

Lismore Church

The Cathedral Church of St Moluag

Business Plan for the Lismore Church Futures Group



Final Report

June 2024



Lismore Church

Business Plan



Final Report

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1.0 Introduction

1.1 Lismore Church Futures Group

Lismore Church Futures Group (LCFG) is leading and developing the project. The community organisation is a registered Scottish Charitable Incorporated Organisation (SCIO) and has been specifically established to investigate the potential of taking ownership of the Church and Church House and to develop and implement the purchase and future operation of the venture.

The purposes of the SCIO 'Kilmoluag Lios Mor' are outlined below and provide key parameters for the business plan:

1. The protection, maintenance and sustainable use of the Cathedral Church of St Moluag building and Church House for the benefit of the Community, compatible with the site's historic importance and spiritual history.
2. To promote and raise awareness and understanding of the archaeology, heritage and spiritual history of the Church and its surroundings, and its importance in a national context.
3. The advancement of the arts, heritage, culture and / or science through the creation, improvement and on-going support of associated sites, infrastructure and activities.
4. To stimulate interest in, and care for, the beauty, character and environment of Lismore.
5. To encourage the preservation, development and improvement of the island's features of general public amenity or historic interest.
6. The advancement of education, lifelong learning and skills development through the creation of, and support for, education and training infrastructure and activities.
7. The advancement of citizenship and civic virtue by raising awareness of the historical and cultural significance of Lios Mor and engendering Pride of Place; by promoting understanding of human impacts on landscape and environment; and by providing and promoting opportunities for active involvement in the protection of natural, cultural and built heritage.
8. In pursuance of the above objects and as a means of generating funds to support its activities the organisation will engage in the ownership, leasing and management of land, buildings, vehicles and other community assets.

1.2 The Church and Church House

Lismore Parish Church was created from the ruins of St Moluag's Cathedral in c.1750. The earlier cathedral was commenced in the 1250s, likely on, or near, the site of the earlier Christian monastery set up by St Moluag. Today, the building is listed, Category B, and the wider site is a scheduled monument, including the ground below the current church. The church stands in a commanding position in the landscape on the main spine road of the island and is surrounded by a graveyard. A full historical review and statement of significance for the church can be found in the Conservation Appraisal undertaken as part of the Feasibility Study.

The church house is a 1980s single storey bungalow. The house sits on the opposite side of the road to the church and on part of the former Glebe land which is rich in archaeology. Construction of the house is likely to have resulted in disruption to any archaeological remains in the immediate vicinity.

For a more detailed understanding of the site, please refer to the Feasibility Study.

1.3 This Business Plan

LCFG was established in 2023 in response to the intended disposal of The Cathedral Church of St Moluag on Lismore by the Church of Scotland (CoS). The CoS assets include the Church, Church House and the surrounding Glebe Land. The Glebe land is now subject to a transaction between CoS and the current tenant and is therefore not part of the assets available for community purchase.

A Feasibility Study was produced, led by Studio Niro, to assess the potential for the community to purchase the church and church house and to appraise a number of options for its use and associated architectural proposals. The study was completed in March 2024 and adopted by LCFG. The Feasibility Study (equivalent to RIBA Stage 0-1) includes:

- Condition Survey of the Church
- Conservation Statement for the Church
- Context and Market Appraisal
- Options Appraisal for the Church and Church House

This Business Plan is the next stage in the process and progresses the Feasibility Study by developing a business model for the project and a clear way forward towards project delivery.

2.0 Project Proposal

2.1 Preferred Option

The detailed options appraisal within the Feasibility Study confirmed that there were viable options for the community taking ownership of the church and church house and recommended:

1. Purchase only the Church – relatively easy to fund and viable if volunteer run. This is a relatively 'quick-win' approach to saving and securing the building and poses the least risk.
2. Purchase the Church and Church House and work towards Option C2 with a phased approach to development in order to strengthen uses, fundraise and generate income through the intermediate house let in the short term. As the long-term ambition, option C2 is regarded as medium risk and allows for greatest future flexibility in terms of uses, new opportunities or constraints.

LCFG presented the feasibility study to the community at a Public Meeting on 5th May 2024, which endorsed the following recommendations:

To pursue negotiations with the Church of Scotland Trustees, for the acquisition of the Church and Church House with a view to implementing a staged conservation, refurbishment and transformative development of these assets, in line with the consultants' recommendations, namely:

- 1 *To undertake a full programme of conservation works to the Church, entailing the stripping back of the building to reveal its medieval core and restoring its fabric to the standards required by Historic Environment Scotland (HES) for a building of this significance; to meet current regulations and guidance; and providing a fully accessible access at the west end via the new graveyard - subject to negotiations with Argyll & Bute Council*
- 2 *To provide the minimum facilities in or immediately adjacent to the Church, to enable it to function as a flexible space for a range of compatible uses as set out in the consultants' report, including the removal in large part of the pews; and of the balcony in its entirety*
- 3 *To devise a range of functions for the Church House suited to each stage of the asset development programme, towards the ultimate vision of a multi-use, flexible building, both supporting activities in the refurbished Church, as well as providing options for beneficial activities itself.*

And the community endorsed the project vision:

The ultimate vision is to create a set of assets honouring the extraordinary history of this location and its medieval importance, as well as its enduring power to inspire and elevate, through interpretation and multiple uses compatible with this heritage; a flexible, uplifting space - supported by the adjacent flexible and multi-use building - in a newly interpreted local landscape.

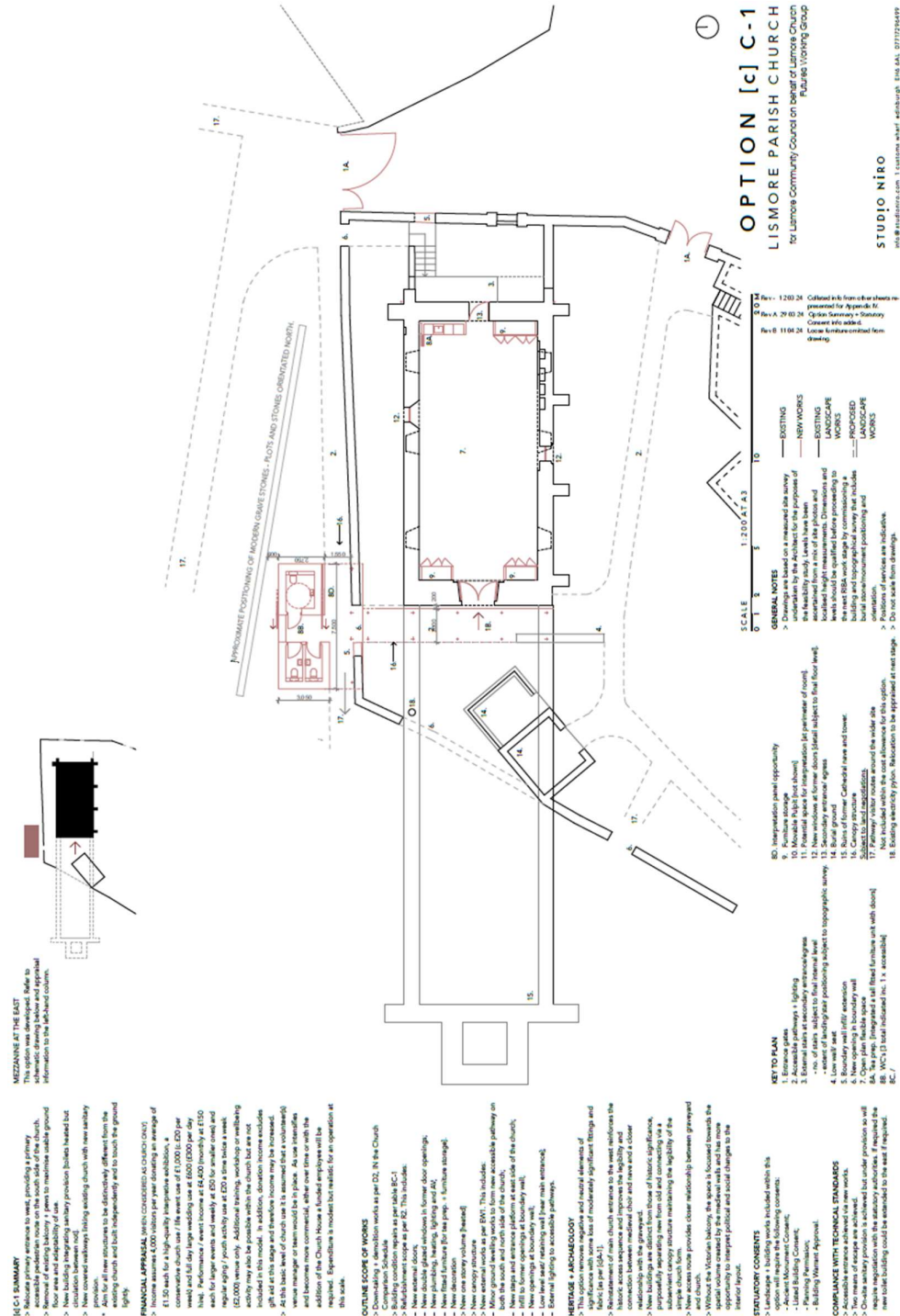
Rob Robinson **Heritage Consulting**
June 2024

The options agreed by LCFG to be progressed in the business plan are:

- For the church, option C-1
- For the church house, option A-1 followed by C-2

Church Option C-1 (subject to further land negotiations)

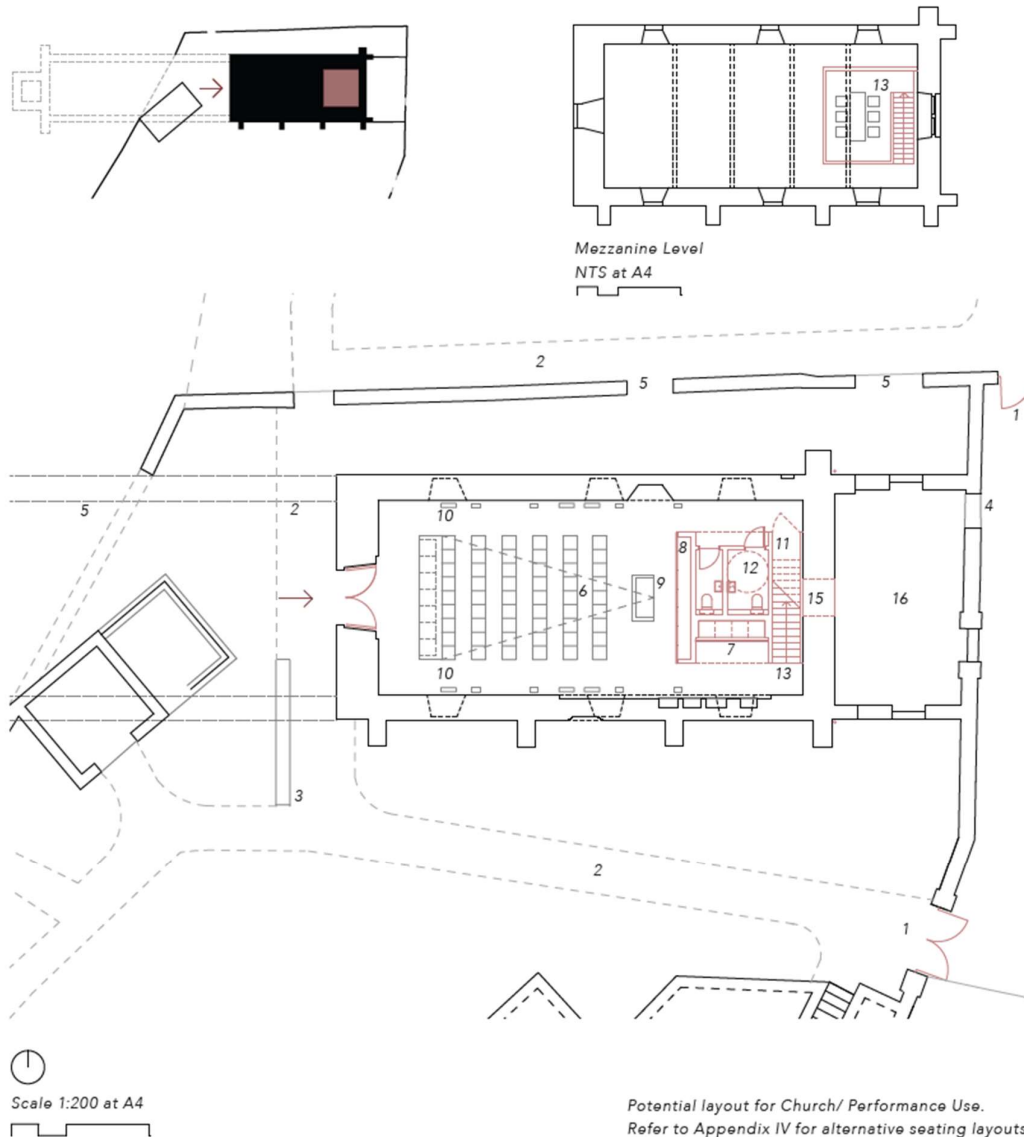
Note that more detailed plans are available in the Feasibility Study.



Option C-1 results in a restored building and a flexible space within the church and allows for the building to operate predominantly independently of the church house. It has toilet, including disabled toilet, facilities in a new outbuilding and a tea prep area within the church. As noted, the option is subject to further land and access negotiations and therefore as a fallback option B-2 is proposed.

Church Option B-2 (facilities inside church at west side)

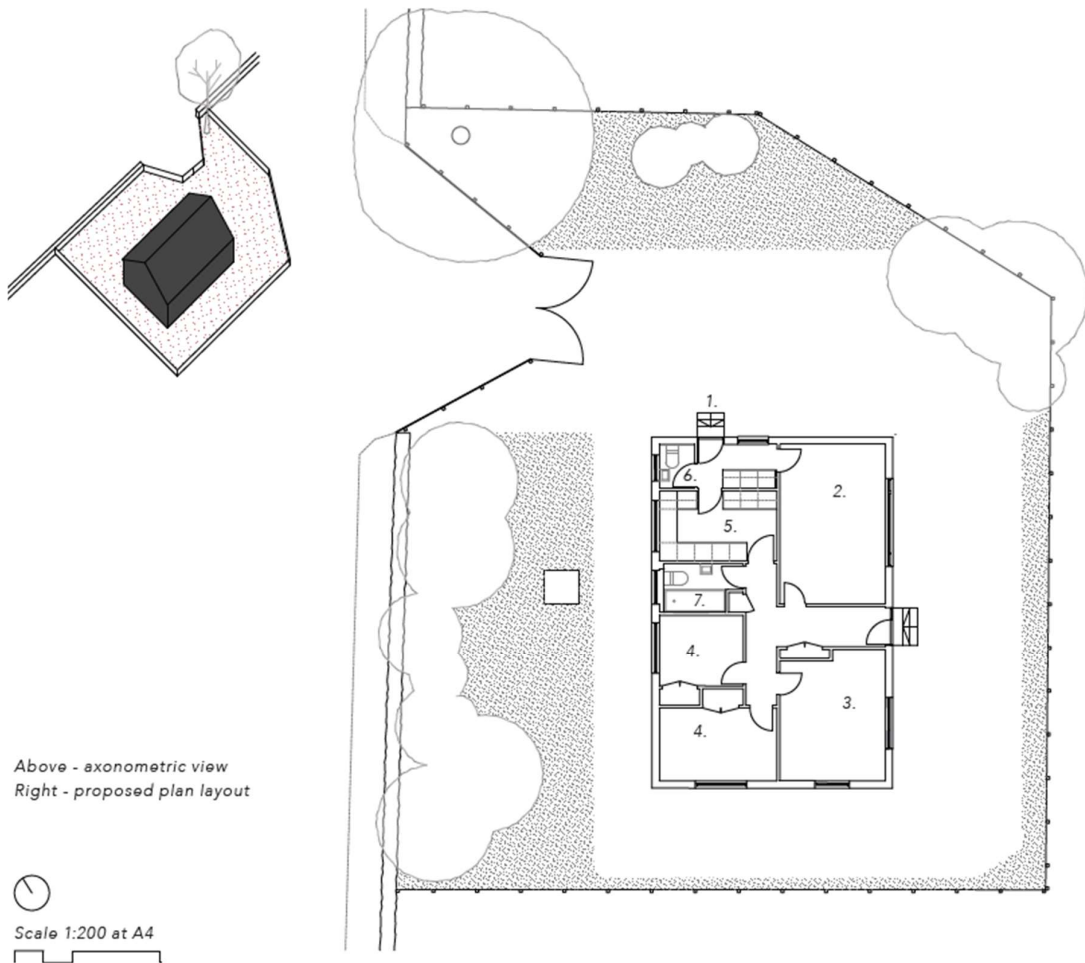
Should land not be available for the toilet facilities, these will be brought into the church building. The preferred location for these would be at the west end of the church, however no plans are available. The plans below show the facilities at the east end, although the costs will be similar.



