, which were lacking in the area, particularly facilities, which could be accessed, independently by young people. A further concern was that young people were perceived as a problem, and were not integrated into the life of the community. HRACIC, in partnership with Dorset County Council and Christchurch Borough Council completed a 'High 5' project in 2010 which has been extremely successful and has helped to address this imbalance. The High 5 project is an adventure playground with a Play Zone & two shelters (type 5) Creation of youth equipment provided opportunity for increased physical activity amongst the variety of young people aged 8-16yrs. Young people were involved in planning the project, which has given them a positive profile within the community, encouraged them to take part in constructive activities and aided their physical and social development. Fear of crime has been reduced and an open space in the centre of the village has also been enhanced.

HRACIC produces a full colour newsletter on a quarterly basis, which is distributed by volunteers to all members. The newsletter is supported by advertising from local businesses and keeps residents in touch with events in the village as well as the activities of HRACIC. It is also a useful means of canvassing opinion and seeking support for projects, including the Rainbow Project.

HRACIC has no premises of its own. Dorset County Council has agreed to transfer the Old School building at 254/256 Lymington Road, Highcliffe to HRACIC This will provide office accommodation for the organisation as well as ensuring the continuation of the partner CIC, the Rainbow Nursery, and will offer space for a wide variety of community activities. Sections 4 and 5 of this business plan give further details of the project.

THE RAINBOW NURSERY

The Rainbow Nursery is a key partner in the development of the Rainbow Project and will be the anchor tenant to HRACIC.

Rainbow Pre School is a community Nursery and has been running for approximately 20 years. The Nursery has 8 staff who are fully qualified in Early years childcare and they support the surrounding schools and Colleges for their work experience and College NVQS. Sue Dimond has been Nursery manager for 5 years and has a NVQ 2 -3 -and 4 in early years childcare, her other qualifications include Senco ,/ Enco / safeguarding children, Pediatric first aid ,health and safety .food hygiene amongst others.

The schools vision for the future is to continually provide quality and affordable childcare for the community and surrounding areas. Over the past few years the school has been very busy on the morning sessions and as such are opening afternoons. They now plan to run a healthy eating lunch club. ,as well as a mother and toddler session.To sustain our costly overheads we let the building out to the Highcliffe Charity Players and Highcliffe brass band to do their weekly rehearsals.

The rainbow group will also let the building to Brockenhurst College to do some of their courses and also to Dorset training providers to do their various training courses including Health and Safety, First aid etc.

The group envisages with a secure tenancy they can continue to provide a successful and rewarding benefit for the whole community,

Rainbow Nursery is also a separate Community Interest Company and is owned by three directors who work at the nursery and live locally. Sue Dimond who leads the nursery Group in HRACIC is one of the three managers who live in the local community.

GOVERNANCE

The Articles of Association for HRACIC state that there should be no fewer than two directors, but there is no maximum number of directors. Details of directors are shown in the table below, together with a summary of their skills and experience. The directors set the strategic direction for HRACIC and are responsible for the viability of the company, including regular monitoring of operational performance and financial targets. This will include monitoring of the Rainbow Project.

NAME	POSITION ON BOARD	SKILLS AND EXPERIENCE
John Mather	Chair	Twenty years experience in corporate business and five years experience of running his company. Active in the local community.
John Morgan	Treasurer	Ex RAF Logistics Officer.
Vernon Lester	Director	40 years experience of running own companies as both landlord and tenant of commercial properties.
Susan Newman Director		Experienced lecturer at Brockenhurst College

Directors for HRACIC are selected at the annual AGM by ordinary resolution of the members or by the decision of the directors. Posts are advertised openly in the quarterly *Update* newsletter produced by HRACIC and are also placed on HRACIC noticeboards. A specification is used which sets out the requirements and skills, which are needed, and potential Directors are interviewed by current directors to make sure they meet the specification

An Executive Committee who deals with the day to day running of HRACIC supports the directors. Details of Executive Committee members and their roles are shown below:

NAME	ROLE ON EXECUTIVE COMMITTEE	SKILLS AND EXPERIENCE
John Gregson	<i>Update</i> editor	Manager Christchurch Health Centre
Rob Austin	Roads and Transport	Musician
Nikki Evans	Admin	Manager in a Bank
Ben Price	Community	Attending local comprehensive school

	Services	
Vince Cable	Advertising	Printing Marketing Manager
Ann Thompson	Chief Roadwarden	Local community worker
Leonie Cook	Newsletter	Graphic art consultant
Sue Dimond	Youth Adviser	Director Rainbow Nursery
Steve White	Press Officer/website	Retired Manager IT
Adrian Thorne	Members Noticeboards	Manger of Estate Agency.

