



BUSINESS PLAN

DRAFT v4 - 28/3/2017 RB

Friends of the Earth (Birmingham) Limited is a Community Benefit Society registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014

Registration no. 22063R

*Registered address: 54-57 Allison Street
BIRMINGHAM B5 5TH*

www.birminghamfoe.org.uk

REVISION SHEET

Version	Date	Revision Description
1 First draft	19 December 2016	Draft for review (presented in separate files for each section) by BFOE board and manager and requesting addition of material
1.1	Circulated 19 Jan 2017	Whole plan in one doc incorporating provided material
2 Second draft	Circulated 23 Feb 2017	Includes Marketing section
2.1	3rd March	Includes some tidying up and info about membership Sent to Richard and Martin
3 Third draft	Sent to Richard 6.3.17	Version to be put forward for Standard Mark assessment to Mark Simmonds by 13 March
3.1	RB 13/3/17	
3.2	MD 14/3/17	
3.3	RB 15/3/17	
4 Fourth draft	RB 27/3/17 RB 28/3/17	Version to be put forward to Comm Shares Unit for Booster panel
5. Fifth draft		Version to accompany and support share offer (i.e. published)

Prepared by Friends of the Earth (Birmingham) Ltd. Board of Directors.

Approved on 27/3/17 by Richard Bickle, Society Secretary on behalf of Friends of the Earth (Birmingham) Ltd

Signed: _____

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1 SUMMARY

Birmingham Friends of the Earth remains committed to its mission, which is as follows:

Birmingham Friends of the Earth exists to advance the principles of sustainability and positive environmental change.

Birmingham Friends of the Earth (BFOE) is unusual as a Friends of the Earth local Group in that it owns and operates a building as a not-for-profit business - incorporated as "Friends of the Earth (Birmingham) Ltd." - whilst still having campaigning and the improvement of the local environment as its primary aim. Campaign objectives are determined and regularly reviewed by the organisation's Campaigns Strategy Committee.

The purpose of this business plan is ultimately to make sure that BFOE's trading business support this campaign work and the broader spirit of our mission statement. For this reason, the analysis and objectives contained here relate to the broader responsibilities of running our business and building, and not specifically to our campaigns work.

From our previous business plan's objectives, we have also made major steps forward on improved financial management, asset management strategy, urgent maintenance issues and securing some positive uses for the land adjacent to the building. Campaigns-wise there have also been some positive recent achievements, particularly our locally run campaigns, our newsletter and speaker meetings. However, we still face significant challenges around the building condition and functionality, potentially overburdened staff and volunteers, and changes to the local area.

This business plan sets a number of strategic objectives which are our main organisational priorities for 2017-22. These include:

- Increasing the building's usable space and energy efficiency (our primary objective under this business plan);
- Ensuring our staff roles best reflect our organisational needs and priorities;
- Improving the identity and profile of The Warehouse;
- Increasing and diversifying BFOE supporter and membership base (for legitimacy of voice and resilience of income).

We are looking to raise investment capital to refurbish our building, which will lead to an increase in the financial, social and environmental value of that space.

Financially, there will be more space that is of a higher quality for us to let and we will also be able to charge more rent per sq ft for that space.

Environmentally, we will be looking to exceed the legal requirements (Building Regulations Part L) for conserving energy by installing more insulation and more efficient glazing.

Socially, we will be more accessible to wheelchair users and people with limited mobility with more community meeting facilities. The work will also allow us to reduce our administration costs and focus more on meeting our social goals.

The Share offer

To finance the refurbishment we are looking to raise up to £270,000 in Community Shares, from our existing members and supporters and our wider community of interest. This total figure includes a match investment of up to £100,000 in equity from the Community Shares Booster Programme. The Share Offer is also being supported by a small grant from the Booster Programme.

We have identified a “core” scheme which can deliver most of our objectives by raising £240,000 of Community Shares and that is our initial target. As a contingency, we have also developed a smaller programme of work for a minimum of £150,000 in community shares which includes more limited changes and makes passive provision for incremental developments in the future.

The following documents are available at www.birminghamfoe.org.uk/shareoffer:

- Share Offer Document;
- Business Plan;
- Rules of Friends of the Earth (Birmingham) Ltd.;
- Annual Accounts to January 2016;
- Annual Accounts to January 2015.

The Accounts for the year to January 2017 will also be uploaded as soon as they have been produced ready for the 2017 AGM.

The minimum investment per individual is £250 and a maximum of £10,000. You can invest any amount between these figures. Under our Rules, membership is open to any person or corporate body or the nominee of any unincorporated organisation who supports the objects of the Society which are as follows:

“To carry on any business for the benefit of the community:

- (i) to promote the conservation, restoration and rational use of the environment;*
- (ii) to effect the conservation, restoration and rational use of the environment, and to support any person, body or organisation in that regard;*
- (iii) to disseminate information amongst the public concerning such conservation, restoration and rational use of the environment.”* (Extract from Rule 2).

The decision on whether or not to accept an application for membership is entirely at the discretion of the elected Board of Directors. We will accept applications for membership by or as gifts for children under the age of 16. However, please note that the child will not be able to make withdrawals until they reach the age of 16.

The Society has the option of charging members an annual subscription in addition to a minimum shareholding. The Board has decided that members investing in this share offer will not be required to pay a subscription during the 5 years of this business plan. We will however encourage members to become regular donors if they wish.

2 THE STORY SO FAR

2.1 History of Birmingham Friends of the Earth (BFOE)

Running since 1973, and based in The Warehouse since 1977, BFOE is the local Birmingham Branch of Friends of the Earth. BFOE have covered many environmental and social issues in and around Birmingham including on air quality, aviation, energy and climate change, land food and water, nature, planning transport, waste and recycling. As well as local campaigns, we also work on national and global issues.

We are one of the biggest groups in the Friends of the Earth (England, Wales and Northern Ireland) network, which comprises campaigning groups working in over 170 local communities. Friends of the Earth is also the largest international network of environmental groups with affiliates in over 75 countries.

Our building has been central to our efforts. It gives us the opportunity to “walk the talk”, whilst nurturing and demonstrating positive environmental and social change. Because of this, we are unique as a Friends of the Earth group: we don’t just think, we do.

It was this attitude that led us to start taking on insulation projects in the 1970s. We needed a base to operate from, so took a 10 year lease on The Warehouse and In 1986, we purchased the building from Lord Benacre for £35,000. At that stage it was suffering from years of neglect. We have done a lot over the last 30 years to get to the stage that we are at now, where the building is far better insulated, warmer, watertight, more accessible and better furnished.

2.2 Our business model and community involvement

Friends of the Earth (Birmingham) Ltd. was registered on 4th January 1978 as an Industrial & Provident Society for the Benefit of the Community – a legal structure renamed in 2014 as a Community Benefit Society (CBS). We are the only Friends of the Earth group with its own building, which we bought to aid us with the many projects that we started in the 1970s and 1980s.

Within the building, we continue to support a wide range of organisations that help us to fulfil our mission. These include The Warehouse Cafe, a social enterprise and award winning vegetarian restaurant, Natural Healthy Foods, a vegan wholefood shop, Sprocket Cycles, a community garden, various small social enterprises and charities including the Muslim Women’s Network and Localise West Midlands, plus a meeting room that offers heavily discounted rates (60%) to small voluntary groups and even free access if the organisation is very closely aligned with our mission.

The Warehouse also provides a base for our outreach and advocacy work, with a particular focus on local issues such as air pollution, active transport, energy efficiency and recycling. Each campaign will typically engage between 2,000 and 5,000 Birmingham residents to sign a petition or voice their opinion.