Church house Option A-1 (short term rental)

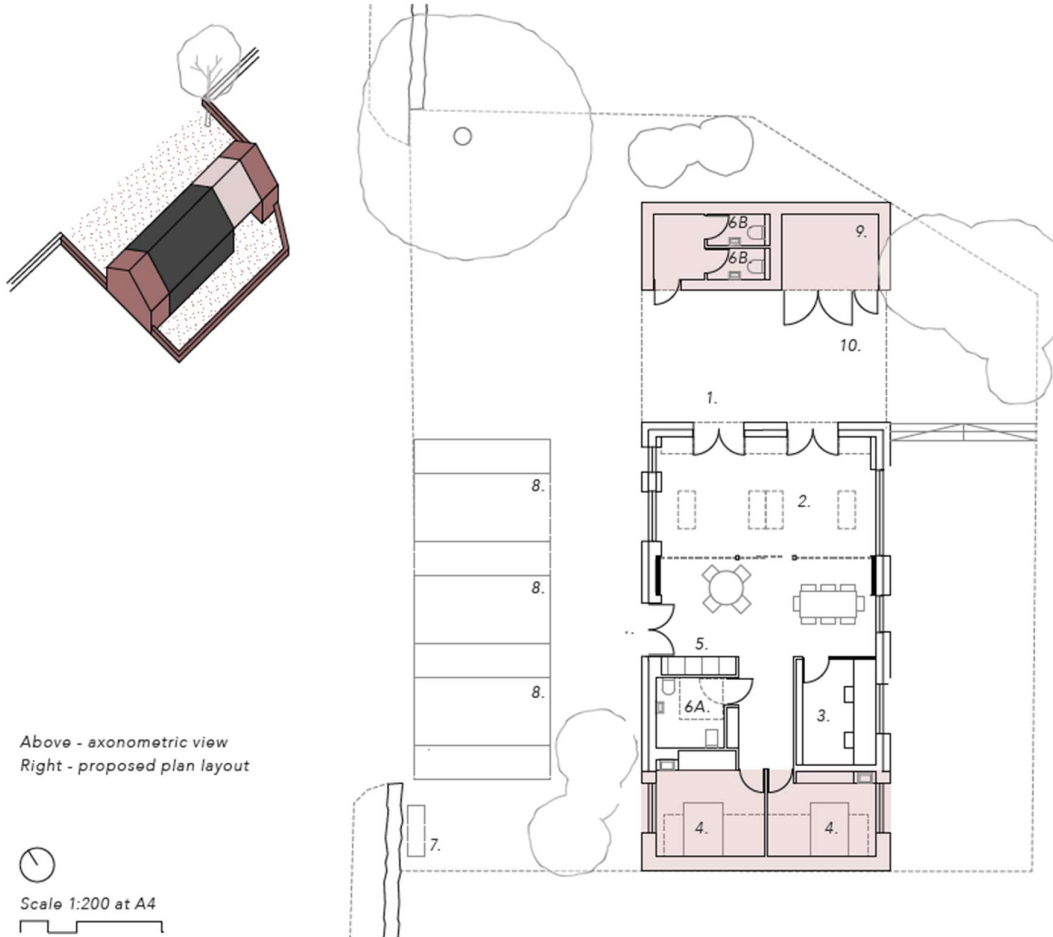
The preferred option for the short term will be to refurbish the house as it is, bringing it up to a lettable standard. This will require a new mains-wired fire detection system and internal decoration throughout to walls, ceilings and woodwork. No ground works are proposed therefore there is no impact to the archaeology of the site.

It is proposed that the house is rented out as a source of income while the project develops and funds are sourced, and also to be used by contractors working on the church restoration.



Church house Option C-2

The longer-term ambition for the church house will be to extend the building and use it to more actively support the church. It will include two double bedrooms, an office, retail, toilets and flexible space for workshops and activities as well as further covered space to service church events.



2.2 Proposed Uses

The Feasibility Study considered a wide range of uses for the church and church house and investigated the market potential for these. It went on to test the relative financial viability of these within the various design options in order to identify a recommended use mix.

Based on the research and following discussion and agreement with LCFG and the Lismore community, the following core uses are proposed:

For the church

- Ongoing worship (congregation to rent space)
- Venue for life events (venue hire)
- Heritage interpretation (donation income)
- Collaborative space for local groups, particularly elderly, young people, crafters, art groups (venue hire)
- Training / workshops (venue hire and some inhouse provision)
- Artistic / cultural residencies (venue hire – grant funded)
- Performance. creative / artistic events (venue hire)
- Retreats and pilgrimages (package purchase and partner offer venue hire)

For the church house – short term

- Short term private residential let
- Contractor accommodation

For the church house – long term

- Church support facilities (office, additional toilets and storage)
- Church event support (catering, secondary space)
- Overnight accommodation (church users, performers, course leaders etc)
- Visitor retail
- Retreat / pilgrimage accommodation
- Artistic / cultural residencies
- Additional small scale collaborative space for local groups
- Small scale events venue
- Venue for workshops and training courses (both smaller scale courses and in collaboration with the church space)
- Expansion of retreat / pilgrimage offer

These uses have been developed and agreed based on the market review and in discussion with the community to ensure that they utilise the special heritage and spiritual qualities of the church and do not compete with the existing community hall on the island (or its potential future replacement). The potential income from these uses are addressed in the next section.

3.0 The Business Model

3.1 Market Summary

A detailed market appraisal is provided as an appendix, covering the resident and visitor markets, tourism trends and project specific markets relating to proposed uses. Key elements of note for the Business Plan from the market appraisal include:

- Lismore has a resident population of only 187, of which almost 60% are 55 or over, although it does draw on a local mainland population of almost 10,000 people.
- Scotland's visitor market is now close to pre-pandemic levels, with growth (pre and post pandemic) fuelled by the domestic Scottish market. Scenery and landscape is the primary motivator (50% of people) for visits followed by history and culture (33%). The figure is higher specifically for visitors to Argyll and the Isles, with history and culture being a key motivator for 45% of visitors.
- Visits to churches in Scotland vary dramatically from the free entry St Giles' Cathedral in Edinburgh with 1,217,991 visits in 2019, to the paid entry Sweetheart Abbey with only 325 visits. Iona Abbey and Columba Centre had 63,884 visitors
- Lismore has a fairly stable visitor market (based on ferry passengers), with an estimated 11,880 to 14,520 visitors to the island annually. Almost twice as many people arrive via the passenger Port Appin route as the car ferry from Oban – although the latter are perhaps likely to stay on the island longer.
- The Lismore Gaelic Heritage Centre is the main visitor attraction on the island and attracts around 12,000 people per year, of which around 4,000 visit the museum room
- Tourism trends identified as particularly appropriate to the project include 'voluntourism', localism and authentic experiences and wellness tourism – all of these are areas demonstrating market growth.
- Other VisitScotland identified trends that the project should consider include artisan retail, demonstrating green credentials and appealing to families and young people (although the market profile for Lismore and church visits in general show a low family visit rate).
- The project specific markets investigated and summarised comprise:
 - Pilgrimage – there are over 20 official pilgrimage routes in Scotland and the Dalriada Way runs from Tarbert to Lismore, covering 100 miles over 8-10 days, and indeed ends at Lismore Parish Church

- Destination weddings – the wedding sector is seeing a post Covid boom and destination weddings continue to grow in popularity. There are almost 1,200 weddings in Argyll and Bute per year. It is notable that the number of weddings costing less than £10,000 is increasing
- Spiritual retreats and wellness tourism – almost a quarter (24%) of people from the UK and Ireland took a holiday in Scotland in 2022 specifically to protect their mental health from the impact of COVID-19. More recently, the role of the natural environment in addressing mindfulness and mental health is replacing traditional wellness spa experiences (water and massage therapies). VisitScotland identify wellbeing opportunities as including soft wellness travel (e.g. including meditation or nature walks into stays), re-wilding (the body using nature, adventure, nutrition etc.) and digital / EMF detoxing.
- Cultural workshops and courses – this is a large, varied and uncoordinated sector with considerable competition from established organisations (particularly regarding heritage). Workshops and courses will need to have wider public interest covering nature, culture and craft / hobby courses.

Lismore is limited by its small island population, its reliance on ferries and ferry timetables (with day visits predominantly visiting without a car) and its small visitor numbers. However, it has strong appeal for:

- Heritage, art/craft and wellbeing
- Niche visits and more unique experiences
- Older people both in terms of visits and residents

Normally, a Business Plan for a visitor focused attraction would consider penetration rates into market segments, however for the Lismore church project there is a lack of robust data on the existing Lismore visitor profile and the proposed uses are extremely varied. For the traditional visitor experience element, we can say that the penetration rates for:

- Day visitors will be low to medium
- Domestic tourists will be medium to high
- Overseas tourists will be high

However, in terms of applying numbers to these rates and providing penetration rates for the wider events, activities and more niche product offers would be spurious at this stage. The figures used below in sections 3.4 and 3.5 are based on professional judgement given the likely anticipated product and an understanding of the broader relevant market.

3.2 Project Phasing

The project is complex in that there are two buildings and the scale of the project will require its delivery over multiple phases. Although numerous variations and sub-phases are possible, the project has been divided into three main phases: the first phase focuses on the purchase of both buildings; the second phase

focuses the redevelopment of the church; and the third phase delivers the full conversion and extension of the church house.

In more detail the three phases comprise:

Phase 1 – purchase

- Pre purchase project development
- Purchase of church and church house
- Initial operation of church as is
- Temporary church house development
- Temporary use church house delivery
- Interim operation of church house (residential let)

Phase 2 – church

- Church renovation project development
- Church conservation and renovation delivery
- Church operation
- Temporary church house use continues

Phase 3 – church house

- Church house development
- Church house delivery
- Full operation of church and church house

It is important that each phase ends with an operation that is financially viable. The rest of this report including the assumptions, figures and tables that follow reflect this phased approach. More detail on phase timing is provided in the programme section and more detail on the tasks required for phase one are covered in the next steps section.

3.3 Management of Development, Delivery and Operations

This section presents the recommended approach to governance, project management, operational staffing, operational volunteers and building closures over the three phases of the project. These recommendations are used in the income and expenditure model and the funding plan in the later stage of the report.

Governance

While the current SCIO is a suitable body to develop and deliver the project, it is likely that a trading subsidiary will be required for the commercial elements of operations, particularly from phase two onwards.

As well as planning for a trading subsidiary, VAT will also need to be considered. By the operational stage of phase three, the operation will be above the VAT threshold and VAT registration will be compulsory. However, there may be benefits in voluntarily registering for VAT at an earlier date in order to reclaim VAT on the capital costs of stages two and three, and therefore reduce the funding requirements.

Legal and financial advice is built into the funding plan to address both the trading subsidiary and VAT as the project moves forward.

Project management

Project management, including the development of the project phases, funding applications and the management of contractors, is a major undertaking and will require professional personnel in order to deliver these effectively and indeed compete with others for funding. Over the three phases of the project management is recommended as:

- Phase 1 – LCGF volunteer led (core subgroup) up to the purchase of both buildings
- Phase 2 – Fully funded project manager led from initial round one NLHF application through to the full delivery of the capital works
- Phase 3 – Part funded / part operationally funded project manager led from phase three development through to capital works completion

Operational staffing

This is concerned with operating the church and church house on a daily basis and generating income. It will cover all aspects of running the venue(s). Over the three phases this is suggested as:

- Phase 1 – LCFG volunteer led (by a core subgroup) for initial 'as is' use of the church
- Phase 2 – will employ a grant funded venue (activity) manager following an NLHF round one pass. This would be part time during project development phase to test future uses and full-time during delivery and operation. This role will be supported by volunteers and bought in paid staff relevant for specific activities
- Phase 3 – a full time operationally funded venue manager, supported by volunteers and bought in paid staff as required (only venue manager on payroll). Any additional payroll staff would need to be grant funded and with specific fundable roles – in the business model a part time administrator is included

Operational volunteers

A team of volunteers will be required to assist with operations. These are likely to comprise:

- Phase 1 – small team required for event / activity coordination and delivery and venue cleaning
- Phase 2 – this will be a continuation of the phase one team (albeit likely growing in numbers as events and activities increase)
- Phase 3 – a continuation of the phase two team (again potentially increasing in numbers if required)

Note that there is a notable burden on LCGF and the volunteer workforce in the early stages of the project. Once paid staff are in place, the burden reduces in

terms of project and operational management but there will still be a requirement for volunteer support to help with day-to-day operations.

Building closure

The phased approach to delivery will mean that the buildings are closed and therefore not generating an income several times over the project programme. It will be necessary to ensure that grant funding is in place to cover ongoing expenses during these times given the lack of income. These closures are likely to be:

- Closure of church during phase 2 works – perhaps for 12 months
- Closure of church house during phase 2 works – perhaps 12 months, although for much of this time will be used by contractors
- Closure of church house during phase 3 works – suggested as 12 months

3.4 The Income Model

Phase 1

These assumptions are based on the first full year of operation following purchase (year 1 on the Business Plan). They are before any conservation and adaptation work are completed on the church, but following redecoration of the church house to a standard suitable for letting.

- **Ongoing worship** – the congregation will rent the church for Sunday worship at a rate of £40 per use generating a total of £2,080pa
- **Venue for life events** – additional community use for weddings and funerals may total four per year at a rate of £100 per funeral and £250 per wedding generating £700pa
- **Heritage interpretation** – a small temporary interpretive display with donation box may attract around 3,000 visitors per year donating an average of £1 each generating £3,000 in donation income
- **Collaborative space for local groups** – community groups may begin to hire the church for activities, events and clubs, however, at this stage in the business plan income is not included due to the lack of facilities and heating
- **Performance / creative / artistic events** – a series of events and performances will take place. Given the lack of onsite facilities, these will be minimal in phase one, perhaps a maximum of eight at £150 venue hire. There is also the option to hold these as fundraising events which may be more profitable. At this stage the £1,200pa total event hire fee is used.
- Given the lack of facilities and groups focus on developing the project, **training / workshops, artistic / cultural residencies and retreats and pilgrimages** are all excluded from phase one.

- **Church house private let** – following essential upgrades to letting standard and redecoration the church house will be let privately at a rate of £900 per month plus bills. Assuming 80% occupancy this will generate £8,640pa.

Phase 2

Phase two includes the development and delivery of conservation and alteration works to the church, including the closure of the church for one year, followed by the opening of the church to the public and greater use. The figures below apply to when the church reopens following capital works.