HRACIC have ten scheduled meetings each year of which four are general members meetings. The executive and directors attend each meeting to report on their respective roles and minutes are taken at each meeting.

The constitution of the CIC precludes local councilors being directors, but they attend the four members meetings each year and are keen supporters of our projects at County and Borough level.

VISION STATEMENT

HRACIC's vision is

To improve the quality of life and opportunities for people who live, study and work in the Highcliffe area through sustainable, community led regeneration.

To work closely with partner organisations and communities to ensure that the area is safe, healthy, inclusive, socially and economically vibrant.

OUR VALUES

HRACIC has a set of core values and beliefs which underpins everything it does.

We value:

- the skills and expertise of community sector organisations
- working in partnership
- diversity of views and solutions
- honest and open dialogue

We believe that:

- local communities should be at the heart of everything
- individuals should be respected and valued
- a joint solution is the best solution

STRATEGIC OBJECTIVES

HRACIC

The strategic objectives for HRACIC are:

- To combat social exclusion through empowering individuals, groups and communities.
- To tackle financial exclusion through support, advice, training and job creation.
- To protect the environment through recycling, local procurement and saving historic buildings.
- To generate wealth through property and social enterprise development

THE RAINBOW PROJECT

The Rainbow project aligns with all these strategic objectives. The project also has its own objectives to ensure that it meets local needs. The strategic objectives for the project are shown below together with key targets for the first year of operation:

Strategic objective 1

To work in partnership with others to provide a range of accessible and affordable community and leisure opportunities

- contact potential community group users of the Rainbow Centre
- plan and implement annual programme of activities
- evaluate performance and prepare plan for second year

Strategic objective 2

To build the capacities of the local community

- identify voluntary and paid opportunities for local residents which will contribute towards the success of the Rainbow Centre
- identify gaps in provision and seek to meet these in partnership with others
- support and encourage vulnerable people to use the Rainbow Centre

Strategic objective 3

To work towards financial independence for the Rainbow Centre

- set and monitor financial targets including cash flow
- set and monitor targets for bookings, including bookings for large scale events and public events
- identify business development opportunities which would create additional earned income

3 LOCAL AND STRATEGIC CONTEXT

EVIDENCE OF NEED

Highcliffe is part of Christchurch Borough, an area of approximately 5,169ha and a population of 45,824 in 2008. The vast majority of the population live in urban areas, but 70% of the area is open countryside, harbour or coast. The proportion of residents of working age in the Borough is relatively low at 50% (ONS 2008). The demand for housing is high and there is a significant lack of affordable housing. Housing land supply is affected by environmental constraints, in particular, flood risk and proximity to heathland as well as Green Belt and infrastructure constraints. Wage levels are below the national average.

Highcliffe has seen the closure of its youth club. The Police station offers a reduced service and faces closure. Christchurch Job Centre faces possible closure.

The Old School, which is the focus for the Rainbow Project, is an iconic local building which provides a focal point for the community, many of whom attended the school when it was in operation. The building, which is Grade II, listed in now in need of complete refurbishment and structural repair.

COMMUNITY CONSULTATION AND MARKET RESEARCH

The 6,000 members of HRACIC have been surveyed twice over the past three years about the Rainbow Project. This has resulted in overwhelming support for the community to take ownership of the Old School and to expand the activities and services offered at this site.

This consultation has indicated that the local community would support the following activities:

- continued use during the day as a nursery school
- Social activities, such as bingo, in the main hall
- Childcare and activities for children and parents, inc. single and working parents
- Activities for the elderly
- Meeting space for clubs and societies
- Learning activities, especially in IT skills

- Space and activities for young people, aged 12-16

The target beneficiaries for this project are those people living within the Highcliffe area, especially those who are excluded from taking part in social and other activities through physical or economic disadvantage. The purpose of this project, therefore, is to create opportunities that are appropriate and accessible to this target population.