We chose to incorporate as a Community Benefit Society for various reasons:

- We wanted to be free of any restrictions on our campaigning that would have been imposed by being a Registered Charity;
- We wanted to be a not-for-profit organisation that could reinvest its surpluses back into the community it serves; and
- We wanted to be democratically accountable to the community we serve.

2.3 Achievements to date, activities and fundraising

A summary of the objectives from our previous business plan (2007) and what we have achieved towards them are as follows:

- **Improved financial management:** better systems in place; professional support brought in to assist with further improvements.
- **Developing an asset management strategy:** work completed and extremely helpful, providing the basis for the larger refurbishment now being proposed.
- **Addressing urgent building maintenance issues:** many of these have been dealt with and overall the building is in significantly better condition. However, some areas (e.g. parts of the roof) will need attention in the period 2022-2027. We are also limited by the way that the layout of the building has grown organically, rather than via a grand plan. This is good news in that it has allowed organisations to grow with us, but it does mean that there are various quirks and inefficiencies - the cafe being upstairs is the most obvious one, but there are also large amounts of corridor space that the refurbishment is designed to do away with.
- **Land adjacent to the building:** While HS2 has made it more difficult for us to acquire this land and plan with certainty for the future, it is being productively used by a wider community for events and growing projects, and has increased wildlife benefits.
- **Expanding our Festivals team:** This has been achieved, enabling it to be less vulnerable to volunteer loss and more able to take on new opportunities as we have broadened and diversified the events we attend.

Since we secured ownership of the building, we have successfully carried out a series of energy efficiency improvements, meaning that it scores a 'B' on the Energy Performance Certificate ratings, when Victorian buildings like ours typically have EPCs of an 'E'. We insulate and add renewable hardware such as solar panels whenever we refurbish, but the scope of these improvements is limited by our financial resources.

In the past we have funded investment in the building through a combination of grants, rental income, festival services (such as running a valuables lock-up service), retained surpluses and donations.

For example, one third of the café roof replacement came from an EU fund distributed by Coventry University. The balance comprised the rent that we receive from the cafe, the income from the solar photovoltaics that we installed on top of the building (these enable savings on our electricity bills and payments from the Feed In Tariff), the heating savings from the extra insulation and the reduced rate of VAT that we paid because it was an enabling work to install the solar panels. All of this has meant that this project paid back the initial investment relatively quickly, whilst allowing us to keep the cafe open and demonstrate environmental technologies.

Similarly, recent office refurbishments have been partially financed via EU funds through Birmingham City Council to help social enterprises grow and employ more people, and the external wall insulation was fully funded from grant, as was the internal wall insulation in our reception.

However, as grants become more difficult to acquire, and we have identified the need to deliver a more comprehensive scheme for the whole building, we are turning to our community for support, and are confident that support can be made tangible in the form of investments in community shares. We also believe that, by engaging new and existing members in this way, we will be able to better meet our wider environmental and social objectives.

Therefore, the main subject of this business plan is the delivery of a major refurbishment to the building, first envisioned in 2008 and gradually refined through a consultation exercise with our key stakeholders (tenants, building users, campaigners and board members).

We have assembled the architectural plans, structural engineering calculations, and secured the planning permission and building control notification necessary to start work. Enabling works towards the larger scheme have been undertaken wherever and whenever possible, such as creating a new roof over where we plan our new staircase to go, insulating and plaster boarding underneath the café and installing wheelchair ramps and accessible toilets.

2016 was a breakthrough year in realising this plan when we were successful in our application to Big Potential for funding to help us to become investment ready, resulting in this business plan and the development of our capacity to implement it. This was followed by our successful application to the Community Shares Booster Programme which will match invest the equity we raise in the forthcoming share offer, up to a figure of £100,000 each.

3 AIMS OF THE ORGANISATION

3.1 Delivering our mission

Birmingham Friends of the Earth exists to advance the principles of sustainability and positive environmental change.

We do this through:

- Direct action within the law;
- Lobbying;
- Empowering people around specific campaign issues;
- Practical demonstration of environmental principles; and
- Participation and representation in public fora.

We run The Warehouse to further the aims of Birmingham Friends of the Earth by:

- Operating it in accordance with sustainability principles;
- Providing a community resource and affordable space for organisations with a similar agenda; and
- Providing space and resources for campaigns, awareness raising and outreach work.

Our principles are:

- To make best use of space in and around The Warehouse in line with our Mission;
- To consult with tenants and stakeholders on how best to meet our common objectives;
- To plan financially for the long term as well as the short term;
- To contribute positively to the area surrounding the building;
- To spend as much of our supporter income as possible on campaigns, education and outreach work and to ensure that the income to Friends of the Earth (Birmingham) Limited can support a full time Campaigns Support Worker;
- To conform with best practice with respect to equal opportunities and care for staff and volunteers, including aiming to pay fair salaries, and a minimum of the True Living Wage as defined by the Living Wage Foundation.

3.2 Refurbishing The Warehouse

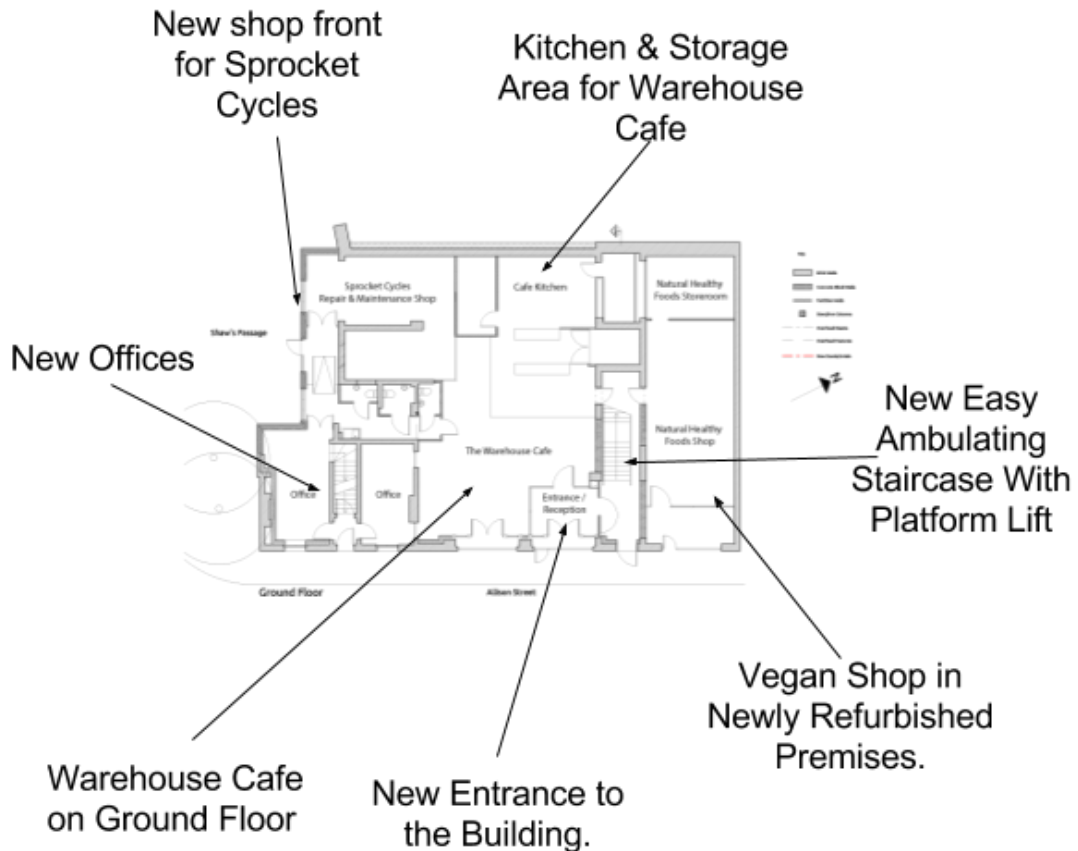
The building will be refurbished to:

- Make it as accessible as possible to people of all abilities. We will do this by installing a new, wider staircase accompanied by a platform lift capable of taking wheelchair users to the first floor.
- Reduce the amount of energy it needs to operate. We will do this by:
 - Replacing the glazing with triple glazed units and/or installing secondary glazing;
 - Insulating the areas that we refurbish with the most effective amount and type of insulation.
- Enable tenants to work together more closely. We will do this by:
 - Moving all retail and catering tenants together on the ground floor, allowing them to cross sell and cross market their products more easily;
 - Creating additional meeting room space;
 - Designing the use of space so that it requires less management, allowing more time to be devoted to community building.
- Make it more comfortable for all building users. We will do this by:
 - Installing mechanical ventilation with heat recovery units (MVHR) to remove excess moisture and stale air whilst retaining its heat and bring in fresh air and filtering it of particulate matter like dust and diesel fumes;
 - Installing openable windows in the parts of the building not serviced by MVHR.
- Increase the income from the building sufficient to:
 - Pay back the cost of the refurbishment;
 - Provide ongoing maintenance to the building;
 - Enable a revised staffing structure to be introduced with capacity for developing and delivering new project work and a wider fundraising strategy;
 - Contribute to our campaigns and educational work.

Existing Ground Floor



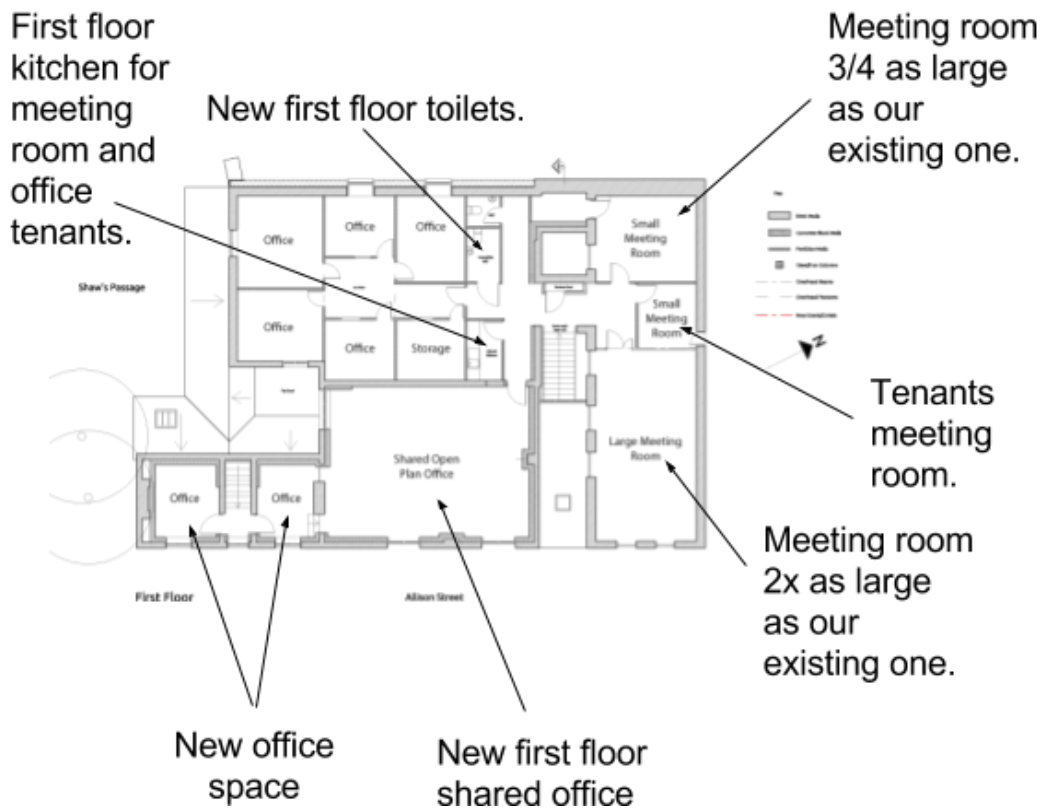
Proposed Ground Floor

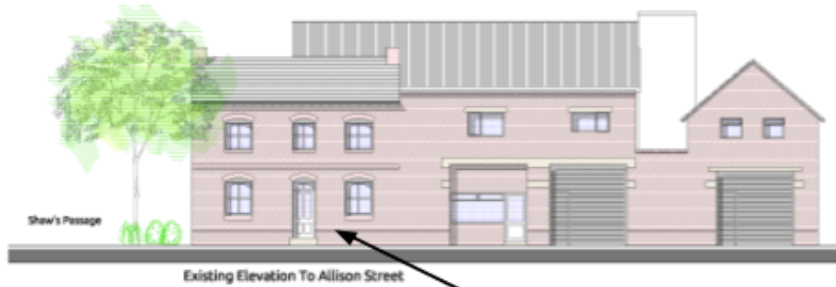


Existing First Floor

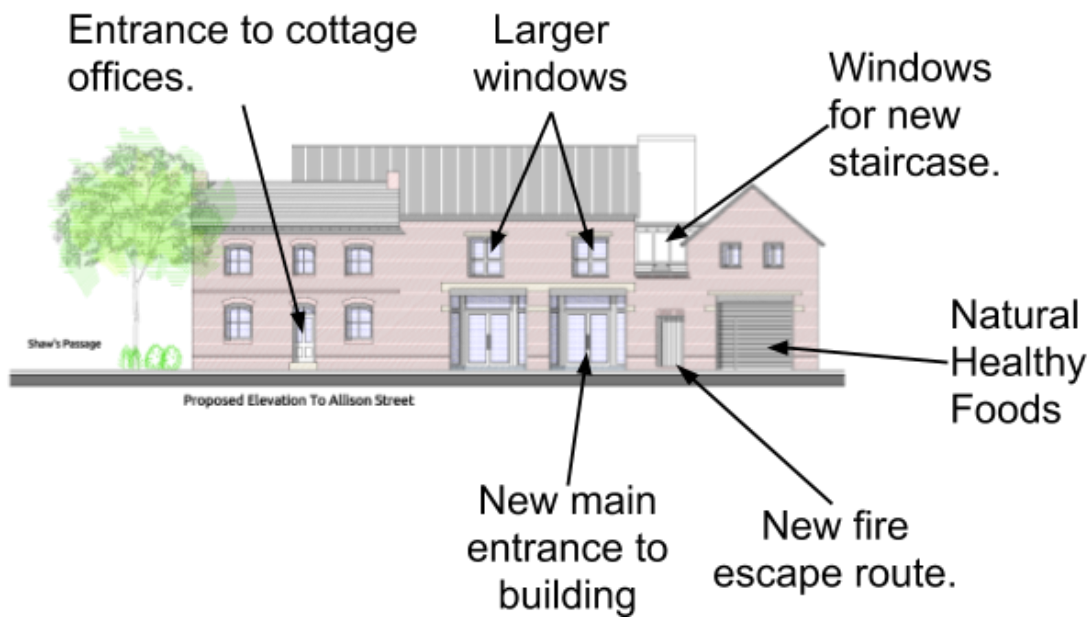


Proposed First Floor





Existing main entrance to building



Entrance to cottage offices.

Larger windows

Windows for new staircase.