- **Ongoing worship** – the congregation will continue to rent the church for Sunday worship at an increased rate of £50 per use generating a total of £2,600pa
- **Venue for life events** – additional community use for weddings and funerals may total eight per year at a rate of £120 per funeral (2) and £350 per wedding (6) generating £2,340pa
- **Heritage interpretation** – permanent, professionally designed and installed interpretation with a donation box and online gifting may attract around 4,000 visitors per year donating an average of £2 each generating £8,000 in donation income per year
- **Collaborative space for local groups** – with new facilities and heating, community groups will hire the church for activities, events and clubs, particularly youth and older people (funding may be available to develop and deliver these). These are suggested as £25 per hire, four per month over 10 months totalling £1,000
- **Performance / creative / artistic events** – onsite facilities and a dedicated venue manager will enable these to grow to one per month at an average venue hire rate of £200 totalling £2,400pa. In practice, these are likely to be a mix of venue hire rates and ticket sales income depending upon the event / performer and different hire rates will apply depending on event likely ranging from £100 to £250
- **Training / workshops** – one-day and two-day courses will be developed by the venue manager and cater for both residents, existing island visitors and attract specific visitors to Lismore. They will all be hosted in the church (as well as elsewhere on the island) and may number:
 - 20 half-day / two-hour holiday courses for 10 people at £30 each (delivered by LCGF / volunteers with all income to LCGF) at 80% occupancy (£4,800)
 - 12 one-day courses for six people at an average of £100 each
 - 8 two-day courses for six people at an average of £175 each

For the business model a 30% cut is taken for venue use for the one and two day courses, although in practice some will be delivered by LCGF / volunteers and a larger portion of income could be achieved. The 30%

cut model totals £4,680pa, plus the in-house half-day workshops provide an overall total of £9,480pa

- **Artistic / cultural residencies** – may be possible on a limited scale in phase two, for example four-week music, art or poetry residencies based in the church house and using the church for performances and displays. These would likely be grant funded with church use included in the performance / events income and accommodation covered in the church house let income. They will provide considerable benefits to the island, although they will be more difficult to programme into church house lets.
- **Retreats and pilgrimages** – although possible are not included in phase two as they will benefit substantially from the completion of the church house in phase three
- **Church house private let** – it is assumed that contractors will use the church house for worker accommodation and storage while delivering the phase two works (and while the church is closed). This will be followed by contractors making good to enable continued private rental, all at the same monthly rate of £900 plus bills. Assuming 80% occupancy this will generate £8,640pa. There is also the option to change to short term lets in phase two enabling short stays by performers, workshop facilitators, trainers and short use retreats and pilgrimages, however, it is suggested that the monthly private let is both less risk and a more guaranteed income until phase three is completed,

Phase 3

Phase three includes the development and delivery of the extension and refurbishment of the church house, including the closure of the church house for one year, followed by the re-opening of the much-improved church house to the public and enabling greater use of the church. The figures below apply to when the church house reopens following capital works.

- **Ongoing worship** – the congregation will continue to rent the church for Sunday worship at £50 per use generating a total of £2,600pa
- **Venue for life events** – the new facilities will enable growth in the use of the church and church house as a small-scale destination wedding venue. With sufficient marketing, these small niche weddings could number perhaps 10 per year at £1,500 venue / facility fee generating £15,000pa. In addition, funerals and other life events will continue, increasing to £150 church only (2 per year) and £250 for both buildings (2 per year) providing an overall income of £15,800pa. Note that all other wedding elements such as catering, photography, flowers etc are in addition to these figures and charged separately to other businesses
- **Heritage interpretation** – the interpretation with a donation box and online gifting will continue at 4,000 visitors per year donating an average of £2 each generating £8,000 in donation income per year

- **Retail** – within the church house at approximately 32.5m² will likely mean that the available space is a more limiting factor than demand. At a realistic rate of £1,250 per m² this would generate £40,625. Mixed use non-compatibility (i.e. alternative use of space) is likely to reduce these figures. An initial estimate of 80% is applied, reducing income to £32,500. This is equivalent to just over 2,000 transactions at an average basket of £16
- **Collaborative space for local groups** – with additional facilities, particularly suited to smaller groups and more comfortable spaces, community group hire of the church / church house for activities, events and clubs could grow to eight per month over 10 months totalling £2,000, maintaining the £25 per hire rate
- **Performance / creative / artistic events** – the facilities within the Church House will also increase the appeal and useability of the Church for events, activities and performances as the provision of a kitchen and additional indoor space (and covered outdoor space) will provide a useful area for light refreshments, receptions and general additional comfortable circulation space while any reconfigurations within the Church take place. This may increase venue hire / performance income to 1.5 events per month with an average hire rate to £250 generating a total of £4,500pa. Again, in practice these are likely to be a mix of venue hire rates and ticket sales income depending upon the event / performer and the continued increased profile of the church / church house will add to growth
- **Training / workshops** – the additional facilities will enable the holiday session, one-day and two-day courses to grow and the availability of onsite accommodation will make it much easier for facilitators to stay on the island further fuelling growth. With further development by the venue manager, these may grow to:
 - 40 half-day / two-hour holiday sessions for up to 10 people at £30 each (delivered by LCGF / volunteers with all income to LCGF) at 80% occupancy (£9,600)
 - 16 one-day courses for six people at an average of £100 each
 - 10 two-day courses for six people at an average of £175 each
 - 4 five-day courses for six people at an average of £400 each

Again a 30% cut is taken for venue use for the one, two and five day courses, although in practice some will be delivered by LCGF / volunteers and a larger portion of income could be achieved. The 30% cut model totals £8,910pa, plus the in-house half day workshops provide an overall total of £18,510pa

- **Artistic / cultural residencies** – the improved facilities within the church house would increase the appeal and useability of the building(s) for artistic and cultural residencies. These could vary from one week to three months depending upon the availability of funding (and some private residencies may also be possible). Again these would be based in the church house and use the church for performances and displays. Due to

the uncertainty of residency funding and the difficulties of programming use they are not included in the business plan at this stage but do provide a potential further source of income.

- **Retreats** – with a spiritual and wellbeing focus utilising the unique heritage and presence of the Church and wider Lismore landscape. Although there may be scope to grow these, they are initially suggested as (perhaps 10 per year) one-to-one four day professionally facilitated retreats with accommodation and food at £1,200 each with a 40% facilitator fee, 40% venue / accommodation (£4,800) and 20% associated costs, including food and change over
- **Church house accommodation and pilgrimages** – in phase three the accommodation in the church house will be available on a nightly basis (bed with self-serve dining kitchen). This will enable use by visiting performers at church events, for the visiting minister, for workshop / training facilitators and potentially as part of a pilgrim package to celebrate the completion of the Dalriada Way. It is difficult to estimate use, but across the two rooms this may equate to around 80 bednights per year. At an average of £100 per night per double room, this totals £8,000. Note that income for this use could be substantially increased if a more commercial approach to visitor accommodation was promoted. Even just one double room rented at 60% occupancy at £125 per night would generate £27,375 providing a substantial income and useful 'income buffer' if required.
- **Staff funding** – it is likely that the venue manager will be fully funded (£36,000 including oncosts) as part of the project costs for the four years following phase two opening. The manager post will then be operationally funded following phase three opening and a supporting 0.5FTE administrator will be funded (£14,400 including oncosts)

3.5 Expenditure Assumptions

This section presents the expenditure assumptions across all three phases. As both the church and church house will be in operation in some form from the start, these assumptions cover both buildings. They are presented by item with a figure for each phase as relevant.

Management and staffing – in phase one the operation will be managed by volunteers / LCFG. Subgroups will be required to operate the various elements, such as exhibition, events, church house let.

In phase two, a full-time venue manager (£30,000pa) will be in post, fully funded through the phase two project funding and in phase three the venue manager will be funded through operations with a further 0.5FTE administrative post (£12,000pa) that is grant funded (the job title of the latter most likely being linked to specific funding priorities). Both salaries will be subject to 20% oncosts.

Volunteer costs – a team of volunteers will be required across all three phases of the operation, primarily helping with setting up and managing activities and events and delivering summer sessions, but volunteers may also be needed to

cover the retail during the busier days. A budget is required to manage the volunteers, provide necessary training, mileage and rewards (e.g. thank you social events). A budget of £1,000pa is applied across all phases.

Cost of retail sales – retail cost of sales is suggested as 50% on average, although this is likely to vary depending on the nature of goods, particularly local crafts where rates will need to be negotiated.

Direct activity / accommodation costs – various direct costs will apply to activities, workshops and accommodation. These are estimated as:

- Workshops and holiday sessions direct costs (e.g. materials) at 20% of income (note that direct costs have already been removed before income totals for the facilitated / 'venue hire' only workshops)
- Retreats direct costs at 20% (again removed before income totals)
- Accommodation direct costs (self-serve breakfasts, linen, cleaning etc) may be around 30% of income – although an additional cleaning / change over charge could be applied to cover these
- All other direct costs will be charged above income rates, e.g. for life events or community activities (i.e. already added and removed)

Building repair (sink fund) – a building repair sink fund is suggested from the outset, primarily as a contingency in case phases two and three take much longer than expected to be delivered. This sink fund is a maintenance saving fund towards larger repairs and is recommended as £1,000pa in phase one, £2,000pa in phase two onwards. This will also cover future major repairs / replacements to the exhibition.

Building maintenance – ongoing maintenance will be required from the outset and may be substantial prior to church refurbishment. Following church refurbishment this will reduce, although additional maintenance on the church house will likely be required in phase two. Phase three may see a decrease in maintenance requirements overall as both buildings will be restored / replaced, however, a 'healthy' budget is still recommended. This is suggested as £2,000pa across all phases.

Electricity – a figure of £2,400pa is allocated for electricity in phases one and two, with church house electricity covered by tenants. In phase three the electricity is for both buildings and with increased use rises to £5,500. Note that this may be reduced through appropriate design across both buildings.

Insurances and licences – building and contents insurance across the two buildings is estimated at £1,750 in phase one increasing to £2,000 in phase two and £2,500 in phase three. In addition, a sum of £1,000pa is added to cover all necessary LCFG insurance requirements (e.g. public liability and employer's liability) and all essential licences for operation (e.g. entertainment licence, landlord registration).

Marketing – a marketing budget is applied across all three phases, primarily regarding weddings and events as well as promoting tourist visits to the

exhibition. This is suggested as £500pa in phase one and £2,000pa in phase two onwards.

Office / admin costs – a budget for office supplies and admin is applied across all phases, set at £500pa in phase one, £750pa in phase two and £1,200pa in phase three.

Cleaning and consumables – throughout all phases cleaning of the church will be by volunteers with a budget for cleaning products at £150pa. For phase two, cleaning of church toilets is suggested as by a paid cleaner at £20 per hour including cleaning products for one hour, twice weekly, totalling £2,080. In phase three this increases to two hours, twice weekly, including the additional toilets and retail area, totalling £4,160pa

Rates / water / septic tank – business and water rates for the church will be zero rated (charity exemption) although a waste / septic tank emptying charge will be required. The church house is unlikely to be exempt in phases one or two and will be complex in phase three, although the tenant will cover Council Tax. An allocation of £500pa is applied across all phases for waste / septic tank emptying.

Accountancy – professional fees to cover accounting are suggested at £750 in phase one, increasing to £1,000 in phase two and £1,500 in phase three for more complex income streams. These rates will require LCFG and venue manager input regarding bookkeeping.

Internet / booking / payment system – an online donation / payment system will be installed as part of the phase two works and expanded in phase three. This will also include the provision of Wi-Fi throughout both buildings (Wi-Fi installed in the church house in phase one). The costs are suggested as £300pa in phase one, £1,000pa in phase two and £1,500pa in phase three. This excludes the cost of developing the website which would be a project cost.

Other / contingency – an annual contingency allowance is included for unforeseen costs. This may be equally needed across all phases and is suggested as £500pa in phase one and £1,000 in phase two onwards

4.0 Income and Expenditure

4.1 Introduction

This section of the business plan provides worked up indicative income and expenditure projections with annual and cumulative profit and loss forecasts. It covers the anticipated full annual model and monthly figures for a single stabilised year of operation – Year 2 is used, as this is the most useful for the initial operation. It also applies a sensitivity analysis model to each set of figures. The sensitivity model applies a 20% reduction to all income but retains expenditure at 100% unless it is directly related to income (e.g. retail cost of sales).

The figures in this section use all the assumptions and data presented in the previous section along with the following additional assumptions:

- Any bank / investor loan repayments or charges have not been accounted for and the ability to afford these should be taken from the bottom line of the income and expenditure tables (sensitivity model)
- Inflation is not included in either income or expenditure (considered to balance out at this initial stage of the business plan)
- Target assumption figures are reached in first full year of operation for income and expenditure and compound growth of 2%pa is applied to all income from year two onwards – this is as a result increased profile and use and potentially slight increases in hire charges
- The figures exclude any depreciation on assets
- All figures are net of VAT – i.e. relevant VAT has already been removed. As the project moves forward professional VAT advice will be needed to identify the most advantageous VAT position. Given the projected turnover VAT registration will be required in phase three and most likely in phase two
- The monthly admission (and commercial income) figures assume that the church and church house operate all year round and are based on a division of the annual income / expenditure by twelve. The exception is donation income which follows an estimated visitor curve with a summer peak (monthly percentages are shown in the table)

In all the tables presented below, while the anticipated model is regarded as achievable and 'the target', it is the sensitivity model which should be regarded as the more realistic 'worst case' operation and should be used for business planning and testing viability. The real case scenario is most likely to lie somewhere between the two models.

4.2 Summary

The figures overleaf indicate a viable operation under both anticipated and sensitivity models.

Phase 1

On an annual basis, under the anticipated model, it is indicated that the operation will be profitable from year one, generating an average operating surplus of around £3,500 and creating a cumulative surplus of over £10,000 by the end of year three.

Under the more realistic sensitivity model, the operation breaks even generating an average annual surplus of around £400 and a cumulative surplus of almost £1,200. This is the worst case 'static' situation operating the church as is prior to the restoration project.

The monthly figures show profitability each month under the anticipated model and a small loss under sensitivity for months December to March, although losses are less than £50 per month and the previous year's carried over surplus outweighs the cumulative loss at March.

Phase 2

Under the anticipated model, it is indicated that the operation will be profitable generating an average operating surplus of around £16,000 and creating a cumulative surplus (including phase one) of over £90,000 by the end of year eight.

Under the more realistic sensitivity model, the operation generates an average annual surplus of around £9,000 and a cumulative surplus of around £45,000. It must be noted that this phase benefits from £36,000pa of revenue funding for the venue manager.

Phase 3

In this phase, the figures indicate that the operation will be profitable, still generating an average operating surplus of around £16,000. Under the sensitivity model the operation is likely to break even or make a small loss in the first year of phase three followed by profitable growth. This phase appears to be less profitable, however, the venue manager's salary is funded entirely through the commercial operations, while a second part time assistant is grant funded.

Overall

The figures demonstrate viable financial models across all three phases of the operation and allow for any one phase to continue indefinitely (from an operational perspective) if required. If a midpoint is achieved between the target anticipated and the worst-case sensitivity models, the operation will produce an average annual surplus of just under £2,000pa in phase one and £12,500 in phase two and potentially a total of around £85,000 for reinvestment in the building / project and other LCFG activities over the first ten years of operation, not accounting for closures for capital works.