The Centre will also enable ongoing community engagement to take place, which will be used to provide new services and activities or to further develop existing provision. Initially, feedback will be sought from users of the Centre and a user group established so that service provision can be locally managed, tailored to local needs and made more accessible to target groups, in accordance with HRACIC's strategic objectives.

LOCAL LINKS

HRACIC has quarterly members' meetings, one of which is the annual AGM. Local councillors attend each meeting at which briefings and updates are given to residents about activities within the village and progress on projects supported by HRACIC.

This close working relationship has enabled the community to effectively represent its needs and wishes to local authorities, Dorset County Council and Christchurch Borough Council. The most recent projects completed by HRACIC have been carried out in partnership with the local authorities.

Members of the HRACIC Executive Committee also attend relevant local meetings at which planning and transport issues are discussed. HRACIC has good links with other local community and voluntary associations and are also in dialogue with the local RSL with whom they are working closely to develop Phase 2 of the Rainbow Project.

4. RAINBOW PROJECT

DESCRIPTION OF PROJECT

The Rainbow Project consists of two phases:

Phase 1

Phase 1 involves the asset transfer of the Old School and associated caretaker's house to the ownership of HRACIC.

Phase 2

Phase 2 involves the asset transfer of housing next to the Old School currently owned by Christchurch Borough Council, the refurbishment of the existing two houses and the building of four affordable houses in partnership with the RSL.

This business plan focuses on the implementation of Phase 1 of the Rainbow Project.

ASSET TRANSFER

The Old School and the associated caretaker's house are both Grade II listed buildings currently in the ownership of Dorset County Council. Most of the Old School is used by the Rainbow Nursery, a partner CIC to HRACIC for the delivery of Phase 1 of the Rainbow Project. The caretaker's house has been unoccupied for some years.

Dorset County Council propose to transfer the Old School, the caretaker's house and associated parking at the rear of the site to HRACIC at the end of June 2011 at no cost, but with a £10,000 legacy as a contribution towards some of the urgent repair works that are needed.

Both buildings are in need of refurbishment. HRACIC have had a full structural survey of the buildings carried out and have identified a list of urgent capital works that need to be carried out in Year 1 – see **Appendix 1** of this business plan. However since this survey DCC have indicated they would prefer to assist by a cash injection into the project instead of completing the work themselves and this is reflected in the capital cost **attached**.

HRACIC have contacted the Planning section of Christchurch Borough Council (CBC) and the Conservation Officer at CBC to investigate the listed building consents, which will be needed. Included in the new plans are the drawings for the minor internal alterations.

Dorset County Council has agreed to provide support to HRACIC to draw up tender documents for the Year 1 capital works and will also advise and assist when the tenders are returned.

COMMUNITY BENEFIT

Consultation with local residents has indicated strong support for the acquisition of the Old School by HRACIC. The building will be divided internally to provide space for HRACIC and the Rainbow Nursery – see **Appendix 2** of this business plan for a floor plan. A ground plan is in **Appendix 3**

This will ensure the continuation of two local CIC's, both of which are locally owned and managed organisations, and will also provide space for local community groups such as the local band, rehearsal space for the local theatre group and space for youth activities for which there is currently no local provision.

The caretaker's house will be refurbished and offered at full market rate to support the operation of the Old School and ensure its continued financial viability. However, preference will be given to local residents and consideration will also be given to rent reduction in return for caretaking services to the Old School.

OUTLINE PROJECT PLAN AND TIMESCALES

The table below sets out the key actions that need to be taken in respect of the asset transfer and timescales.

ACTION	TIMESCALE	COMPLETED
Carry out full structural survey		Yes
Appoint legal advisers		Yes
Liase with Conservation Officer and agree works/obtain necessary permissions	End June 2011	
Draw up tender documents for urgent work	End June 2011	
Asset transfer completed	End June 2011	
Launch funding appeal	June 2011	
Complete funding bids	June 2011	
Carry out structural repairs	End August 2011	
Seek tenant for caretaker's cottage	October 2011	

RISK ASSESSMENT

The table below outlines and assesses the key risks to the Rainbow project.