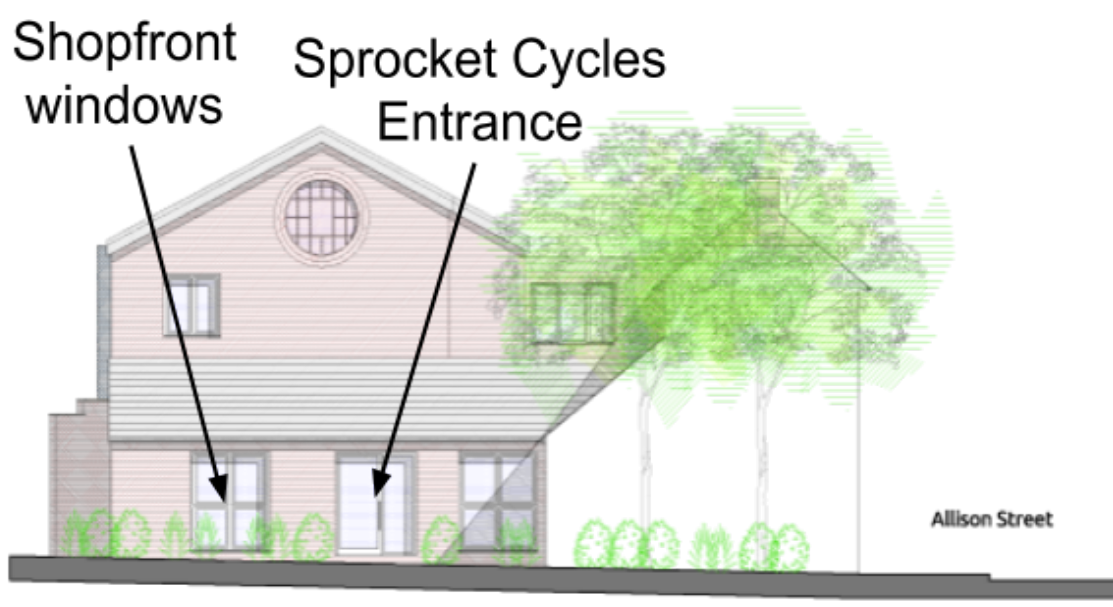
Natural Healthy Foods

New main entrance to building

New fire escape route.



Existing Elevation To Shaw's Passage



Proposed Elevation To Shaw's Passage

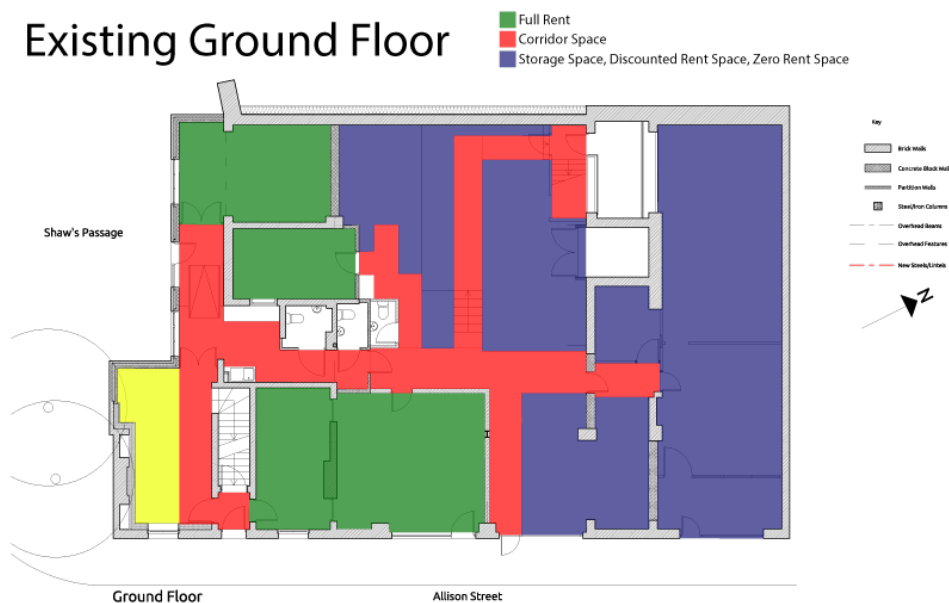
3.3 Developing the business

Rental Income

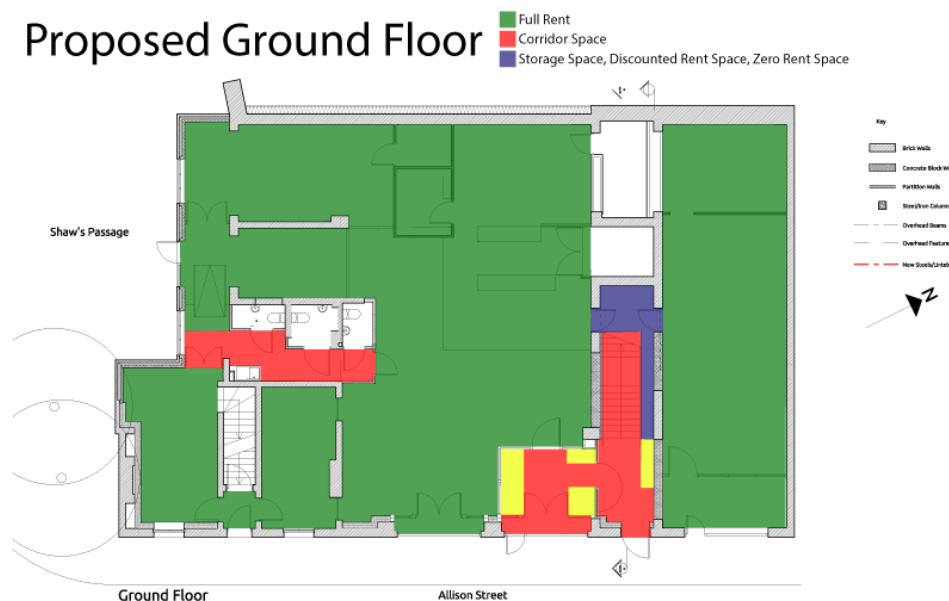
We're planning to increase the amount of lettable space in the building by:

- Changing unnecessary corridors and storage areas into lettable spaces to meet latent demand from existing tenants;
- Moving materials that are kept in storage and only occasionally used from a lettable to a non-lettable part of the building;
- Increasing the quality of the lettable space, particularly for our retail and catering tenants, enabling us to increase the rental yield and ensure that our space remains attractive as and when tenants change.