4.3 Income and Expenditure Tables

ANTICIPATED MODEL										
Phase	ONE	ONE	TWO	TWO	TWO	TWO	THREE	THREE	THREE	THREE
Year	1	2	3	4	5	6	7	8	9	10
Income										
Ongoing worship	£2,080	£2,122	£2,164	£2,600	£2,652	£2,705	£2,759	£2,814	£2,871	£2,928
Life events	£700	£714	£728	£2,340	£2,387	£2,435	£2,483	£2,533	£15,800	£15,800
Heritage donations	£3,000	£3,060	£3,121	£8,000	£8,160	£8,323	£8,490	£8,659	£8,833	£9,009
Community groups	£0	£0	£0	£1,000	£1,020	£1,040	£1,061	£1,082	£2,000	£2,040
Performances / events	£1,200	£1,224	£1,248	£2,400	£2,448	£2,497	£2,547	£2,598	£4,500	£4,590
Church house let	£8,640	£8,813	£8,989	£8,640	£8,813	£8,989	£9,169	£9,352	£0	£0
Training / workshops	£0	£0	£0	£9,480	£9,670	£9,863	£10,060	£10,261	£18,510	£18,880
Retail	£0	£0	£0	£0	£0	£0	£0	£0	£32,500	£33,150
Retreats	£0	£0	£0	£0	£0	£0	£0	£0	£4,800	£4,896
CH accommodation / pilgrimages	£0	£0	£0	£0	£0	£0	£0	£0	£8,000	£8,160
Staff funding	£0	£0	£0	£36,000	£36,000	£36,000	£36,000	£36,000	£14,400	£14,400
Total income	£15,620	£15,932	£16,251	£70,460	£71,149	£71,852	£72,569	£73,301	£112,213	£113,854
Expenditure										
Management / staff	£0	£0	£0	£30,000	£30,000	£30,000	£30,000	£30,000	£42,000	£42,000
Staff oncosts	£0	£0	£0	£6,000	£6,000	£6,000	£6,000	£6,000	£8,400	£8,400
Volunteer costs	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Cost of sales - retail	£0	£0	£0	£0	£0	£0	£0	£0	£16,250	£16,575
Direct activity / accommodation costs	£0	£0	£0	£960	£960	£960	£960	£960	£4,320	£4,368
Building repair (sink fund)	£1,000	£1,000	£1,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Building maintenance	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Electricity	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£5,500	£5,500
Insurance / licences	£2,750	£2,750	£2,750	£3,000	£3,000	£3,000	£3,000	£3,000	£3,500	£3,500
Marketing	£500	£500	£500	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Office / admin costs	£500	£500	£500	£750	£750	£750	£750	£750	£1,200	£1,200
Cleaning and consumables	£150	£150	£150	£2,230	£2,230	£2,230	£2,230	£2,230	£4,310	£4,310
Rates / water / septic tank	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500
Accountancy	£750	£750	£750	£1,000	£1,000	£1,000	£1,000	£1,000	£1,500	£1,500
Internet + booking / payments	£300	£300	£300	£1,000	£1,000	£1,000	£1,000	£1,000	£1,500	£1,500
Other / contingency	£500	£500	£500	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Total expenditure	£12,350	£12,350	£12,350	£55,840	£55,840	£55,840	£55,840	£55,840	£96,980	£97,353
Total annual P/L	£3,270	£3,582	£3,901	£14,620	£15,309	£16,012	£16,729	£17,461	£15,233	£16,501
<i>Cumulative P/L</i>	£3,270	£6,852	£10,753	£25,373	£40,683	£56,695	£73,424	£90,885	£106,118	£122,618

NB: the green highlights denote the launch of the operational stage of each phase.

SENSITIVITY MODEL										
Phase	ONE	ONE	TWO	TWO	TWO	TWO	THREE	THREE	THREE	THREE
Year	1	2	3	4	5	6	7	8	9	10
Income										
Ongoing worship	£1,664	£1,697	£1,731	£2,080	£2,122	£2,164	£2,207	£2,251	£2,296	£2,342
Life events	£560	£571	£583	£1,872	£1,909	£1,948	£1,987	£2,026	£12,640	£12,640
Heritage donations	£2,400	£2,448	£2,497	£6,400	£6,528	£6,659	£6,792	£6,928	£7,066	£7,207
Community groups	£0	£0	£0	£800	£816	£832	£849	£866	£1,600	£1,632
Performances / events	£960	£979	£999	£1,920	£1,958	£1,998	£2,038	£2,078	£3,600	£3,672
Church house let	£6,912	£7,050	£7,191	£6,912	£7,050	£7,191	£7,335	£7,482	£0	£0
Training / workshops	£0	£0	£0	£7,584	£7,736	£7,890	£8,048	£8,209	£14,808	£15,104
Retail	£0	£0	£0	£0	£0	£0	£0	£0	£26,000	£26,520
Retreats	£0	£0	£0	£0	£0	£0	£0	£0	£3,840	£3,917
CH accommodation / pilgrimages	£0	£0	£0	£0	£0	£0	£0	£0	£6,400	£6,528
Staff funding	£0	£0	£0	£36,000	£36,000	£36,000	£36,000	£36,000	£14,400	£14,400
Total income	£12,496	£12,746	£13,001	£63,568	£64,119	£64,682	£65,255	£65,840	£92,651	£93,963
Expenditure										
Management / staff	£0	£0	£0	£30,000	£30,000	£30,000	£30,000	£30,000	£42,000	£42,000
Staff oncosts	£0	£0	£0	£6,000	£6,000	£6,000	£6,000	£6,000	£8,400	£8,400
Volunteer costs	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Cost of sales - retail	£0	£0	£0	£0	£0	£0	£0	£0	£13,000	£13,260
Direct activity / accommodation costs	£0	£0	£0	£768	£768	£768	£768	£768	£3,456	£3,494
Building repair (sink fund)	£1,000	£1,000	£1,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Building maintenance	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Electricity	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400	£5,500	£5,500
Insurance / licences	£2,750	£2,750	£2,750	£3,000	£3,000	£3,000	£3,000	£3,000	£3,500	£3,500
Marketing	£500	£500	£500	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Office / admin costs	£500	£500	£500	£750	£750	£750	£750	£750	£1,200	£1,200
Cleaning and consumables	£150	£150	£150	£2,230	£2,230	£2,230	£2,230	£2,230	£4,310	£4,310
Rates / water / septic tank	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500
Accountancy	£750	£750	£750	£1,000	£1,000	£1,000	£1,000	£1,000	£1,500	£1,500
Internet + booking / payments	£300	£300	£300	£1,000	£1,000	£1,000	£1,000	£1,000	£1,500	£1,500
Other / contingency	£500	£500	£500	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Total expenditure	£12,350	£12,350	£12,350	£55,648	£55,648	£55,648	£55,648	£55,648	£92,866	£93,164
Total annual P/L	£146	£396	£651	£7,920	£8,471	£9,034	£9,607	£10,192	-£215	£798
<i>Cumulative P/L</i>	<i>£146</i>	<i>£542</i>	<i>£1,193</i>	<i>£9,113</i>	<i>£17,584</i>	<i>£26,618</i>	<i>£36,225</i>	<i>£46,418</i>	<i>£46,202</i>	<i>£47,001</i>

NB: the green highlights denote the launch of the operational stage of each phase.

MONTHLY ANTICIPATED MODEL – YEAR 2													
Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FULL YEAR
Income	5%	6%	6%	8%	9%	10%	12%	12%	10%	8%	8%	6%	100%
Ongoing worship	£177	£177	£177	£177	£177	£177	£177	£177	£177	£177	£177	£177	£2,122
Life events	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£714
Heritage donations	£153	£184	£184	£245	£275	£306	£367	£367	£306	£245	£245	£184	£3,060
Community groups	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Performances / events	£102	£102	£102	£102	£102	£102	£102	£102	£102	£102	£102	£102	£1,224
Church house let	£734	£734	£734	£734	£734	£734	£734	£734	£734	£734	£734	£734	£8,813
Training / workshops	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retail	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retreats	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
CH accommodation / pilgrimages	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff funding	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£1,226	£1,256	£1,256	£1,318	£1,348	£1,379	£1,440	£1,440	£1,379	£1,318	£1,318	£1,256	£15,932
Expenditure													
Management / staff	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff oncosts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Volunteer costs	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000
Cost of sales - retail	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Direct activity / accommodation costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Building repair (sink fund)	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000
Building maintenance	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£2,000
Electricity	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
Insurance / licences	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£2,750
Marketing	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Office / admin costs	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Cleaning and consumables	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£150
Rates / water / septic tank	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Accountancy	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£750
Internet + booking / payments	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£300
Other / contingency	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Total expenditure	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£12,350
Total annual P/L	£197	£227	£227	£288	£319	£350	£411	£411	£350	£288	£288	£227	£24,700
<i>Cumulative P/L</i>	<i>£197</i>	<i>£424</i>	<i>£651</i>	<i>£939</i>	<i>£1,258</i>	<i>£1,608</i>	<i>£2,019</i>	<i>£2,430</i>	<i>£2,779</i>	<i>£3,068</i>	<i>£3,356</i>	<i>£3,583</i>	

MONTHLY SENSITIVITY MODEL – YEAR 2													
Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FULL YEAR
Income	5%	6%	6%	8%	9%	10%	12%	12%	10%	8%	8%	6%	100%
Ongoing worship	£141	£141	£141	£141	£141	£141	£141	£141	£141	£141	£141	£141	£1,697
Life events	£48	£48	£48	£48	£48	£48	£48	£48	£48	£48	£48	£48	£571
Heritage donations	£122	£147	£147	£196	£220	£245	£294	£294	£245	£196	£196	£147	£2,448
Community groups	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Performances / events	£82	£82	£82	£82	£82	£82	£82	£82	£82	£82	£82	£82	£979
Church house let	£588	£588	£588	£588	£588	£588	£588	£588	£588	£588	£588	£588	£7,050
Training / workshops	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retail	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retreats	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
CH accommodation / pilgrimages	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff funding	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£981	£1,005	£1,005	£1,054	£1,078	£1,103	£1,152	£1,152	£1,103	£1,054	£1,054	£1,005	£12,746
Expenditure													
Management / staff	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff oncosts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Volunteer costs	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000
Cost of sales - retail	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Direct activity / accommodation costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Building repair (sink fund)	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000
Building maintenance	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£2,000
Electricity	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
Insurance / licences	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£229	£2,750
Marketing	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Office / admin costs	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Cleaning and consumables	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£13	£150
Rates / water / septic tank	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Accountancy	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£63	£750
Internet + booking / payments	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£300
Other / contingency	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500
Total expenditure	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£1,029	£12,350
Total annual P/L	-£49	-£24	-£24	£25	£49	£74	£123	£123	£74	£25	£25	-£24	£396
<i>Cumulative P/L</i>	<i>-£49</i>	<i>-£73</i>	<i>-£97</i>	<i>-£72</i>	<i>-£23</i>	<i>£51</i>	<i>£174</i>	<i>£297</i>	<i>£370</i>	<i>£395</i>	<i>£420</i>	<i>£396</i>	

5.0 Impacts and Risks

5.1 Impacts and Benefits

The impacts and benefits of the project follow the new NLHF investment principles, as the Heritage Fund is likely to be the major funder of the capital works to the Church in phase two. This will enable an early alignment of the project with the key funder's four priorities. These are followed by an early-stage economic impact assessment.

Saving heritage

Saving Lismore's heritage is the driver for this project. The category B listed church, evolved from the earlier cathedral and the even earlier Christian monastery set up by St Moluag, is of national if not international importance. Its sale by the Church of Scotland and potential loss as an open, accessible building would be a major loss to Scotland. This project will secure this important church's future and also conserve it to the highest conservation standards.

The project will also ensure that the archaeology of the site is fully researched and preserved and that the history and relevance of the church is shared with both visitors and local people. The project will save the island's ecclesiastical heritage, will reveal its fascinating archaeology and share its significant stories.

Protecting the environment

The project will protect the environment by reusing two potentially vacant buildings, by giving them a sustainable future at the heart of the community. The conservation and enhancement works will dramatically increase the environmental efficiencies in both buildings through improved power / heating systems. The project will also link the buildings and site with the landscape giving people a greater understanding of the role of nature and the environment in ecclesiastical life from the time of St Moluag to the present. It will also reduce car travel enabling people on the island to attend worship, life events, activities and performances without having to leave the island.

Increasing inclusion, access and participation

The project will ensure that the church is open to all and free to enter (donations), aspects that would certainly not be the case if it were to be sold into private hands. Improvements to access will ensure disabled access to both buildings (neither are currently accessible) and the programme of workshops, events and activities will be a mix of 'open to all' and audience targeted to ensure that they are inclusive and maximise participation.

Improving organisational sustainability

Lismore Church Futures Group was established to investigate and progress the community purchase of Lismore Church. The project and group will use the church and church house to generate an income so that their ongoing survival is financially sustainable and secured. The operation of the church and church house will ensure both the buildings and the LCFG organisation are sustainable, generating a substantial financial surplus to reinvest in the properties and

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activities in the future. Through the project, further skills development and training will improve the resilience of LCFG, while improved (on and off) island involvement in volunteering and the addition of dedicated paid staff to drive forward the project and operate the venture will both improve organisational sustainability and secure long-term survival.

Economic impact

Assessing true economic impact is difficult at this stage in the project and should be regarded as an initial assessment only. It will also change (and grow) over time. To demonstrate the ambition of the project, year 10 is used to assess economic impact, this includes both the church and church house in full operation.

The buildings would be vacant and have no income / 'turnover' without this project. The economic impact assessment therefore assumes that the current baseline is zero.

The target operation at year ten, based on the potential (anticipated) figures in the business plan suggests a total income of around £100,000 (£99,494 excluding grants), a sensitivity analysis model of around £80,000 and a midpoint operation of around £90,000. The staffing structure suggests approximately c.1.5FTE staff posts at this point. Using the mid-point model and an allowance of £54,000 per FTE, the **direct on-site impact** is therefore approximately £90,000pa with 1.5FTE jobs directly supported on site and a further 2/3 FTE supported in the local community, noting that this is for future operation only and not delivery.

However, measuring full and true economic impact is more complex and the true impact of additional visits to the island (to activities, workshops, performances etc.) and their secondary spend should be taken into account. In addition, deadweight, leakage, displacement and indirect and induced gain must all be considered – these are estimated and explained below.

Use based impact summary table

	Events	People	Nights	Local %	Nights minus Local	Spend per day	Total impact
Life events	14	560	1,120	20%	896	£57	£51,072
Visitors		4,000	4,000	0%	3,200	£33	£105,600
Perf events	18	720	1,080	25%	810	£57	£46,170
Training	30	180	336	10%	269	£57	£15,322
(half day)	40	400	400	20%	320	£33	£10,560
Retreats	10	10	20	0%	20	£57	£1,140
Pilgrimage		80	80	0%	80	£57	£4,560
Perf/facilitators		50	50	0%	50	£57	£2,850
Subtotal							£237,274
Overseas factor (5%)		300	354			£131	£26,218
Total							£263,492
FTE created							4.9

The above table uses the anticipated model for year 10 in the business plan in terms of number and type of events. It estimates average weddings / life events and performances at 40 people and accounts for local attendance at 20% for life events, 25% for performance events and 10-20% for training activities. Spend per day is based on the averages for the Argyll and Bute area at £33 for day visitors (applied to exhibition visitors and half day training as most will be on the island already, although some may make a special journey), £57 for domestic overnight visitors and £131 for overseas visitors (estimated at 5% of all visitors).

To these figures, deadweight, displacement, leakage and tourism multipliers are applied.

Term	Explanation	Project Assumptions
Reference case or baseline	The position in terms of target outputs over a set period of time if the intervention did not take place (also known as the base case).	Zero
Deadweight	Benefits that would have occurred without the intervention.	Zero
Gross benefits	These are the direct effects from the reference case and from the intervention option before account is taken of factors such as displacement, substitution, leakage and economic multipliers.	£263,492
Displacement	The proportion of project benefits accounted for by reduced benefits elsewhere in the target area.	£13,175 (very low at 5%) – the venture and uses will be designed to avoid direct local competition
Leakage	The proportion of benefits that go to those outside of the intervention's target area or group.	£13,175 (very low at 5% - benefits stay local, although much will be off the island in terms of local accommodation)
Multiplier effects	Further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer-term effects.	£71,143 (using the 1.3 Tourism multiplier for income)

Based on the above assumptions and using an income multiplier (or induced multiplier) associated with tourism operations (and £54,000 per FTE), excluding the impact associated with the construction / project delivery work, the estimated annual local economic impact of the Lismore Church project at year 10 is therefore **£308,285pa** and **5.7FTE** created, i.e. a further 4.7FTE jobs created or safeguarded beyond the church (plus the grant funded 0.5FTE post), i.e. 6.2FTE in all. Note that some of this impact will be on the mainland close to Lismore rather than on the island.

A more detailed economic impact assessment that fully considers both construction costs and a detailed assessment of additional visitors drawn to Lismore as a result of the church and church house operation will result in a considerably larger economic impact for the island.

5.2 Project Risks

Like all projects, the Lismore Church project comes with risks. The core risks are separated into those associated with developing and delivering the project and then those with its subsequent operation. They apply to phases one and two, are not exhaustive and should be reconsidered and addressed as the project moves forwards.