Description	Impact	Probability	Existing controls	Action required	Lead Responsibility
Construction and pre construction					
Listed building consent refused for proposed works	High	Low	Informal discussions with local authority and seek advice from ATU	Modify plans if necessary	HRACIC
Funding not secured	High	Medium	HRACIC to liase with ACF/Community Builders	Fund raise locally Keep local MP informed	HRACIC
Disruption of decanting nursery	High	Low	Schedule work around school holidays	Draw up decant plan	Rainbow nursery
Running of Old School					
Insufficient staff resources	High	Low	Nursery Manager	Regular reports to HRACIC.	Rainbow Nursery
Lower than anticipated bookings	High	Medium	Nursery Manager	Strong pre-opening marketing and booking	Rainbow Nursery
Vandalism/anti-social behaviour	Medium	Low	lighting support from residents and CPSOs	Community policing	Police in liaison with Rainbow Nursery

SOCIAL IMPACT

HRACIC is a community based organisation and recognises the importance of social impact mapping to measure the social, environmental and economic return on the investment made in Rainbow Project.

HRACIC, together with the Rainbow Nursery, will undertake this evaluation in a number of ways:

- **Evaluating the experience of users** through measures such as satisfaction surveys, feedback forms and suggestion schemes;
- **Actively seeking the views of users** by setting up a users forum to evaluate existing services and plan for new ones;
- **Identifying a suitable social impact measurement tool** such as the Outcomes Stars Measure (Community Star) – see www.outcomesstar.org.uk

The Community Star enables progress to be measured against six outcomes:

1. Feeling safe
2. Getting to know people
3. Making a difference
4. Building a healthy lifestyle
5. Making greener choices
6. Confidence and learning

5. OPERATION OF THE RAINBOW PROJECT

The Old School will be sub-divided as shown in the floor plan in **Appendix 2** of this business plan. The Rainbow Nursery will be the anchor tenant for HRACIC, occupying the majority of the building. They will provide secure rental income and will also pay their share of the running costs. To assist them with the rent increase from the £50/month rental under Dorset County Council ownership Rainbow Nursery will be in control of running other community led activities in the new area marked out in the Floor plan but will also be responsible for the cleanliness of this section when they are active as well as when their community activity is taking place.

HRACIC will occupy the remainder of the building and will let the area out for other community use. The current executive of HRACIC will manage this section and we will be looking for some long-term commitments from community use.

The refurbishment and letting of the caretaker's cottage is a fundamental element in the business planning for this project and is critical to ensuring the long term financial sustainability and viability of the Rainbow Project.

Within HRACIC directors we have a strong experience of management of building projects and letting buildings out to the community however we envisage a specialist letting company to be looking after the caretakers cottage tenancy arrangements. This will reduce the revenue but the paperwork and administration is crucial to the success and hence a strong local letting company will assure the tenancy is secure.

The directors of the management and running of the project will carry out regular reviews with attention to the financial running of the whole project.

6. FUNDRAISING AND MARKETING PLAN

Fundraising and marketing of the resources of the Old School will be led by HRACIC in partnership with the Rainbow Nursery CIC. A member of the HRACIC Executive Committee has dedicated responsibility for leading the fundraising and marketing strategy. A meeting to launch a local fund-raising campaign will be held in June 2011 and details and progress reports will be included in the *Update* newsletter. Key ideas for fundraising are outlined below:

Fundraising events: these will be held in the Old School to continue to raise the profile of the building as a centre for community based activities. Events planned include a masked ball, a barn dance and film evening. A very successful fete was held recently which raised £8,000 and it is planned to replicate this to raise funds for the Rainbow Project.

Sponsorship: the Rainbow Nursery has been particularly successful in attracting sponsorship from local businesses, for example, the outside of the Old School has been re-painted free of charge. They will lead on this element of fund-raising. Local residents will also be asked to 'sponsor a brick' in the building.