Existing Ground Floor



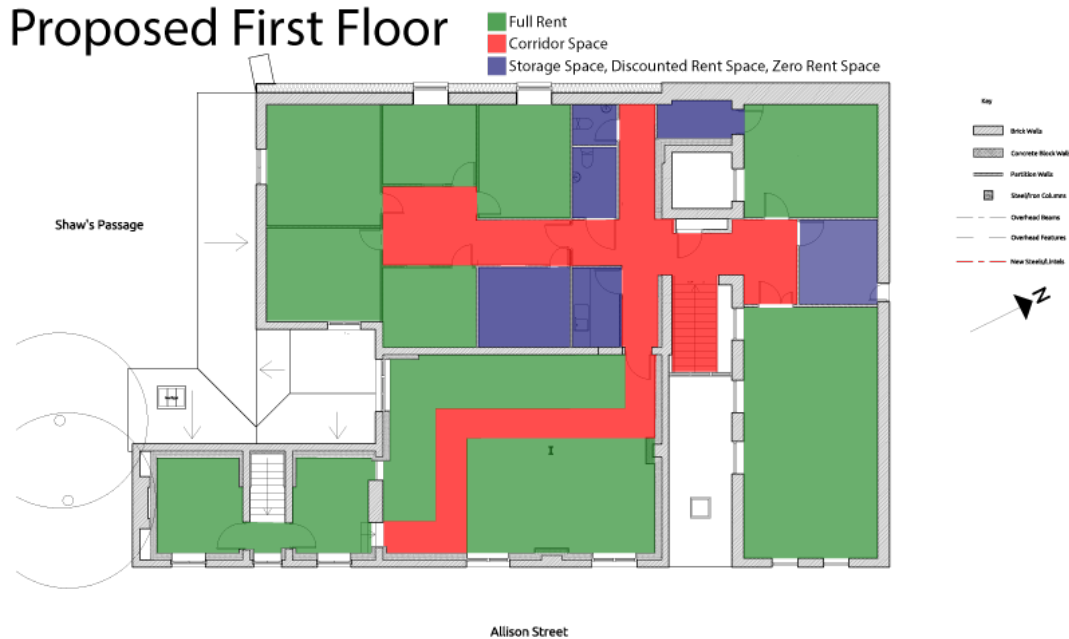
Proposed Ground Floor



Existing First Floor



Proposed First Floor



Meeting Room Income

Our current meeting room is too small for many of the enquiries that we receive and although it is painted regularly, the furniture and carpets are in quite a poor state of repair. We have planned three new meeting rooms to replace it. The first of these will be approximately twice the size of the original, the next one will be about $\frac{3}{4}$ of our existing meeting room and the final one will be roughly equal in size to our tenants meeting room.

We have been modest in our projections for the increase in revenue that these will achieve. Whilst the floor area of the meeting rooms increases three-fold, we've only projected a doubling of income from them in the "core" scheme and a further 30% increase from Year 3 in the "stretch" scheme – targets that may be exceeded!

The main difference between the "core" and the "stretch" schemes is that in the former version the increased meeting room capacity will be achieved by adapting the current Café space into meeting rooms, rather than by refurbishing the current shared office.

Energy Efficiency Savings

Approximately 225m² of our 700m² building will change from being unheated to heated space, but the improvements in insulation and airtightness mean that we do not predict any overall increase in heating requirements.

Outreach and Development

We currently have very little capacity for fundraising and development within the organisation. We have forecast a 20% increase in our staffing costs during year 2 of the plan to enable the creation of a new part-time post to develop our fundraising and capacity to secure and deliver externally-funded project work. This will enable us to meet our objectives for education and outreach work which are:

- Improving the identity and profile of The Warehouse as a centre for positive social and environmental change;
- Developing environmental education projects; and
- Increasing and diversifying our supporter base and membership for both legitimacy of voice and income.

3.4 Developing our community

Our strong roots both in the local community and within wider communities of interest around environmental and social sustainability enabled us to purchase the building and to campaign at the level we currently do. It has shown the strength of what is possible when people come together with a shared vision. It has been vital to our past success and will also be essential to our achieving our objectives in the future. By running the organisation along co-operative lines, we are ensuring that people feel involved enough to commit to helping us succeed.

To practically implement the redevelopment plans, it was vital that Birmingham Friends of the Earth consulted with and secured the support of our existing tenants. Building on conversations over the past 9 years, Board members held a series of consultation meetings during February 2017 which enabled the final plans for the redevelopment scheme to be optimised to meet our existing tenants' needs and aspirations for the future as much as possible.

A genuine exchange of views took place, which helped to set expectations from the beginning, establish an effective relationship with stakeholders, and provide insight that will influence decisions about the redevelopment. This phase was critical in managing sensitivities around business disruption and relocation.

Birmingham Friends of the Earth now have a good understanding of the key drivers and motivations of current tenants, and can plan and cost the work more accurately. The consultation has enabled improved decision-making and plans can be approved by the Board in the knowledge that tenants

have had a full opportunity to express their views and make representations in a genuine and transparent dialogue.

The relocation of three key tenants: the Warehouse Café, Natural Healthy Foods and Sprocket Cycles, are vital to the redevelopment plans for the Warehouse. These three businesses are the largest stakeholders in the project, and need to agree to relocate for the redevelopment project to go ahead as currently planned. It was also important to consult and seek the views of the other tenants, as they will also be affected by the redevelopment works.

Meetings with tenants, covered the following matters:

- Relocation.
- Rental costs.
- Tenant's current levels of satisfaction and their future at The Warehouse.
- How tenants feel about the changes.
- Work arrangements and precautions to minimise disturbance to tenants.
- Proposed redevelopment time-scales.
- Establish whether tenants are willing to help launch the share offer.

The engagement process recognised the need to be sensitive to the requirements of tenants, as they had not necessarily expressed a desire to move, and BFOE would find it difficult and potentially costly to force a tenant to move to another location.

During the consultation, tenants were encouraged to get involved in the design and development of their new units and suggest improvements. There are restrictions due to the structure of the historic building and current utilities arrangements and there are practical issues and cost implications to be considered. Fortunately, the detailed fit-out plans are at a stage where changes may be considered in accordance with any reasonable demands by tenants.

It was recognised that tenants were being asked to consider major changes to their businesses, and it was a lot to take in at one meeting. It was agreed to hold follow up one-to-one meetings with each business to finalise details. The aim of the initial consultations was to establish whether there were any strong objections to the proposed relocations, and if possible to seek an 'in principle agreements' to move. In each case, existing tenants will be moving to improved refurbished space, in a better location, which will help to grow their business in future. The downside for them is the potential rent increases.

Through these meetings and follow up discussions, it has been established that each of the three key tenants understand the proposals, have a broad indication of the financial implications for them and have agreed 'in principle' to move, subject to the final design details and signing new leases which will be completed once the share offer has closed and the exact budget for works confirmed.

4 SOCIAL OBJECTIVES

4.1 Vision for the future

We stated the financial and operational benefits of refurbishing our building for Birmingham Friends of the Earth and our tenants in section 3.2. This is an overview of how the refurbishment will help us to meet our social and environmental objectives for the next five years.

A more accessible building will help us to better reflect Birmingham's population. We do have wheelchair users that volunteer for us at the moment, but we have to make provision for them in our reception and meeting room areas, which aren't always the best places to work. The accessibility improvements will allow wheelchair users to access the first floor offices and new meeting rooms.

Our building is a mixture of Victorian, 1950s and 1980s construction types, meaning that we reflect the way that many of Birmingham's houses and other properties were built quite well. This puts us in a position to demonstrate energy saving refurbishments and renewable energy measures including; internal, external and cavity wall insulation; pitched and flat roof insulation; biomass and photo-voltaics; mechanical ventilation with heat recovery; triple glazing and secondary glazing. All of these measures will get us closer to meeting our aim to make the building carbon neutral by 2030.

The way that Birmingham Friends of the Earth, its building and its tenants have grown has been organic, with no overarching plan. Refurbishing the building gives us the opportunity to design out some of its current inefficiencies. The current reception facility is a good example of this as it's as far away from other BFOE staff and volunteers (who work in the top office) as is possible.

All of our tenants help us to create positive environmental change through the promotion of more sustainable patterns of life and work and by increasing the audience for our campaigns. The refurbishment will help to reduce the amount of time spent on servicing the building and free up staff time to spend on the value added activities with our tenants that we're not currently able to fully exploit. This could involve the joint creation and cross promotion of campaigns and the delivery of educational projects.

The improvements to the building will also attract greater footfall and allow us to engage more members of the public in what we do. This 5 year business plan coincides with several big changes to Digbeth, the area in which our building resides. The SWOT analysis (see section 10.1) contains more detail of these, but they can be summarised as the introduction of the Midland Metro Tram, a new station for HS2 and the plans for the regeneration of Digbeth as a whole.

4.2 How our core activities contribute to our mission

Our building currently helps us to meet our mission in various ways that we aren't able to fully exploit at the moment. Our reception is a focal point for campaigns yet, whilst 20,000 people pass through it every year, we aren't interacting with these visitors at the level that we'd like to. In an ideal world, we'd be talking to all visitors about our campaigns and how what they can do to help the environment.