The risk register overleaf is similarly divided into:

1. Development and Delivery
2. Operation

For each identified risk in the register, the entries comprise:

- Risk number – specific to each risk
- Risk description – a short explanation of the risk
- Probability – a score of 1 to 3 regarding likelihood of risk occurring (one is least likely, three is most likely)
- Impact – a score of 1 to 3 regarding the impact of the risk (one is least impact, three is most) on the project or the operation
- Risk score – the multiplication of probability and impact
- Mitigation – the actions to take to avoid the risk occurring
- Contingency / Response – the actions to take if the risk occurs
- Lead – the individual or group responsible for the mitigation action

Development and delivery

Risk number	Risk description	Probability	Impact	Risk score	Mitigation	Contingency / Response	Lead
DD1	Trustees lack the experience or skills to develop the project to an NHLF round one stage (or support the PM beyond) - due to illness, over commitment or additional skills requirements	2	2	4	Constantly review Trustee capacity and experience to ensure required capacity is present Develop / strengthen advisory group to provide specific industry knowledge as required	Recruit new / replacement Trustees as required Source and undertake Trustee training as identified and required	LCFG
DD2	Project Manager (PM) leaves or is unable to continue (funding, illness etc.) or difficulties initially recruiting	1	3	3	Plan appointment at least six months ahead of start Constant dialogue between PM and LCGF regarding staff retention	Seek replacement PM Source additional funds Consider Trustee adoption of role	LCFG/ PM
DD3	Planning permission refusal or restrictions impacting upon operation	1	2	2	Involve HES / A&BC planning department at the earliest stage and continue involvement through to planning application (possible solution in church option B2 relating to internal facilities)	Revise design proposals, ensuring that the outline business plan is updated to reflect any changes and that the overall operation remains viable	Architect / Design Team
DD4	Inability to fund initial church house redecoration / upgrades to enable letting	2	3	6	Early development of local fundraising campaign (private and business donations)	Utilise volunteer labour for redecoration works and in-kind trades	LCGF
DD5	Lack of sufficient large capital grants, leaving a funding gap too large to achieve through a small grants fundraising campaign	2	3	6	Secure 'in-principle' funds from major grant sources early Produce a robust funding plan Ensure A&BC is fully supportive	To consider extending the development phase Consider employing a fundraising consultant	LCFG/ PM
DD6	Fundraising targets are not met by deadline dates	2	2	4	Forward plan funding milestones and act early contracting additional fundraising expertise	Negotiate 'hold' period with early funders while the remainder is raised	LCFG/ PM
DD7	Capital costs are higher than expected due to unforeseen building, site or ground conditions or continued global events	2	2	4	Identify all potential requirements, fully cost and ensure sufficient contingency is in place in capital budget	Raise additional finance or look to where costs can be saved elsewhere	Design Team

Risk number	Risk description	Probability	Impact	Risk score	Mitigation	Contingency / Response	Lead
DD8	Building costs are higher than expected due to rises in inflation	1	2	2	QS to adequately account for inflation costs and ensure sufficient contingency is in place in capital budget	Raise additional finance or look to where costs can be saved elsewhere	QS
DD9	Tenders for contractors (construction contractors) are over budget	1	3	3	Ensure initial development costs are accurate before tendering through contractor discussions and site visits Ensure QS project costs are sufficiently accurate and include contingency at 15% minimum	Re-tender, look for capital savings or find additional funds	QS / Design Team
DD10	Contractors (construction) demand additional fees for works	1	2	2	Produce fixed fee contract and minimise changes (agree all changes in writing before continuing)	Ensure that a contingency is in place for additional fees to cover changes or additional works not in original scope	Architect
DD11	Project budget cuts result in unacceptable changes to the visitor product or business operation as capital is prioritised on building and services	1	3	3	Accurately cost all capital elements Identify priority elements that cannot be reduced in scale or budget and ring-fence the budget for vulnerable areas	Raise additional finance or look to where acceptable costs can be saved elsewhere Lengthen phased approach	QS / Architect / LCGF
DD12	Archaeological / graveyard restrictions limit works or add costs	2	2	4	Ensure sufficient research, survey, consultation and analysis in development to justify works	Increase budgets / funding and alter works accordingly noting impacts on operations	LCGF / PM
DD13	Contractor insolvency during works	1	3	3	Undertake due diligence for contractor and ensure payment terms / performance bond cover any potential project losses	Contingency budget for re-tendering and review programme and costs	QS / Design Team
DD14	Volunteer (in kind) involvement is insufficient or not as required	2	2	4	Produce a volunteer work list with subgroups for specific task areas and start volunteer recruitment early – ensure momentum and avoid fatigue	Address through volunteer training or replacement Understand, review and address reasons for low involvement	LCGF / PM
DD15	Proposed uses subsequently become unnecessary, undesired or unworkable / unprofitable	1	3	3	Robust business plan Sufficient early and ongoing local community involvement	Investigate alternative Consider scheme / business plan adjustments	PM

Operation

Risk number	Risk description	Probability	Impact	Risk score	Mitigation	Contingency / Response	Lead
Op1	Commercial dominance (i.e. key income uses) reduces heritage and community benefits (i.e. worship)	1	2	2	Produce and regularly review operating plan to ensure that community and heritage are key drivers and core to offer	Major review of operation and objectives	Venue Manager / LCFG
Op2	Income generating elements (donations / hires / house rental) fail to deliver sufficient profit	2	3	6	Ensure professional and 'operator' input to their planning and delivery Ensure appropriate personnel responsible for their operation Monitor ongoing performance from the start	Research and understand reasons for underperformance and address accordingly Review and alter business model	Venue Manager / LCFG
Op3	Tourism / visitor decline results in poorer visitor numbers than anticipated	1	2	2	Review and update working business plan to include future scenario modelling and sensitivity analysis to ensure robust operating model with flexibility	Monitor numbers and continually adjust product and offer to cater for emerging, growth and profitable markets	Venue Manager
Op4	Increased operating expenditure (e.g. services, utilities, cost of sales) above anticipated budgets impacts on financial sustainability	1	3	3	Include most sustainable and financially viable approach to heating / power in build proposals Review and update business plan to include more detailed projections of operating costs to ensure accurate assumptions	Investigate further options to reduce operating costs	Venue Manager
Op5	Insufficient ongoing resources to properly manage and maintain the Church	1	3	3	Include a ring-fenced budget and resource allocation in the operating plan for sufficient management and maintenance	Supplement with further grant funding if required	Venue Manager / LCFG

Risk number	Risk description	Probability	Impact	Risk score	Mitigation	Contingency / Response	Lead
Op6	Key tenants (e.g. house let) move out leaving vacant space and reduced income generation	2	3	6	Ongoing liaison with tenants to plan for change Negotiate at least one month advance rental payment + deposit	Develop a waiting list of potential tenants Consider alternative uses	Venue Manager / LCFG
Op7	Failure to recruit or retain venue manager	2	3	6	Clear and appealing job description and targeted advertising Headhunt key personnel and provide adequate motivation to stay Employ ahead of opening	Review and understand reasons and address – e.g. increase the salary and review the business plan	LCFG
Op8	Insufficient / poor or high turnover of volunteers impacts on quality of service and standards	2	2	4	Produce clear statement of requirements regarding what is expected of volunteers Have / implement an ongoing volunteer training plan	Address through volunteer training or replacement Understand and review reasons for poor turnover and address these	Venue Manager / LCFG
Op9	Other competitor facilities or venues develop on the island	1	2	2	Community involvement and awareness to ensure compatibility of new ventures	Work with competitors for joint promotion or events	Venue Manager / LCFG
Op10	The interpretation quickly becomes out of date or fails to 'wow' or engage with target audiences or generate sufficient donations	2	2	4	Seek professional interpretive planning and delivery Allow for sustainable maintenance and refreshing	Seek funding to repair and refresh interpretation	Venue Manager / LCFG
Op11	Service delivery partners (e.g. workshops, activities, events, retreats) fail to deliver, underperform or leave	2	3	6	Ensure robust contracts Continued liaison and involvement re retention	Continued awareness of alternatives Adjustments to enhance performance / profit	Venue Manager / LCFG
Op12	Complete (unavoidable) breakdown of LCFG and operations to the point of insolvency (or unacceptable debt)	1	3	3	Strong governance structures and close management oversight Regular operational reviews by experienced LCFG personnel	Consider mothballing or transferring the church (and church house) to another similar charitable organisation	LCFG

6.0 Funding Plan

This section of the business plan provides outline costs (capital costs provided by QS) for the preferred options and investigates sources of funding culminating in a funding plan for the project. It is limited to phases one and two at this stage, as it is anticipated that the paid posts in phase two will develop the project towards phase three and produce a revised cost plan and funding plan.

6.1 Phase one

Costs

The costs are indicative but realistic. They are based upon professional judgement and experience of detailed project costs for similar projects. Note that the purchase price is not agreed and the figures below are a working estimate.

Purchase

	Notes	Cost
LCFG team	LCFG volunteer team to lead on the purchase – setting up a purchase subgroup	£zero
Site purchase	Full purchase of the church house (£220,000) and church (£25,000) - Full value purchase price	£245,000
Legal costs	To cover LCFG conveyancing / legal costs (c.£10,000)	£10,000
Total		£255,000

Project development

	Notes	Cost
House preparation development	LCFG volunteer team to lead on the essential redecoration and improvements to the house – set up a house renovation subgroup	£zero
Church preparation development	LCFG volunteer team to lead on the essential preparations to enable wider use of the church and to undertake immediate and urgent works – set up a church use subgroup	£zero
Total		£zero

Project delivery

	Notes	Cost
Church repairs	The immediate (£1,000) and the urgent works (£11,000) to the church, funding permitting	£12,000
House refurbishment	To raise the property to a suitable standard for letting	£23,000
Total		£45,000

Total cost for phase one is **£300,000** excluding VAT

Funding

Suggested sources of funding for each of the four key elements are provided below.

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Target £300,000

Main fund(s)

Fund	Scottish Land Fund - £229,500 (90% of full purchase and legal costs) plus £1,000 technical assistance (rot report)
Website	https://www.tnlcommunityfund.org.uk/funding/programmes/scottish-land-fund#section-1
Contact	Scottish Land Fund Advisor 0300 123 7110 advicescotland@tnlcommunityfund.org.uk
Details	<p>The Scottish Land Fund supports rural and urban communities to become more resilient and sustainable through the ownership and management of land and land assets. Funded by the Scottish Government and delivered in partnership by the Big Lottery Fund and Highlands and Islands Enterprise, it offers grants of up to £1 million to help communities take ownership of the land and buildings that matter to them, as well as practical support to develop their aspirations into viable projects.</p> <p>Successful applicants must clearly demonstrate that their project will help their local community to:</p> <ul style="list-style-type: none"> - Achieve more sustainable economic, environmental and/or social development through ownership of land and buildings - Have a stronger role in and control over their own development - Own well managed, financially sustainable land and buildings. <p>SLF prioritise applications that can demonstrate significant positive impact for the community as a whole.</p>

Supporting fund(s) – £69,500

- Negotiated discount: Ideally LCFG will be able to agree a negotiated discount on the independent valuation with the Church of Scotland. A negotiated discount of 20% (£50,000) on the purchase could be used as a contribution to the overall value (£250,000).
- Fundraising: even with a £50,000 negotiated discount a total of £44,000 would be outstanding (outstanding repairs and refurbishment costs). This would need to be mostly met though local community fundraising and private / business donations.
- In kind / volunteer contributions: some costs, particularly the £23,000 house renovation costs (for which grant funding is highly unlikely) may be reduced by the use of volunteer labour and in-kind support from 'project friendly' trades
- Small grants: elements of the project may also be eligible for small grants, such as HIE Community Right to Buy Fund (£5,000), the National Churches Trust for a Foundation grant supported by funds for small maintenance projects costing less than £10,000, or if urgent works are more than expected the Repair Grants for Places of Worship in Scotland (grants between £10,000 and £250,000 administered jointly by Historic Scotland and the Heritage Lottery Fund).

6.2 Phase two

Costs

As with phase one, the phase two project costs are at a development stage and are indicative but realistic. They are based upon professional judgement and experience of detailed project costs for similar projects with capital cost undertaken by a QS.

As the project evolves through further development, a professional team will be required to produce more detailed proposals for the project. VAT advice, a VAT position report, will also be required to establish the most advantageous VAT position and the extent to which VAT will be recoverable on the capital costs. The costs below, assume that a trading subsidiary is formed and that it and LCFG are both VAT registered.

The costs provided below therefore exclude recoverable VAT. It may also be the case that VAT may be recoverable from fees and works already spent before registration. In which case these funds may need to be repaid to funders.

The costs and funding plan below cover all anticipated key elements during the development and delivery phases.

Project development

	Notes	Rates	Cost
Design team / Site surveys	Design team to develop project to RIBA 3. To also include any necessary building surveys, assessments and permissions (NB. Total fees surveys c.£200,000)	Items	£70,000
Further specialist	Tender, selection, production of: <ul style="list-style-type: none"> - interpretive design team - activity plan consultant - updated full business plan - Legal advice - Archaeological scoping study - Contingency 	Items £12,000 £10,000 £12,500 £5,000 £7,500 £5,000	£52,000
LCFG training and research	Event management, health and safety, first aid etc	£5,000	£5,000
Project development manager	Full time to develop and manage the project through to full funding and delivery (18 months)	Salary plus 20% on costs	£54,000
Total			£181,000

Project delivery

	Notes	Rates	Cost
Project development Manager	Continued full time to deliver the project through to opening (18 months allowing for delays / contingency)	Salary plus on costs	£54,000
Capital costs	Based on QS costs (ex VAT) excluding archaeology, fees and interpretation (option C-1) – includes island weighting and 20% contingency	c.QS cost	£1,150,000
Design team fees	Based on QS costs (remaining 65%) including building warrants and related fees	items	£130,000
Closure fees	To cover the essential costs associated with church closure / loss of income for a 12 month works period (anticipated income loss at £24,980)	Items	£25,000
Archaeology	Watching briefs, investigation works and survey allowance	Items	£20,000
Interpretation	Design and installation of flexible / portable high quality engaging interpretive exhibition with online donation system	Items	£75,000
Venue Manager	Full time funding for 4 years Salary £30k + 20% oncosts	Salary plus oncosts	£144,000
Marketing	£15,000 pre-opening for website upgrade and leaflet design / print	Items	£15,000
Volunteer training and costs	Continued as phase one plus visitor welcome (over four years)	Items	£10,000
Contingency	At 15% of non-capital costs / fees - includes salaries	15%	£47,700
Total			£1,670,700

Total cost for phase two, (development and delivery) is **£1,851,700** excluding VAT

Funding

The phase two project costs estimated above will require a major programme of grant applications and will require full project backing by all relevant agencies; i.e. HIE, Argyll and Bute Council and others. The project appeals to funders in that it:

- Helps deliver community cohesion, generate community capacity and foster community pride
- Provides employment and training opportunities as well as volunteer training
- Delivers significant local economic impact and wider tourism generation to Lismore and the local area
- Secures and enhances a very visible and historically significant building and prevents the building's deterioration
- Shares the island's rich cultural heritage with people of all ages
- Provides opportunities for increased environmental efficiencies

Suggested sources of funding for each of the two key stages are provided below. Note that none of the funding sources have been contacted regarding the project.