Donations: HRACIC will form '100 Club' where 100 local residents will be asked to pledge up to £1,000 towards the cost of re-furbishing the building in return for having their names put on a plaque or for having a room named after them.

Volunteer help: the local Community Payback scheme has agreed to undertake work on the outside of the building clearing gutters and cleaning up. They may also be able to carry out internal decoration.

Once the initial capital work on the Old School building has been completed, a detailed marketing strategy will be prepared. This will include regular advertising in the *Update* newsletter and on the noticeboards around the village owned by HRACIC, as well as regular press releases.

7. FINANCIAL PLAN

Both the Old School and the caretaker's house are in need of refurbishment. These works can be phased over a period of time. In making an assessment of how the work will be phased, HRACIC will consider the need to:

- make the buildings structurally sound;
- enable the Rainbow Nursery to continue to operate smoothly;
- ensure that income is maximised;
- ensure that the work is carried out in accordance with any listed building requirements.

Dorset County Council has provided the funding to repair and stabilise the west wall, which is the structural element of the building, which has caused concern. This can therefore be undertaken during the school holidays after the asset transfer has been completed.

HRACIC has applied to a number of Organisations for funding, but has been refused because it is a CIC and not a charity. Sources of funding are therefore very limited, although the organisation is actively fund-raising – see Section 6 of this business plan.

Capital costs:-

With the aid of our building surveyor, we have calculated the initial capital costs of the project to be approximately £32160 and these are detailed on the attached spreadsheet.

These include the essential repairs to the building which he has identified as urgent, and this would enable us to make it safe and fit for purpose. We have allowed another £36000 to renovate the cottage, which we see as an essential element of our business plan in order to produce sufficient income to make the project viable. This total comes to £68,160.

Other repair and maintenance items have been identified, but these are non-urgent and can be done over time. We have made an allowance for these in our figures for years 1 to 3.

We aim to fund the above with a mixture of grants, a loan & some of our own funds.

Running costs:-

We have used actual up to date figures wherever possible and estimate that the rental income for the cottage (based on current market rents), would be about £12000 p.a. but have used a lower figure of £9600 to allow for void periods, and reduced it by half in year 1 to allow time for the renovations.

The nursery school currently benefits from a low rent of £600 p.a. since they are unable to afford anything like a commercial rent and remain viable.

We have reached agreement on a starting figure of £4200 p.a. with them being responsible for a proportion of the utility bills and internal maintenance. We are agreed on a 5-year lease with rent reviews after 6 months and 30 months. The tenant would not have the automatic right to renew at the end of the term.

Vat is shown on all figures and allowances have been made for inflationary cost increases in years 2 and 3.

The capital costs of £68,160 includes £56,800+VAT. The cash flow year one has a separate line for legal and surveyors (design) cost and hence the £4,300 has been taken out of £56,800 to leave building at £52,500 plus we have included an extra