Our various tenants all work to help create positive environmental change, but we're not working with them as closely as we'd like to when creating and launching new campaigns. Our building demonstrates a wide range of energy saving measures, but we don't currently shout about it as much as we could.

In summary, the building gives us a launchpad for delivering the kind of activities that we'd like to undertake, but are currently hampered by a lack of financial and organisational capacity. This business plan sets out how we can free up and increase our staff capacity, make best use of our space and increase our income and long-term viability by delivering a refurbishment scheme that enables the building to reach its full potential to support and embody our vision of positive environmental change.

4.3 Our legal structure and co-operative behaviour

Birmingham Friends of the Earth is in business to fulfil a social purpose, and by achieving commercial success we are able to invest in our environmental and social goals.

The structure of a Community Benefit Society means that there is a requirement for a Board of Directors, elected by the membership at the Annual General Meeting. By having such a body overseeing and supporting the business and reporting to the members, ensures the society keeps to its objectives. It also gives an extra layer of help in resolving problems and bringing fresh ideas and inputs to the organisation.

The Community Benefit Society model fits perfectly with the desire of BFOE to reach out into the local community and further afield, developing a substantial support base around its day-to-day activities. The equality in voting (one member one vote) makes this a highly democratic organisation, promoting co-operative behaviours amongst our members, and the Board and staff are mindful of the fact that upholding the responsibility to the members and the wider community we serve is an important guiding principle. We hope that the next few years will see many more members joining the society, enabling those hundreds of people who have visited and/or traded with the Warehouse to deepen their relationship with our work.

4.4 Delivering community benefits

Building on our Mission Statement, the refurbishment project aims to deliver a range of positive social impacts in our local communities and for our members, tenants and building users. A full social impact monitoring framework can be found in Appendix 4, but the main benefits we are seeking to deliver are as follows:

- Providing fully accessible meeting, office and social enterprise trading space in the heart of the city supporting the development and growth of community organisations;
- Increasing trade in the local economy by enabling our social enterprise tenants to grow their businesses, increasing the number of jobs and delivering local multiplier effects in the economy;
- Drawing greater footfall into the Digbeth area benefiting other local businesses and organisations;
- Offering an alternative model for further regeneration projects in Birmingham and elsewhere by demonstrating a successful example of community-lead regeneration;
- Provide Birmingham Friends of the Earth with the time and financial resources to invest in educational outreach and campaign activities with more diverse local audiences;
- Demonstrating a practical example of eco-renovation in action which could be replicated in any older building.

5 FOUNDATIONS OF THE BUSINESS

In order to assess the future financial viability of BFOE, we have looked at

- How our various activities work together to make a viable business;
- Potential for growth and likely increase in income from planned activities;
- Where investment is needed and how it will contribute to our viability;
- How we measure the financial viability of the business.

5.1 Income and expenditure

Environmental campaigns and our mission to create positive environmental change underpin all of the income streams that we have. Our rental and trading income, along with occasional grants, allow us to operate a building that demonstrates our values in action and our regular financial supporters underwrite the cost of employing a Campaigner Support Worker to communicate those values to a wider audience.

Rental Income

The majority of our income comes from rent and the majority of our expenditure goes on managing, maintaining and improving the building. The last 5 years have seen us invest heavily in new roofs, insulation, renewable energy hardware and refurbishment. Whilst this investment hasn't seen our rental income go up, it has meant that we have been able to retain tenants and reduce our energy bills.

Festivals and Phone Charging

We operate property lock-up services at several festivals each year including Glastonbury, Larmer Tree, End of the Road, Wychwood and Cropredy. The festivals pay us to run this service and we look after their customers' valuable items in return. We have also started to offer mobile power bank hire for festival-goers who want to charge their mobile phones during the events.

Grants

There are no targets for raising money through grants and we only write grant applications if it helps us meet our mission. We are not dependent on raising income through grants, but we do have an aspiration to undertake more externally funded educational work once we have secured the staff capacity to develop and deliver these projects.

Donations

These include donations made at festivals, standing order supporters, regular donors and money collected through donation tins on reception and for refreshments in the meeting room and tenants' kitchen.

Recharging for Gas and Electricity usage

When the café and vegan shop changed hands we decided to change the lease terms so that we could recharge them for actual electricity and gas usage. We don't make a profit on these recharges, but it does provide an incentive to minimise energy use by the two largest users in the building.

Expenditure

The largest cost areas for Birmingham Friends of the Earth are staff and utilities. Staff costs cover the General Manager, Campaigns Support Worker and Cleaner and the utilities include gas, electricity and water. Our business rates are low as we qualify for rates relief and we minimise our office expenses using in-house expertise in areas such as design and print.

Irrecoverable VAT

A significant cost area is irrecoverable VAT on some of the purchases we make. This will also have an impact on the costs of the refurbishment scheme and has been included in the project budget as a revenue cost of the project.

Our VAT arrangements are complicated by a partial exemption and the fact that we are VAT registered. We do not charge VAT on rent, but we are not allowed to recover the VAT that we incur when spending on improvements to the fabric of the building.

5.2 Performance to date

We've invested heavily in the building in recent years, replacing roofs, adding heat networks, refurbishing the café and office spaces, installing insulation and improving guttering. This has seen us record a loss in some of these years as we have not been able to capitalise all of this investment on the balance sheet.

In 2014, a year of significant investment in maintenance, we recorded a deficit of £15,998. This was followed by a small surplus of £1,609 in 2015, a deficit of £3,215 in 2016 and a surplus of £3,245 in 2017. Recent Annual Reports are available to download from www.birminghamfoe.org.uk/shareoffer

We have concluded that, while day to day income covers day to day expenditure, and allows us to make modest surpluses in years that we do not spend large amounts on the building, we cannot afford to make the investment the building requires to generate additional rental income without a significant injection of capital from our members.

5.3 Areas of growth

Rental Income

A principal aim of the refurbishment project is to significantly increase the amount and value of lettable space in the Warehouse. The indicators we will use to monitor our success in achieving this regard are:

- Occupancy rate
- Rental yields
- Trading surplus and ability to pay budgeted interest on share capital
- Liquidity to enable budgeted withdrawability of share capital
- Asset value

Externally-funded projects

We plan to spend some our additional rental income, and savings from the day-to-day management of the building, on increasing our staff capacity for fundraising and to develop externally-funded project work - particularly around environmental education and engaging more diverse communities.

6 MARKETING STRATEGY

The marketing strategy acknowledges existing and potential customers and the groups and segments into which they fall and identifies their needs. Addressing these needs successfully will be the focus of the marketing strategy.

The marketing strategy involves looking both internally at Birmingham Friends of the Earth (strengths and weaknesses) and at what is happening outside of the organisation (opportunities and threats), and will focus on four key business areas:

- Improving the identity and profile of The Warehouse.
- Increasing festivals income.
- Increasing and diversifying Birmingham Friends of the Earth supporter and membership levels.
- Launching and promoting the share offer.

6.1 Identity and Profile of The Warehouse

The Warehouse is central to the work of Birmingham Friends of the Earth, demonstrating positive environmental and social change, and providing a base for outreach and advocacy work focusing on local issues such as air pollution, active transport, energy efficiency and recycling, and the building.

Rental income accounts for over 50% of annual revenue, and the redevelopment will provide additional rental space and meeting rooms. As a result of the refurbishment, total rental income is forecast to increase by 71% over the next 5 years.