Planning and development – target £181,000

Main fund(s)

Fund	Notes / detail	Estimated target
NLHF	Development stage funding leading to Round Two application (requires successful Expression of Interest and Round One application)	£120,000
AHF	Project Development Grant (PDG), Maximum: £40,000 to cover some of the costs of developing and co-ordinating a project and taking it towards the start of work on site. https://ahfund.org.uk/grants/scotland/	£30,000
Trusts	Small grant making trusts specialising in early-stage project development e.g. Barcapel Foundation and Pilgrim Trust	£20,000
Argyll & Bute Council	Demonstrating support for the project	£5,000
HIE	Demonstrating support for the project	£5,000
Community fundraising	LCFG fundraising (private and business donations) events and activities	£1,000
Total		£181,000

Delivery and operation – target £1,670,700

Main fund(s)

Fund	Notes	Target
National Lottery Heritage Fund	Grants for heritage (£250,000+) for projects that address the fund's four investment principles: <ol style="list-style-type: none"> 1. saving heritage 2. protecting the environment 3. inclusion, access and participation 4. organisational sustainability https://www.heritagefund.org.uk/funding/national-lottery-heritage-grants-250k-10m	£1,000,000
Historic Environment Scotland	The large grants programme (£100,000 to £500,000) to support the cost of capital works using traditional materials and skills which will help to deliver a sustainable future for a physical historic environment asset – usually 40% of total eligible conservation repair costs https://www.historicenvironment.scot/media/10122/leg-programme-guidance-v2024.pdf	£400,000
Community Led	To support communities to improve the places in which they live and the wellbeing of those most in need (National Lottery Community Fund). Up to £150,000	£50,000

	https://www.tnlcommunityfund.org.uk/funding/programmes/grants-for-community-led-activity	
Scottish Landfill Communities Fund	<p>A variety of / multiple approved bodies can be contacted – under Object E: “Where it is for the protection of the environment, the maintenance, repair or restoration of a building or other structure or a site of archaeological interest (including their landscape context) in Scotland which-</p> <ol style="list-style-type: none"> I. is a place of religious worship or of historic, archaeological or architectural interest; II. is open to the public; and III. is situated in the vicinity of a landfill site or transfer station” <p>Note that the church is 10.38 miles from the nearest Landfill / Transfer station just beyond the 10mile limit but within the 12 mile zone for consideration (LCFG would need to discuss with SEPA) https://www.sepa.org.uk/environment/waste/scottish-landfill-communities-fund/</p>	£75,000 (multiple years or providers)
Argyll and Bute Council	<p>Capital match fund through capital funding programmes e.g. Community Renewal Fund or similar https://www.argyll-bute.gov.uk/my-community/grants-and-funding/contact-communities-and-partnership-team</p>	£50,000
Highlands and Islands Enterprise	<p>Capital costs, net zero, community empowerment as well as training and employment https://www.hie.co.uk/support/browse-all-support-services/?currentPagelid=1879&page=1&showAllResults=false</p>	£25,000
Grant Making Trusts	<p>A wide variety of small grant making trusts including ABCAN, Barcapel Foundation, BNG Bord na gaidhlig, Charles Hayward Foundation – Heritage and Conservation Grants, Clore Duffield Foundation, Co-op Local Community Fund, Cruden Foundation Limited, Dulverton Trust (currently closed due to backlog of applications), Esmee Fairbairn Foundation (once operational and successful), Foyle Foundation, Garfield Weston Foundation, Hugh Fraser Foundation, I B Trust, Idlewild Trust, Mrs M A Lascelles Charitable Trust, Robertson Trust, The Gordon and Ena Baxter Foundation, The HB Allen Charitable Trust, The Leche Trust, The Weir Charitable Trust, Trusthouse Charitable Foundation, WA Cargill Fund, Wolfson Foundation</p>	£50,000
Community Fundraising	LCFG fundraising (private and business donations) events and activities	£20,700
Total		£1,670,700

7.0 Project Timetable

7.1 Phase One

The project timetable below sets out the main tasks over the next three and half years. This covers phase one delivery and operation and the preparation for phase two. Note that these are only the key tasks, there will be many more additional minor tasks required by LCFG.

Year	2024		2025				2026				2027			
Year link to operations	YR -1		YR 0				YR 1				YR 2			
Quarter	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Preparation														
1. Agree / adopt business plan	█													
2. Liaise with community	█			█		█				█		█		█
3. Initial SLF enquiry	█													
4. Procure independent valuation		█												
5. Agree purchase price with CoS		█												
6. Submit SLF stage 1 application		█												
7. Phase 1 fundraising campaign		█	█	█	█	█								
Purchase														
8. Submit SLF stage 2 application				█										
9. Appoint agent + formal offer				█	█									
10. Secure all phase 1 funds				█	█									
11. Complete on purchase				█	█									
Operation														
12. Develop LCFG subgroups				█										
13. Church tidy / preparation for phase 1 use				█	█									
14. Church house renovation for letting				█	█									
15. Apply for relevant licences				█	█									
16. Temporary church interpretation				█	█									
17. Secure church house tenants				█	█									
18. Church / church house operation				█	█	█	█	█	█	█	█	█	█	█
Phase two preparation														
19. Initial phase 2 funder enquiries							█	█						
20. Secure AHF development funds							█	█						
21. Consultancy support for phase 2 docs/apps.							█	█	█					
22. NLHF expression of interest							█							
23. HES expression of interest								█						
24. Secure development phase funding									█					
25. NLHF round one application									█					
26. Appoint project development officer										█				
27. Tender / appoint design team + consultants											█			
28. Develop project to RIBA 3 and planning + VAT report and supporting documents											█	█		
29. Secure delivery phase funding													█	
30. NLHF round two application													█	
31. Seek any final funding shortfall														█
32. Await NHLF decision / permission to start and move to phase 2 delivery														█

Rob Robinson **Heritage Consulting**

June 2024

7.2 Longer Milestones

Beyond this initial phase one programme, the key longer-term milestones are identified as:

	2028	2029	2030	2031	2032	2033	2034
1. Developed to RIBA 4 and building warrant	Feb						
2. Appoint contractors	Mar						
3. Completion of phase 2 capital works to church	Oct						
4. Snagging completed / church open for Christmas	Dec						
5. Phase 2 operation is underway		Jan					
6. Begin preparations for phase 3 (church house)			Jan				
7. Phase 3 funding fully secured						Dec	
8. Phase 3 capital delivery phase							Jan-Dec
9. Phase 3 fully operational							Dec

8.0 Action Plan

8.1 Next Steps

The priority next steps to be undertaken over the next twelve months are for LCFG to:

1. Agree / adopt business plan
2. Liaise with community and confirm decision to proceed towards purchase of the church and church house
3. Make an initial enquiry to SLF to discuss the project and timescale and obtain initial 'in principle' support
4. Undertake an independent valuation of the church and church house (assumes LCFG have funds for this)
5. Agree a purchase price with CoS – ideally this should include a negotiated discount (minimum of 20%), and avoid any clawbacks or similar
6. Prepare and submit the SLF stage 1 application
7. Plan and launch the Phase 1 fundraising campaign – have a clear funding target and develop a clear and achievable route to delivering this (to also include relevant grant making trusts as per the funding plan)

8. Develop and submit the SLF stage 2 application
9. Appoint an agent / solicitor and make a formal offer on the church and church house
10. Continue the fundraising campaign and grant applications and secure all phase 1 funds (may also consider applying for the AHF Project Development Grant at this time too to assist with the preparation of NLHF expression of interest and round one applications)
11. Complete on the purchase of both buildings
12. Identify key tasks and develop LCFG subgroups relating to the phase one operation and phase two preparation

8.2 Further Considerations

As the project moves forward there are four elements that should be considered. These are:

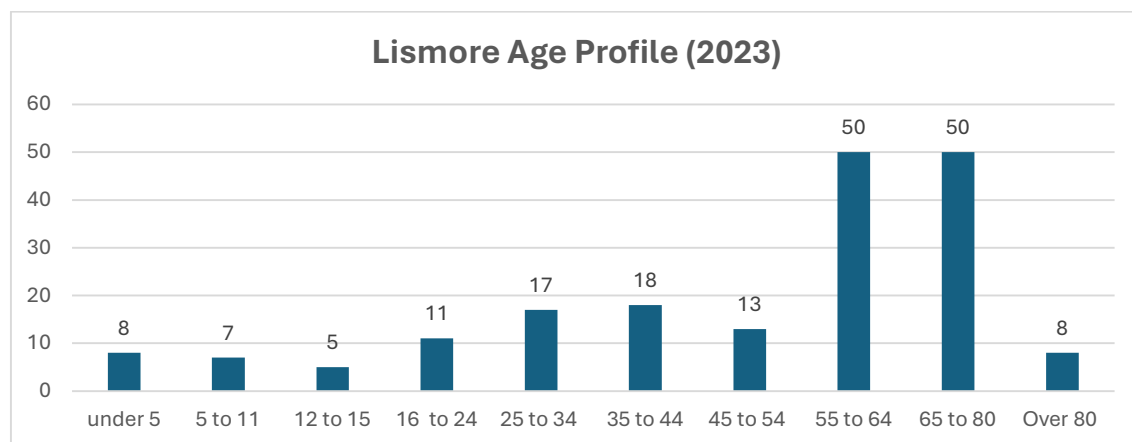
- Confirmation that LCFG do indeed want to move forward with this project as set out in the feasibility study and business plan. It must be stressed that each of the three phases will be progressively more difficult to fund and deliver, even with professional help and paid employees.
- The church house as per phase three, whilst seen as the ultimate goal, may be considered as a project 'safety net', as in a worst case scenario it could (community endorsement permitting) be operated as a holiday let to maximise income. The project should therefore be developed as per the three phases to allow for the loss of the church house as 'supporting facilities' without critically damaging the ongoing operation of the church.
- Assessing the most advantageous VAT position for the project in terms of both its delivery (reclaiming VAT on capital works) and its operation (its VAT income and expenditure). Specialist VAT advice (a VAT position report) will be needed and there may be advantages to undertaking this earlier than stated in the programme / funding plan, if funding is available.
- Considering when a trading subsidiary is required to operate the 'commercial' elements of the operation, which elements of the operation / building(s) fall within the trading subsidiary and how it links with the parent SCIO – this should be linked to the above VAT position report and may happen earlier than stated in the programme.

Appendix – Market Appraisal

Local demographics

The population of Lismore at the 2011 Census was recorded as 192. It has since decreased to 187 (2023). Lismore has a significantly higher proportion (31%) of residents aged 65 or over (compared to Coll 14%, Gigha 19% and Colonsay 25% - 2011 Census) and significant lower percentage of the population (11%) aged 0-15 (Coll 23% , Gigha 23%).

It is interesting to note that Lismore also has a very low proportion of residents aged 45-54, reflecting the lack of families with teenage children. As the graph below shows, a considerable proportion of residents (almost 60%) are aged 55 or over. This data, and national trends, suggest the population on Lismore may decline further placing pressure on the viability of key services, e.g. school, visiting doctor, ferries, shop and businesses.



It has been noted that a key factor in the population demographic is the availability of homes, particularly affordable homes, an issue which is now being addressed by the Community Trust at Achnacroish.

Although the population of Lismore is small, the island can draw on a much larger local mainland population. There is significant collaboration and interaction with the c.1,000 full time residents in the immediate mainland locality of the Appin and Duror / Kentallen area and close links with the 8,000+ residents of Oban.

Tourism market

The National Picture (*VisitScotland 2019*)

The tourism data uses figures for 2019 for consistency across sources and as arguably our last normal year, although tourism is now beginning to return to some state of normality. The national tourism data shows that tourism was growing in Scotland, fuelled by a growth in domestic trips by Scottish residents. In 2019, there were just over 17.5 million overnight tourism trips undertaken in Scotland, comprising 14.1 million domestic and 3.5 million overnight trips (visits, bednights and spend all

increased by a sixth on 2018 figures). In total, these tourist visitors stayed 74.7 million nights and spent £5,865 million.

Tourism day visits however decreased, compared to 2018 with only 134 million, reaching their lowest level since 2011, although day trip expenditure remained fairly stable at £5.8 billion.

For accommodation providers, 2019 saw peak occupancy rates for touring sites (41%) and hostels (60%) but a decrease for self-catering accommodation (48%). The USA was Scotland's largest international market, followed by Germany and then China for nights and Australia for spend. For domestic visits, while most visits are made by Scots, visitors from England stay the most nights and spend the most money.

In terms of motivations and interests, the Scotland Visitor Survey 2015 and 2016 (Jump Research for VisitScotland) showed that scenery and landscape was the primary motivator (50% of people) although history and culture was second (33%) and 'My Scottish ancestry' was a key motivator for 9% of visitors.

History and culture were particularly important to long haul (52%) and European visitors (51%) – and a key motivator for 26% of UK visitors. 'My Scottish Ancestry' primarily appealed to long haul visitors (23%).

Regional data – Argyll and the Isles

(Argyll and Bute council area, VisitScotland 2019)

There was a notable growth in overnight tourism to the region in 2019, by both domestic and international visitors, although particularly fueled by a growth in domestic visits (specifically Scottish residents). The figures below provide and compare the regional annual averages over three year periods.

Visits breakdown	Visits		Nights		Spend	
	2017-19 average (000s)	% Change 2016-18 / 2017-19	2017-19 average (000s)	% Change 2016-18 / 2017-19	2017-19 average (£000s)	% Change 2016-18 / 2017-19
Europe	81	-7%	307	+14%	35	+35%
North America	39	0%	129	-16%	18	+1%
Rest of World	27	+28%	112	+50%	9	+35%
Total international overnight	147	0%	548	+10%	62	+22%
Scotland	491	+24%	1,626	+24%	88	+29%
Rest of GB	355	+10%	1,784	+18%	111	+12%
Total domestic overnight	846	+18%	3,411	+21%	199	+19%
Total overnight	933	+15%	3,959	+19%	261	+20%
Total Day Tourism	5,538	+14%	NA	NA	182	+90%
Total	6,531	+14%	3,959	+19%	443	+41%

Key findings from the data include:

- Scottish residents accounted for roughly half of all overnight trips and a third of overnight spend
- Europeans form the majority of international travellers

- There was a very significant increase in domestic day tourism spend
- For overnight international tourists, the average stay is 4.6 nights, spend per day is £131 and spend per visit is £602. Most are on holiday (83%) and visit between July-September (48%) or April-June (33%)
- For overnight domestic tourists the average stay is 4.2 nights, spend per day is £57 and spend per visit is £236. Most are on holiday (70%) and visit between April-June (36%) or July-September (34%)
- Domestic day visitors spend an average of of £33 with the main activiites being going for a meal (0.7m) or a short walk (0.6m) while 400,000 visited a castle or other historic site.

The 2019 Scottish Accommodation Occupancy Survey provides accommodation occupancy figures for the wider ALLFV (Argyll, Loch Lomond and Forth Valley) area. These comprise:

- | | |
|------------------------------------|-----------------------------------|
| • Hotels (% room occupancy) | 74.45% (Scotland islands: 68.52%) |
| • Hotels (% bed occupancy) | 49.43% (Scotland islands: 59.80%) |
| • Guest House (% room occupancy) | 51.55% (Scotland islands: 50.87%) |
| • Guest House (% bed occupancy) | 42.19% (Scotland islands: 40.27%) |
| • Self-catering (% unit occupancy) | 54.42% (Scotland islands: 57.36%) |
| • Touring (% pitch occupancy) | 43.12% (Scottish islands: 48.59%) |
| • Hostel (% bed occupancy) | 50.33% (Scottish islands: 67.67%) |

It is likely that Lismore accommodation figures are on average somewhere between the ALLFV and Scottish island averages.

Looking at data for visitor attractions, using the Scottish Visitor Attraction Monitor, in 2019 there were some 65million visits to attractions in total across Scotland. For this project, this may be broken down as:

Category	Total visits	National total	%
ALLFV	6,260,031	65,214,692	10%
Islands	2,417,366	65,214,692	4%
Places of worship / spiritual attractions	2,499,760	65,214,692	4%

In terms of adult / child split for visitors, children were notably less likely to visit island and places of worship attractions than attractions overall.

- ALLFV – 86/14 (adult/child split)
- Islands – 89/11 (adult/child split)
- Places of worship / spiritual attractions – 90/10 (adult/child split)

Regarding the origin of visitors, the profile differs significantly between island / ALLFV attractions and places of worship.