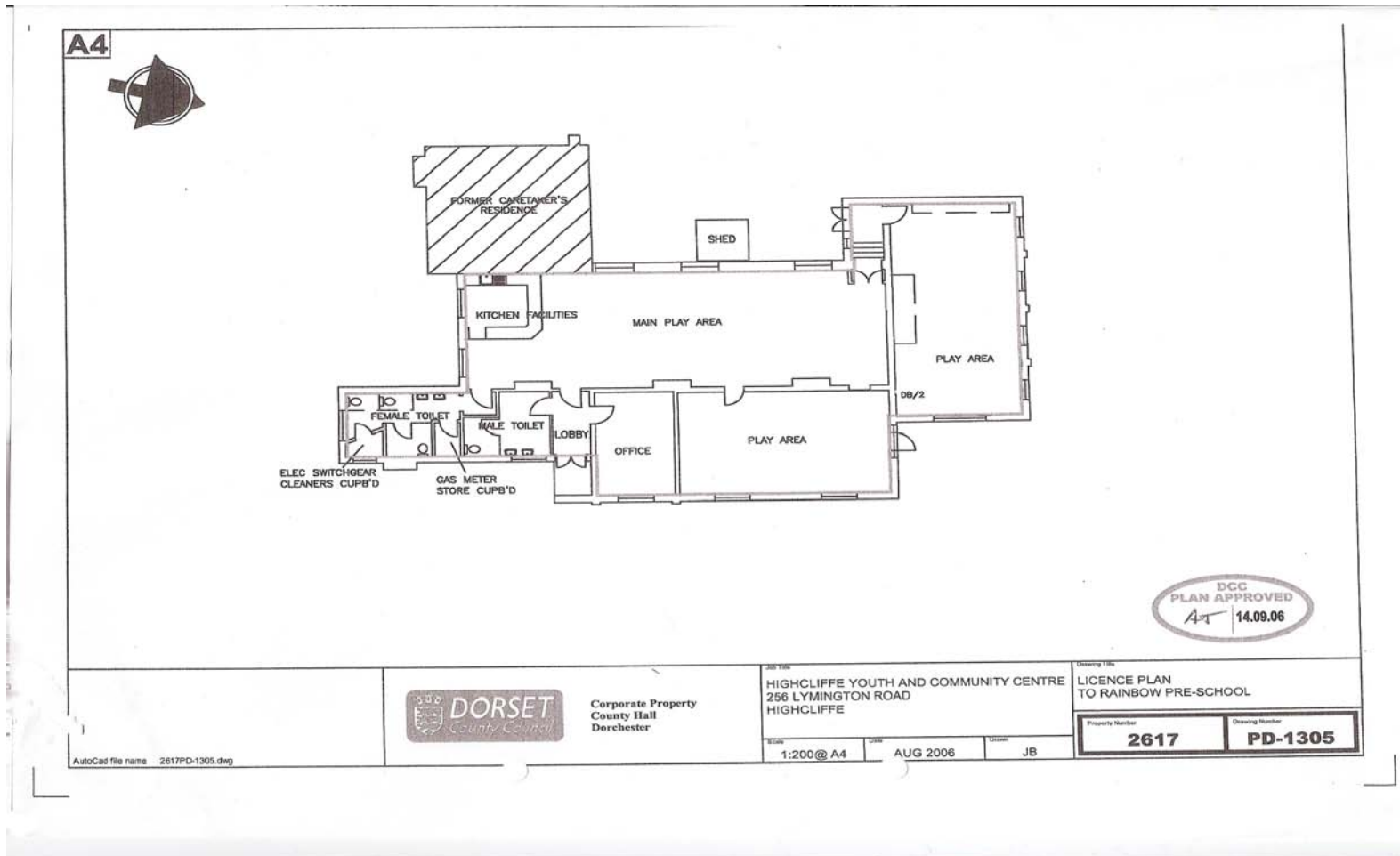
£5000 for maintenance. The Interest and capitol is based on the 60-40 ACF ratio. The running costs (own/insurance) figure of £1328 represents 30% utilities and insurance which have been split the nursery (based on square area used) and 30% HRACIC. The VAT figure is now taken from the building £52,500 + £3300 legal's and 1000 design + £5000 maintenance; times 20%= £12,360. Totaling all this the figure comes to £79,313. The £19,313 deficit will come from existing HRACIC funds even if no Marketing funds are donated. Other assumptions are the majority of work done between August 2011 and January 2012 and rent from the cottage comes in after work finishes January 2012. HRACIC start clawing back the input of £19,313 from March 2012 and by the end of the first year is minus £10,013. HRACIC have been granted 100% reduction in business rates on the main building and the cottage will be a band C rateable value paid for by the tenant. We have also included some figures as a sink fund for continuing work on the building.

Cashflow year 1:-Attached Appendix 1
List of Capitol Works and 3 year running costs attached
Photograph of building today



No.	Date	Revision	Drawing	Date	Scale	Dwg No
			Rainbow Nursery (formerly Highcliffe CE Controlled School)	07.08.2007		1056.Pln.01
Project: Highcliffe CIC (Community Interest Company)			All dimensions to be checked and noted		This drawing is copyright of DUK	
			Beechnut Studio Bramble Lane Christchurch Dorset BH23 5ND T: 01425-276252 F: 01425-270101 e: arch@beechnutstudio.com			

APPENDIX 2 – FLOOR PLAN OF OLD SCHOOL



Appendix 3

Ground plan