One of the underpinnings of the success of The Warehouse is the mix of tenants, and this has been confirmed through recent interviews with tenants. Birmingham Friends of the Earth will need to balance the economic demands with the desire to achieve a tenant mix that closely aligns with their goals and aspirations.

Analysis

The Warehouse is in the Digbeth Social Enterprise Quarter, which is approx. 1 sq. mile situated close to Birmingham City Centre, and occupied by a cluster of over 50 social enterprises and trading charities. The area is characterised by high levels of health inequalities, deprivation and social isolation, empty run down commercial premises, and cheap rents.

Birmingham Friends of the Earth are commercial landlords operating in a highly competitive environment, in an area that will undergo significant commercial changes. Over the next 5 years, there are going to be several big changes to Digbeth, which will include the introduction of the Midland Metro Tram, a new station for HS2 and the plans for the regeneration of Digbeth. While this will create opportunities for increasing rental and meeting room income, it will also create competition in the form of alternative new commercial locations in character buildings.

Currently, redeveloped buildings such as the Walker Building Impact Hub, which is also rooted in Birmingham's industrial past, built in 1912, and grade II listed, offers similar accommodation – a mix of office space, meeting rooms, and shared offices, but has a wider range of services and a higher cost of around £15/sq. ft.

Currently, 20,000 people pass through reception every year, and many of these are Birmingham residents who sign a petition or voice their opinion. Each campaign typically engages 2,000 - 5,000

people, and the increased space will result in more footfall, so help to engage more members of the public in campaigning activities.

Strategic approach

As commercial landlords, Birmingham Friends of the Earth must understand the local market, customer preferences and tenant requirements. This requires a market-informed strategy for The Warehouse that will ensure a proactive approach and effective positioning, and ensure The Warehouse continues to be attractive to new and existing tenants.

The Warehouse differentiates itself from other local commercial space, by consisting of small office units, which are at the lowest rental costs in Digbeth. The location is a short walk from Birmingham City Centre and Moor Street Station, and is complemented by a low-cost meeting room with favourable rates for charities, social enterprises and community groups, and an excellent on-site café.

In addition to the low rental costs and environmental focus at the heart of The Warehouse, the other main strength and unique characteristic is the mix of tenants. They all share the Birmingham Friends of the Earth mission: to create positive environmental and social change, and this gives a community feel to the building. Maintaining this synergy within the building is important: ensuring excellent relationships between tenants and recruiting tenants that believe in the work of Birmingham Friends of the Earth, and the vision of creating a carbon neutral and zero waste building that is accessible to everybody in Birmingham.

A strong reciprocal relationship with tenants, building users, and members of the local community is crucial to the development of The Warehouse, and is part of Birmingham Friends of the Earth social mission, and an important USP. Birmingham Friends of the Earth need to communicate regularly with existing tenants and building users, and continually reach out to potential new customers, differentiating The Warehouse from competitors.

The Warehouse is the public face of Birmingham Friends of the Earth business, and the characteristics of the historic building, and environmental and social aims is what makes The Warehouse different and attractive to customers who share similar values. Birmingham Friends of the Earth are also a social enterprise, which ensures their brand is positioned away from mainstream commercial landlords.

Continually emphasising and building on these characteristics of The Warehouse brand will ensure it upholds everything Birmingham Friends of the Earth stands for, and it is crucial to ensure this is protected and marketed/communicated to potential consumers correctly.

A Marketing Plan for the Warehouse can be found in Appendix 6.1

6.2 Festivals Income

Birmingham Friends of the Earth are providers of services to music festivals, which include property lock-up services and mobile phone power bank hire at several festivals around the UK.

Current annual sales revenue from festival services is £20,844, and accounts for around 19% of income. This is projected to increase by 10% to £23,000 in 2019/20. Research suggests that there is

potential to increase income from this revenue stream in future years, but it is also subject to the risks of one or more regular festival not taking place in a given year.

Analysis

A study conducted by UK Music revealed that more than three-and-a-half million-people attended a music festival in the UK in 2015. There has also been a huge increase in the number of festivals since 2010, to around 1,000 a year. In 2016, around 3.5 million UK residents attended music festivals, and research shows that the live music and festivals market has a value of more than £2bn, and could rise as high as £3.5bn in 2020.

While the value of the market sector has increased, several festival organisers make very little profit due to rising artist, security, infrastructure and administrative costs. However, the nature of festivals has also changed, with greater focus on the experience of the event, and the services provided at the venue are now the key ways to make money. So, with a lot of festivals, there are growing opportunities to earn extra income through developing and expanding services, and festival research in 2015/16 UK provides the following insight suggesting opportunities:

- The majority 38% of festival goers are aged 18-25, which are also UK's highest users of smartphones.
- Smartphone growth has increased significantly due to 4G adoption.
- The large proportion of festival goers (25%) earn less than £10,000 and 13.5% of all festival goers take two children to a festival.
- The third most important improvement that festival goers would like to see on offer is phone charging facilities, and the fourth most important home comfort they miss is a phone charger.
- 89.5% of festival goers took a smartphone with them, 62% recharged their phone at the festival.
- 139 mobile phones were handed in at lost property at Boomtown Fair alone.

Festivals are not very green. They generate 23,500 tonnes of waste year and less than 32% of material is recycled. Music festivals are responsible for 20 kilotonnes of CO₂ emissions on-site and 100 kilotonnes of emissions including audience travel. Festival 6 spends £30,000 simply taking waste away.

Strategic approach

Birmingham Friends of the Earth's festival services are run by groups of volunteers, who are experienced, highly motivated, and enjoy working at festivals. Increasing membership through the share offer, will help to increase volunteer resource capabilities to help expand festival services.

The development of festival services presents opportunities to increase sales income, but will depend on resource capabilities, and which growth strategy best sets the direction for the business strategy for Birmingham Friends of the Earth. The emphasis of the strategy is market penetration, focusing on selling onsite storage and phone charging services to the existing music festivals market. This will maintain or increase the income from current services, and is very much about "business as usual", with Birmingham Friends of the Earth focusing on markets and products it knows well, and it is unlikely, therefore, that this strategy will require much investment in new market research.

A Marketing Plan for festival services can be found in Appendix 6.2

6.3 Membership and Supporters

Birmingham Friends of the Earth's operating model includes a range of diverse revenue sources including; commercial rental space, meeting room hire, festival income, and donations and membership income, with little reliance on unsustainable short term grants.

Friends of the Earth is a strong, well respected, and well established brand, with few competitors in the Birmingham area within the environmental sector. But, competition among charities and campaign groups for donor income has increased dramatically in recent years, and there is also a greater need to demonstrate social impact.

The wide range of income streams, together with clearly demonstrated social and environmental impact, and a loyal customer and membership base, places Birmingham Friends of the Earth in a good position. Rental and festival income have been analysed, and marketing strategies and plans developed; we now need to consider how to increase and diversify Birmingham Friends of the Earth supporter and membership levels to strengthen campaigning and generate additional revenue, so that activities and income will continue to increase over the next 5 years.

By devising ways to grow the pool of donors and members, Birmingham Friends of the Earth are creating not only a pipeline of future prospects for large donations and gifts, but are also increasing operational support through volunteers today.

Analysis

Donations and membership contributions currently account for 12% of annual revenue and this is forecast to hold steady over the next 5 years. The actual sum raised, however, is due to increase by 50% as the business grows in that time.

Currently, the membership base of Birmingham Friends of the Earth includes those paying regularly through subscription, and those donating. There are also many supporters in addition to active paid-up members, and membership is made up as follows:

1. Friends of the Earth (Birmingham) Ltd members: 57
2. Local campaigns group and supporter mailing list: 300.
3. Members of FOE (national) with 'B' postcodes 4000.

In addition, there are customers and clients of businesses at The Warehouse, and around 20,000 people going through our building every year.