- ALLFV – Local 22%, Other Scotland 26%, other UK 18%, overseas 26%
- Islands – Local 19%, Other Scotland 25%, other UK 32%, overseas 24%
- Places of worship / spiritual attractions – Local 3%, Other Scotland 11%, other UK 19%, overseas 67%

The Scotland Visitor Survey 2015 and 2016 (Jump Research for VisitScotland) showed that history and culture was a key motivator for 45% of visitors to Argyll and the Isles. A selection of key comparator ecclesiastical sites are presented below with 2019 visitor figures, which add up to over 2.7million visits.

Attraction	Visits	Owner	Council	Free / Paid
St Giles' Cathedral	1,217,991	RO	Edinburgh City	Free
Glasgow Cathedral	537,415	HES	Glasgow City	Free
St Magnus Cathedral	198,516	Local Authority	Orkney Islands	Free
St Mungo Museum	159,157	Local Authority	Glasgow City	Free
Dunkeld Cathedral	88,000	RO	Perth & Kinross	Free
Church of the Holy Rude	70,228	Charity / Trust	Stirling	Free
Iona Abbey & Columba Centre	63,884	HES	Argyll & Bute	Paid
Melrose Abbey	61,325	HES	Scottish Borders	Paid
Greyfriars' Kirk	57,399	RO	Edinburgh City	Free
St Andrew's Cathedral	54,511	HES	Fife	Paid
Elgin Cathedral	37,979	HES	Moray	Paid
Jedburgh Abby	29,484	HES	Scottish Borders	Paid
Samye Ling Monastery	29,026	Charity / Trust	D&G	Free
Dunfermline Abbey/Palace	22,860	HES	Fife	Paid
Dryburgh Abbey	19,590	HES	Scottish Borders	Paid
Inchcolm Abbey	19,221	HES	Fife	Paid
Dunblane Cathedral	16,620	HES	Stirling	Free
St John's Kirk	12,057	RO	Perth & Kinross	Free
St Ronan's Wells VC	5,366	Charity / Trust	Scottish Borders	Free
Dundrennan Abbey	3,531	HES	D&G	Paid
St Serfs	2,892	HES	Perth & Kinross	Free
St Mary's Parish Church	2,393	RO	East Lothian	Free
Seton Collegiate Church	1,795	HES	East Lothian	Paid
Crossraguel Abbey	1,229	HES	South Ayrshire	Paid
Glenluce Abbey	919	HES	D&G	Paid
St Peter's Heritage Centre	746	Charity / Trust	Aberdeen City	Paid
Dalmeny Kirk	337	RO	Edinburgh City	Free
Sweetheart Abbey	325	HES	D&G	Paid

RO - Religious Organisation

Tourism on Lismore

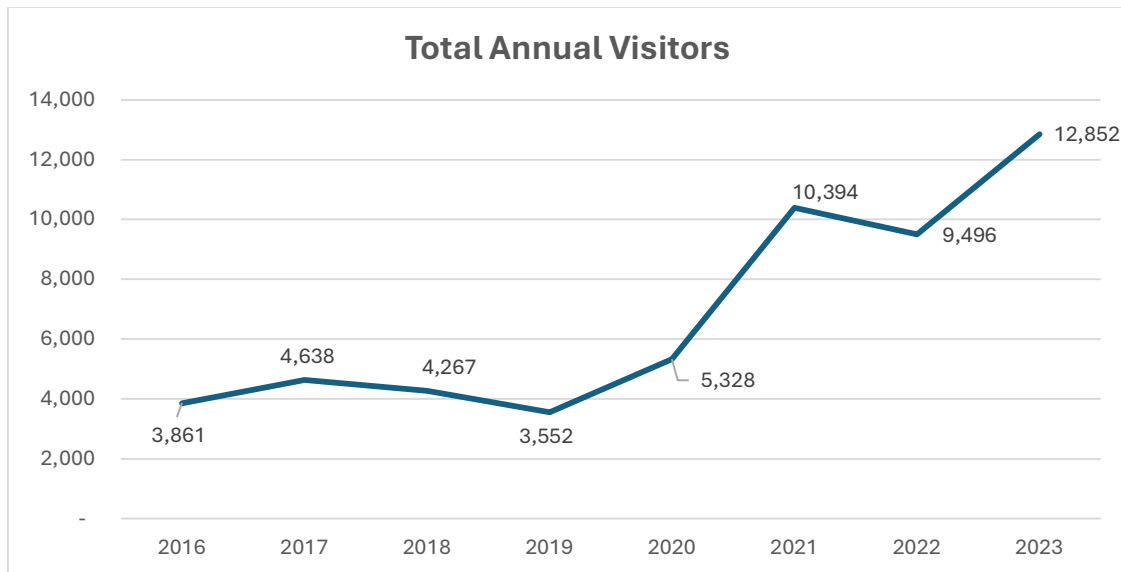
Local visitor attractions

The Lismore Gaelic Heritage Centre is the main visitor attraction on the island and the only site that monitors visitor numbers. The table below provides annual total visitors to the centre when open to the wider public between April and October. Although the graph appears to show a dramatic rise in visitor numbers key aspects to note are:

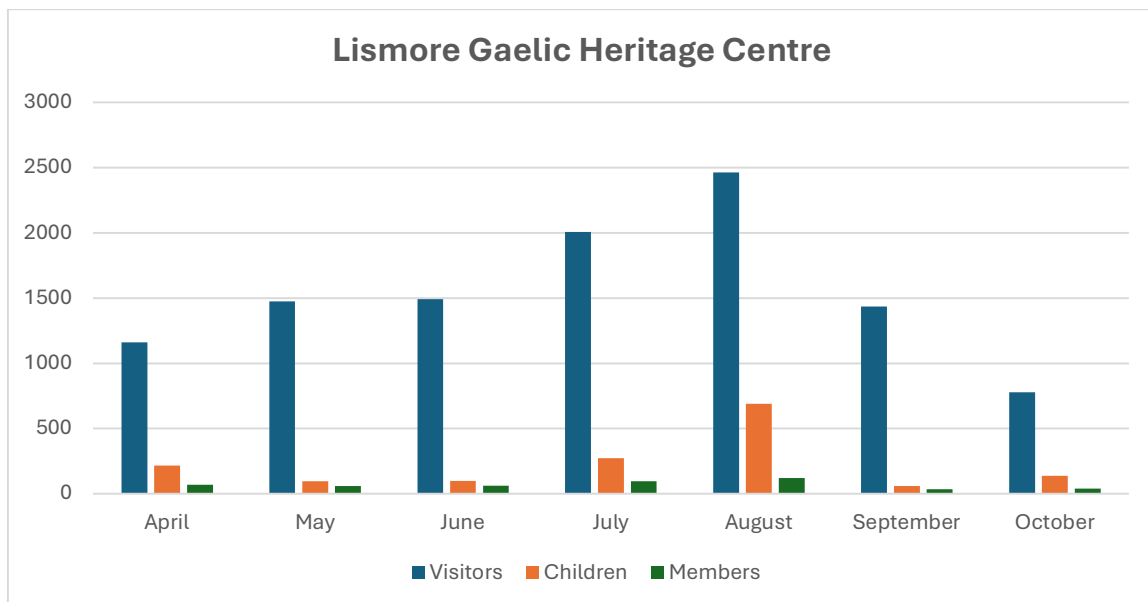
- The figures for 2016 to 2019 were for the museum room only
- In 2017, entry changed from a charged admission fee to a donation scheme – this has been operating since then
- In 2020 Covid-19 lockdowns closed the centre for part of the year

As a Covid requirement, contact details were recorded for entry to the Heritage Centre and café. Since Covid numbers are recorded by a volunteer on the welcome desk noting people as visitors, children and members separately.

The figures suggest around 12,000 visitor visits to the centre currently, of which perhaps around 4,000 visit the museum room. It is thought by staff that a very large proportion of visitors use the café, possibly as high as 90%.



As noted, the figures are split across visitors, children and members and are also available as monthly totals. These are presented below and show a July and August peak, with a very strong peak in August for children. It also shows that around 12% of visitors are children.



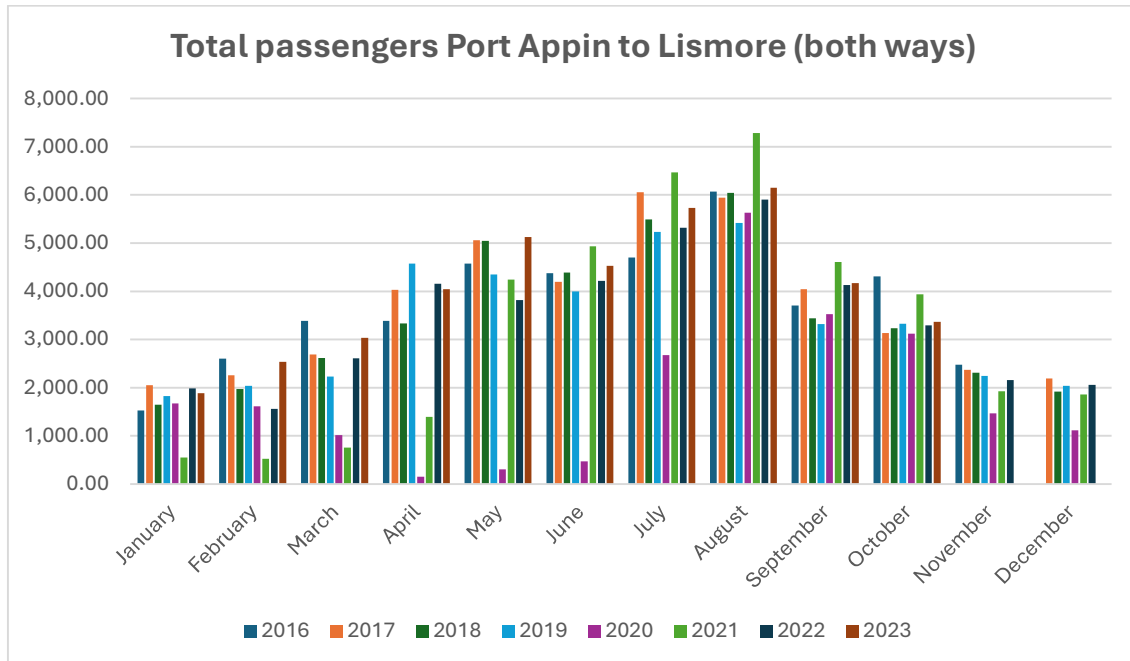
Local traffic data

There are no manual or automatic traffic count points on Lismore or at Port Appin.

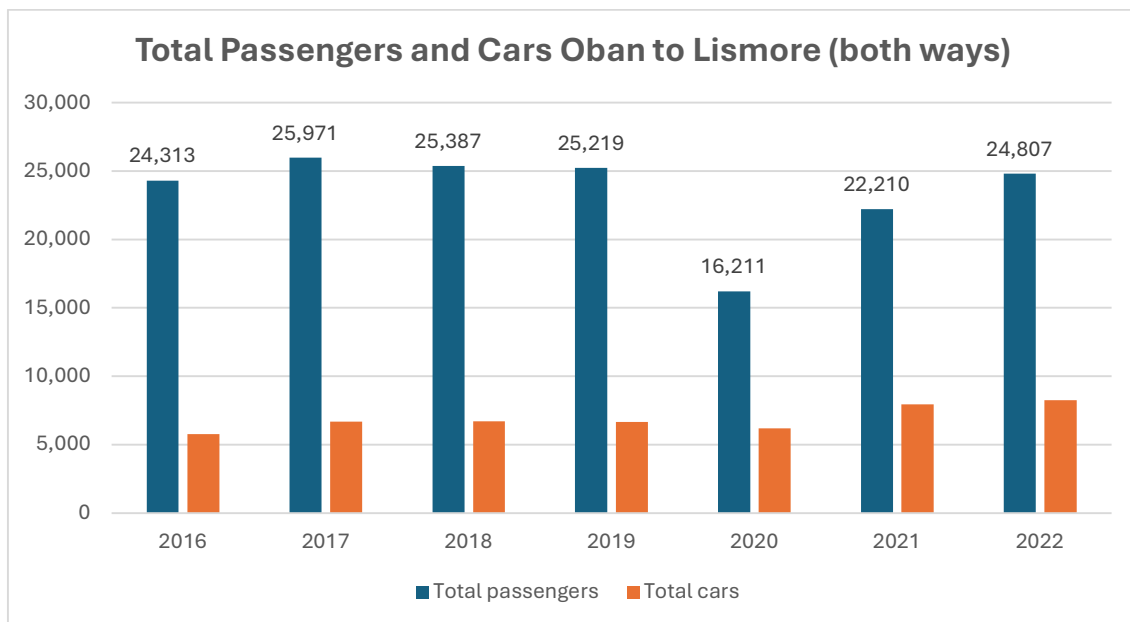
Ferry data

Often the most accurate way of measuring visitors to islands is by analysing the ferry data, although for Lismore this is complicated by there being two entry points; the Argyll & Bute Council passenger and cycle only ferry to Point and the Calmac car ferry to Achnacroish.

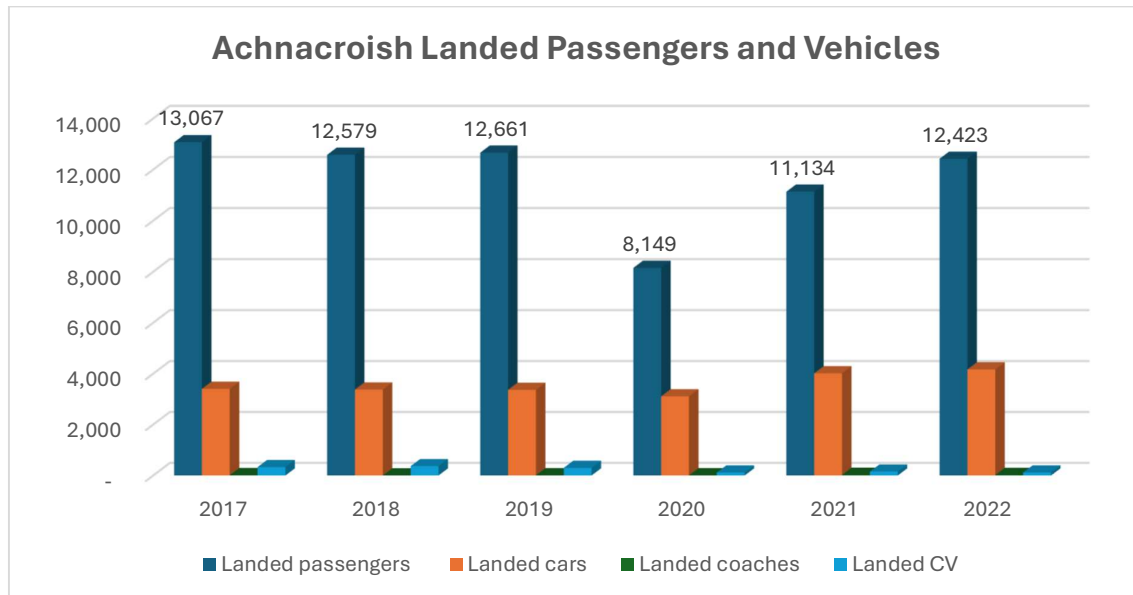
Excluding years 2020/2021, there are on average around 41,500 passenger journeys per year between Port Appin and Lismore (each way). Assuming that most people get a return ticket, this equates to around 20,750 return journeys per year.



Source: Argyll and Bute Council 2023



Source: Calmac 2023



Source: Calmac 2023

Excluding years 2020/2021 the number of passengers on the Oban to Lismore Calmac route average around 24,500 per year (2017-2022). Again assuming that all are return journeys provides a total of 12,250 return passenger journeys per year. The data for landed passengers for the same period is slightly higher at 12,683. With the exception of the Covid years (2020/21), the data shows a stable picture for the number of passengers and trends for slightly increasing cars to the island, decreasing commercial vehicles and a very low number of coaches / buses, although these too have risen from an average of 10 per year for 2017-2019 to 24 per year for 2021-2022. The two ferry companies combined provide a total of approximately 33,000 return passenger journeys per year to Lismore. Anecdotal, a notable proportion of visitors to the island are cyclists, many on a day visit cycling a loop from Oban, although there is no data to support this. Many also bring bikes on and off the ferry at Point during day visits.

The Port Appin monthly totals show a base of around 2,000 passenger journeys per month in the winter, rising to 3-4,000 in the shoulder seasons and peaking at around 6,000 in July and August. Assuming that the winter journeys are predominantly resident / work journeys, this suggests perhaps a 40/60 split between visitors and residents / workers, and an average of around 13,200 visitors to Lismore by ferry each year. While the increased summer resident trips / work journeys and winter visitor trips will largely cancel each other out, there will still be a significant margin of error (perhaps +/- 10%) in the calculation. This provides a visitor number range of 11,880 to 14,520 visitors to the Lismore annually.

These figures broadly correlate with the Heritage Centre visitor numbers and suggest that for 2022 at least 65% of visitors to the island visited the Heritage Centre (and perhaps up to 30% visitor the museum), not accounting for multiple / repeat visits, which would reduce these visit rates.

Tourism trends

In 2014 VisitScotland introduced a market segmentation model designed to help optimize marketing spend and target communications at the right consumers within the UK. This segmentation model, still used today, identified ten market groups and highlighted five as providing the greatest return for investment for Scotland:

- Adventure Seekers
- Curious Travellers
- Engaged Sightseers
- Food-Loving Culturalists
- Natural Advocates

The segments most closely aligned to a new tourism development at the Church are curious travellers and engaged sightseers, while the wider Lismore destination will also appeal to natural advocates. There is considerable profile and characteristic data for each segment available in the VisitScotland document 'An Overview of Our Target Segments' and only a brief summary of the priority segments is presented here¹.

Curious Travellers: 'Curious Travellers like to live life to the full and enjoy traveling as a hobby. They have an overwhelming desire to explore new destinations and discover new things. A holiday will often broaden their minds, educate and revitalise them'.

- A real spread of ages, concentrating on the middle to upper age bands with 43% in the 25-44 age group
- Affluent
- 81% from England, many from London and the South with 9% of holiday nights in Scotland
- Mainly adult only households with only 25% having children at home

Engaged Sightseers: 'A love of holidays drives Engaged Sightseers to plan numerous breaks in a year. They enjoy general sightseeing and touring, taking in historical places as well as scenery and nature. They relish engaging with friendly locals and seeking out an authentic experience'.

- An older age profile than other segments; typically over 45 and with the highest proportion falling into the over 65 age group of all the segments (27%). 57% are over 55 years old and 37% are retired
- Mid affluence (below average)
- 79% from England, many from the North with 15% of holiday nights in Scotland

Natural Advocates: 'Passionate about Scotland as it offers everything they want from a holiday; breath-taking scenery, a connection with nature and the chance to get away from it all. A holiday in Scotland will really help them to unwind, recharge and enjoy quiet time'.

- Mid affluence

¹ For more detail and comprehensive overview of characteristics and profile download <http://www.visitscotland.org/pdf/External%20Segmentation%20Paper%20Full%20Document2.pdf>

- The majority fall into 35-54s
- 35% are from Scotland, with many from Northern Scotland, Central Scotland and Northern England
- Slightly more likely to be retired (18%) and have grandchildren (26%)

Recent research, largely undertaken by VisitScotland, provides useful insights on current tourism trends. These include:

Voluntourism. This group is interested in rich and diverse cultures, travelling in a sustainable manner, the green credentials of the places they visit, and in giving back and learning / sharing new skills during their leisure time. This group includes:

- Solo travellers
- Adventure tourists
- Career breakers

Recent, post-Covid, research by VisitScotland into voluntourism notes that 'voluntourism or working holidays are likely to remain an area of interest for a small number of consumers, however as the global community heals from the trauma of COVID-19, informal volunteering will become front of mind for many. Businesses should consider how they:

- Offer visitors opportunities to offset the carbon footprint of their travel or highlight how this is managed as a business
- Develop products involving authentic experiences such as chatting to an older resident about local history and heritage
- Provide opportunities for active outdoor pursuits blended with voluntary work such as beach cleans

The research suggests that the demand for responsible tourism is driven by millennial and GenZ travellers looking for short-term volunteering opportunities as part of holiday experiences. The report suggests that the greatest opportunities are in short term informal volunteering linked to local community projects, skills sharing (including formal courses) and green clean ups.

While most travel volunteering is very short term (one or two days and informal), 'voluntourism' on a larger scale is traditionally more organised, for longer periods of time and associated with gap year students – although note that there are numerous articles questioning the benefits of many of these overseas opportunities. However, there is evidence of increasing demand from older generations post-retirement or between jobs for these longer formalised 'career breaker' volunteers (although no statistics on market demand are available).

Localism and authentic experiences. This group is interested in the unique identity of a destination, crave living like a local, and creating memories discovering their own authentic Scotland. The offer should focus on the history, heritage and culture of the destination, promote local skills and craftsmanship, showcase local art or music, be at the heart of the community and respect the locals and their resources. They include:

- Hametown Tourists
- Visiting Friends and Relatives
- Safe solo travellers

Wellness tourism. This group is interested in engaging with Scotland's scenery and landscape, is looking for breaks that include wellness activities, and is interested in trying something new with family and friends, exercising together and spending time outdoors. They include:

- Aging population
- Workcation / bleisure (business-leisure)
- Families and multigenerational groups

The project also needs to consider how it can deliver on some or all of the following current trends identified by VisitScotland:

- **Artisan retail and food and drink:** Consumers are looking to reconnect with the processes and products they use and the people producing them, both at home and as part of planned trips. Supporting small businesses forced to close during lockdown has encouraged digital adoption in these SMEs (Small to Medium Enterprises) and increased access to their products.
- **Transformational tourism:** Driven by the mainstreaming of wellness, betterment and mindfulness, visitors want their trips to have meaning, challenge, connection and impact.
- **Demonstrate green credentials:** Sustainability and a search for destinations that practice green principles are key concepts. Visitors are also looking for opportunities to contribute to projects that preserve culture or the environment as a way to 'give something back'.
- **Appeal to families:** Recent research indicates that great family experiences include opportunities for 'togetherness', a chance for children to play outdoors and be active and 'shared activities'.
- **Appeal to young people:** Recent research suggests that offers that would encourage young people to visit heritage sites include hands-on activities and a greater variety of events. The top three things young people would like heritage attractions to offer are: Virtual tours, Virtual events and social media Q&As.

Project specific markets

Pilgrimage

The British Pilgrimage Trust defines 'Pilgrimage' (n.) as: A journey with purpose on foot to holy / wholesome / special places, and lists over 20 official pilgrimage routes in Scotland:

- | | | |
|--------------------------------------------|-----------------------------|--------------------------------------------|
| 1. Borders Abbeys Way | 8. St Andrew's Way | 15. St Ninian's Way |
| 2. Dalriada Way | 9. St Columba's Way | 16. St Wilfrid's Way (Hexham to Edinburgh) |
| 3. Edinburgh Cathedral Pilgrimage in a Day | 10. St Conan's Pilgrims Way | 17. The Deeside Way |
| 4. Fife Pilgrims Way | 11. St Cuthbert's Way | 18. The Forth to Farne Way |
| 5. Northern Pilgrims' Way | 12. St Duthac's Way | 19. The Ladywell Way |
| 6. Rosslyn Chapel Way | 13. St Magnus' Way | 20. Three Saints Way |
| 7. St Andrew's Circuit | 14. St Margaret's Way | 21. Whithorn Way |

The Dalriada Way runs from Tarbert to Lismore, covering 100 miles over 8-10 days, and indeed ends at Lismore Parish Church. The establishment and growth of new routes such as the Fife Pilgrim's Way demonstrates the interest in this sector. Pilgrimage is a key marketing hook for Argyll with Wild About Argyll with part of its website dedicated to pilgrimage <https://www.wildaboutargyll.co.uk/see-and-do/castles-heritage/pilgrims/> with highlights including Davaar Island, Kilmartin, Saint Columba's Footprints, Cowal Pilgrim Trails, St Conans and of course Iona Abbey.

Destination weddings

Destination weddings continue to grow in popularity and, following the lull during Covid, the wedding sector has seen a boom period over recent years. There were 30,033 marriages in Scotland in 2022, 24% higher than in 2021 and the highest number since 2012. Of these, 28,921 were opposite sex and 1,112 were same sex marriages and some 1,192 were in Argyll and Bute. Using data for 2019, approximately 20% of weddings are by non-residents of Scotland, including a total of 950 couples from overseas.

Although traditionally popular Scottish wedding venues, such as castles, romantic barns and rural churches, continue to dominate, over recent years there has been a growing trend towards more unusual venues, such as industrial-style buildings and breweries.

The average costs of weddings vary considerably depending upon the survey viewed. The Scottish Wedding Census noted that the average cost of a Scottish wedding in 2015/16 was £29,904 rising to £31,167 in 2016, while the Scottish wedding directory survey noted that a 2019 Scottish wedding cost £35,674 on average and is now more likely to take place in autumn rather than summer. Interestingly, a more detailed look at wedding costs show that, between 2020 and 2022, the proportion of weddings costing less than £10,000 increased, the proportion costing between £10,000 and £20,000 decreased and the proportion above £20,000 remained fairly constant.

It should also be noted that in addition to the appeal of St Moluag's Cathedral, Lismore's stunning island scenery is also a key draw. The client team notes that scenery was the main motivator for 84% of destination weddings in Argyll and Bute in 2018. (Source: *Tying the knot in Scotland: Examining Scotland as a destination wedding venue – VisitScotland Insight Dept Dec 2019*).

Spiritual retreats and wellness tourism

Research by the client team notes that wider spiritualism is also a growth area for Scotland, indeed VisitScotland has produced a Chakra map of Scotland linking potential holidays with body energy points. Further VisitScotland research has shown that protecting mental health and a need for change and connection are key motivators for holidaying in Scotland. Almost a quarter (24%) of people from the UK and Ireland took a holiday in Scotland in 2022 specifically to protect their mental health from the impact of COVID-19. Consumer spend in Scotland on wellness is £6.6 billion – 3.9% of Scotland's total economy (*The economic opportunities of the wellness economy for Scotland - Additional Research with Context Economic and Social Research May 2021*).

Lismore's slow island pace, its sense of remoteness and its combination of nature, history and welcoming spirit provides a strong sense of connection and enrichment that appeals to today's travellers.

An insight report by VisitScotland notes that wellness tourism has different connotations for different people. For some it will be the direct definition, with yoga retreats and spa breaks, while for others it might be more esoteric like physical activities like walking or mountaineering. Underpinning the trend are findings such as:

- A quarter of UK domestic visitors to Scotland in July-December 2020 “wanted something to protect (their) mental health from the impact of COVID”. (visitscotland.org)
- Those domestic visitors taking wellness trips spend on average 178% more than an average domestic visitor (Global Wellness Institute 2017).
- In 2020, sales of yoga and Pilates equipment increased by 1,269% (Home gym equipment sales UK 2020 / Statista)

Traditionally, wellness has meant spa experiences and relaxation (water and massage therapies), however, more recently the role of the natural environment in addressing mindfulness and mental health. Wellness tourism can be a primary or secondary driver in a trip, often driven by the need for time-out and recovery, with products including:

- Opportunities to engage with the nature, landscapes and seascapes
- Personalised breaks including wellness activities
- Local, sustainable food

VisitScotland suggest the following wellbeing tourism opportunities or ideas:

- Soft Wellness Travel: Accommodation incorporating slow or soft wellness approaches into their agenda with the additions of Tai Chi, yoga, meditation, nature walks and healthy cooking classes.
- Re-Wilding: Retreats which focus on rewilding the human body using a combination of nature, adventure, exercise, play, rest, nutrition and mindfulness – whilst enjoying some of the world's most unique venues, handpicked for their outstanding eco-design set within the stunning natural surroundings.
- Digital and EMF Detoxing: Providing retreats where it's easy to switch off, where there's no WIFI or mobile reception, or where they actively encourage you to limit your screen time. Other wellness retreats offer dedicated detox breaks which make it easy to break your social media or screen habit surrounded by like-minded people to re-engage with people and connect on a more personal level.

The VisitScotland wellness tourism markets are identified as:

- Aging population: preventing illness and maximising wellbeing through wellness activities and holidays is of particular interest to those looking to 'age well' and remain healthy in their later years.
- Workcation/bleisure visitors: visitors looking to take ownership of their own mental wellbeing through wellness sabbaticals or the incorporation of holistic activities as part of a wider trip.
- Families: the aging population as a key driver, but the mindfulness movement is a catalyst for younger travellers too. The broad range of activities related to wellness offer opportunities for family travel and multigenerational groups; trying something new, exercising together and spending time outdoors.

Being close to water is also a major element of wellbeing and, potentially, wellness tourism. The VisitScotland report *Health benefits of being near water* provides an excellent overview of the benefits and opportunities.

Just as wellness can mean different things to different people, the offer or experience provided by spiritual and wellness retreats can vary considerably. They may include practising meditation daily (indoors or outdoors), yoga sessions, meditative walks, detox programs, various workshops, or wellness treatments, while others may include outdoor activities such as SUP or swimming, horse riding, hiking or cycling. Some have a more spiritual and religious focus and include prayer and the structure of monastic life.

Spiritual and wellness retreats are located throughout Scotland, those listed below provide a flavour of the range of the most popular retreats currently on offer:

- Astro Crystal Astrology / Crystal healing retreats (Callander)
- Life Purpose retreat (Callander)
- Mindfulness in Nature and Forest Therapy retreat (Invermoriston)
- Mindfulness meditation programme Toadhall (Aberdeenshire)
- Nature breath (Cairngorms)

- Pluscarden Abbey spiritual retreat (monastic life)
- Transformational Women's retreat (South Queensferry)
- Yoga retreats (Dunglass, Dollar and Isle of Skye – mindfulness yoga sound bath women's retreat)

Although there is no market data available on demand, the Facebook group 'Spiritual events in Scotland' has over 5,000 members and actively promotes networking and the encouragement of greater spiritual community in Scotland. <https://www.facebook.com/groups/977984912272241/>. It demonstrates the variety, scope and popularity of the sector.

Workshops and courses

The workshops and courses sector is extremely varied, ranging from workshops that may only last a few hours to residential courses lasting weeks, and providing a comprehensive overview of the sector is a major study in itself.

Even just looking at heritage and cultural courses, the sector is extensive and largely uncoordinated in its promotion. Workshops and courses are most often promoted and delivered by dedicated venues and organisations like Historic Environment Scotland's Engine Shed in Stirling, which specialises in building conservation, as does the Scottish Traditional Skills Training Centre in Turriff, The Scottish Lime Centre in Charlestown and the traditional skills training programme by the Perth and Kinross Heritage Trust.

Larger dedicated training centres like Gartmore House provide an extremely wide range of courses including craft and activity holidays (e.g. knitting, patchwork and art courses) as well as archaeology workshops and courses. Although the sector is largely uncoordinated in its promotion of events operated by individual organisations, there is some shared promotion of heritage craft activities through sites such as Craft Courses and Craft Scotland, the latter listing 38 heritage craft workshops and courses in Scotland between January and March 2024.

In terms of wider cultural courses, popular options include singing, creative writing, poetry, art, music and photography and are located in venues throughout Scotland. Many of these are also connected to artist residencies or larger residency establishments, maximising the use of spaces and facilities. An interesting facility close to Lismore is the Rockfield Centre in Oban. Purchased by the Oban Communities Trust to provide a cultural hub delivering four themes: Arts and Culture; History and Heritage; Community Wellbeing; and Education and Enterprise. Interestingly the centre is also home to the Young Archaeologists Club.

The archaeology workshop / training sector (an area particularly appropriate for Lismore) is large and varied but there is also considerable competition, from well-established providers such as Gartmore House and major organisations such as NTS, Archaeology Scotland, archaeological units, UHI and Universities. It is also worth noting that many of the public archaeology workshops are free to users, funded through project grants. From the rapid review undertaken, it is clear that if courses and workshops are to be income generating, they cannot be focused purely on heritage and will need to have wider public interest covering nature, culture and craft / hobby courses.