Birmingham Friends of the Earth also have a database of over 2500 email subscribers, and are very active on social media, with 3700 twitter followers, 1000 Facebook followers.

Tenants of The Warehouse have pledged their support for the share issue campaign, which will add a further 5500 twitter followers and 8000 Facebook followers.

The potential to increase supporter and membership levels (and donations/subscriptions) by working with Friends of the Earth (England, Wales & Northern Ireland), tenants and customers of The Warehouse, and their networks, is clearly significant.

However, the different functions of the organisation are recorded and managed in a wide range of formats and not stored centrally. These include written records, databases, spreadsheets and other documents, going back many years and kept up to date by many different people. Much of this information could already be out of date. A system is required to vastly improve operations, data management, income generation, donor and volunteer management, etc.

Birmingham Friends of the Earth does have a Customer Relationship Management (CRM) system in the form of CiviCRM, and this can provide the basis of developing systems with the primary purpose of increasing and diversifying supporter and membership levels. This includes:

- Relationship management
- Fundraising and income management
- Membership management
- Volunteer management
- Campaigns
- Reporting/analytics
- Petitions
- Surveys
- Social media integration

On one hand, a CRM is a powerful tool that can help Birmingham Friends of the Earth effectively manage events, programs, donors, volunteers and supporters, financial data and more. On the other, CRM takes a lot of time and resources to implement and maintain.

Devising and implementing an appropriate strategy for managing records and relationship is one task that could be overseen by the new part-time staff post being funded as part of the refurbishment scheme.

Strategic approach

Birmingham Friends of the Earth need to start the process of working in partnership with businesses at The Warehouse, to establish a process of engagement with their customers and suppliers, friends, family and other social and business networks. Engaging with the 20,000-people going through the building every year, and the 1000s of additional Twitter and Facebook followers, should immediately start to increasing and diversify supporter and membership levels.

It is 5 to 10 times harder to bring new donors into the organisation than building upon the relationships of existing donors. Therefore, in addition to increasing and diversifying Birmingham Friends of the Earth supporter and membership levels, it is also important to consider a strategy that converts small donors that already have a relationship with the organisation into larger donors, as existing donors already support the organisation's mission.

As resources are currently limited, Birmingham Friends of the Earth will use low-cost fundraising strategies such as one-to-many marketing techniques to increase first time donors and online donations, and improve donor retention. Digital marketing techniques will also be used to solicit online donations, nurturing and social campaigns to retain donors, and marketing communications to encourage low-level donors into mid-level donors.

6.4 The Share Offer

Birmingham Friends of the Earth is seeking to raise up to £270,000 through the issue of community shares to finance the refurbishment of The Warehouse. The development will give supporters the opportunity to become members and contribute financially to the business, via community shares. It is expected that a good proportion of shareholders will come from the local community but we will welcome contributors from further afield.

At the heart of our promotion campaign, we will focus on the ethical and co-operative values at the core of our business, and this will provide Birmingham Friends of the Earth with a unique opportunity to engage with the local community, both within the Digbeth Square Mile and Birmingham-wide, and grow the organisation to ensure future sustainability.

We will highlight how over the past 40 years, the organisation has successfully brought local people together at The Warehouse, effectively campaigning on local environmental issues and encouraging community cohesion in an area of extensive diversity. The Warehouse provides low cost flexible working and meeting spaces, where a community of individuals and third sector organisations sharing common values around environmental and social change, can connect and work alongside each other.

The development of the Warehouse will be a live advert, demonstrating the work of Birmingham Friends of the Earth. The changes proposed through redevelopment will provide extra space and increase income, so we can pay interest on people's investments.

The development will also result in an increase in the numbers of people visiting the building, which will hopefully result in more interaction with visitors at the level that we'd like to, so that we can talk and communicate more about our campaigns and what they can do to help the local environment.

We will also aim to work closer with our tenants to create positive social and/or environmental change, and launch innovative new campaigns. The Warehouse will continue to demonstrate a wide range of energy saving measures, and we will promote these tangible benefits to others, as an example of best practice in a historic grade 2 listed commercial building.

The share issue administration will be managed using Crowdfunder, which will provide a platform to run the share offer, raise awareness, help market the offer, collect contact details of shareholders and everyone expressing an interest, and collect funds on our behalf.

A Marketing Plan for the Refurbishment Project can be found in Appendix 6.3

7 MANAGEMENT AND PEOPLE

The members of Friends of the Earth (Birmingham) Ltd elect the Board of Directors of the organisation at the AGM each year. Directors serve 3 year terms with one third of seats being up for election each year. The Board oversees the strategic direction of the organisation.

There is a Campaigns Strategy Committee comprised of regular campaigns volunteers which is overseen by two Campaigns Co-ordinators who are elected at the AGM each year.

There are three members of staff. The General Manager is appointed by the Board and line-managed by a Board member. The Campaigns Support Worker is appointed by the Board and line-managed by one of the Campaigns Co-ordinators. The cleaner is appointed and line-managed by the General Manager.

7.1 Board Members

Roxanne Green - MSc (Distinction) in Global Ethics and a registered PRINCE 2 practitioner. Roxanne is a graduate of the international leadership programme delivered by Young Friends of the Earth Europe. She has over eight years' experience of managing environmental and community projects with particular focus on economic disadvantage and environmental injustice. She has been Campaign Coordinator at Birmingham Friends of the Earth for seven years providing strategic direction and oversight for all campaigning activity. Roxanne works closely with the Campaigns Support Worker to coordinate volunteer activity and to ensure the enthusiasm of campaigners translates into action.

Benjamin Mabbett - Holds a Bachelors Degree in Architecture, a Post Graduate Degree in Architecture and a Post Graduate Degree in Architectural Practice. He is an architect with 15 years' experience in the architecture and construction industry, with skills in design and contract management on building projects large and small, and in a wide variety of sectors including community buildings. Ben possesses a particular interest in low energy and sustainable construction. He has been a Director of Birmingham Friends of the Earth for 10 years and an active campaigner for 14 years.

Bernard Parry - BSc (Econ.) (Honours) Degree and SSBSE. Taught Business Studies, Economics and History in Birmingham schools and a college for over 30 years. Bernard has been closely involved with the Co-operative Movement and in particular with its democratic and member engagement structures, serving on the Western Regional Committee of the Midland Co-operative (now Central England) Society and on Member Relations Committees. He has a continuing interest in the application of sound administrative techniques to the achievement of social and environmental goals.

Allan Norman - MA (Distinction) in Social Research and Reflective Professional Practice; Registered Social Worker; Non - Practising Solicitor. Allan's independent social work consultancy Celtic Knot acts on behalf of service users, claimants and social workers and provides training. The business prides itself on its ethical and sustainable practice and aims to manifest respect for human rights and justice as well as minimising its ecological footprint and maintaining high professional standards.

Karen Leach - Karen is joint Coordinator of think tank and consultancy Localise West Midlands, responsible for its strategy, activities and systems, and also works part-time as a gardener. She developed her interests in justice, economics, planning and policy during her time as a Birmingham Friends of the Earth activist and was responsible for initiating its Campaigns Support Worker post in 2000. She co-ordinated BFOE's fundraising activities at festivals for many years, expanding this service significantly, and chairs the Glastonbury lockups consortium. She is currently leading a community initiative to secure a future for historic Moseley Rd. Baths in Balsall Heath in collaboration with heritage agencies and Birmingham City Council. In her spare time she builds things out of unwanted bicycle parts.

Chris Crean - Chris is a regional campaigner for Friends of the Earth based here in the Warehouse covering the Midlands. He has been a voluntary campaigner with Birmingham FOE on issues such as air pollution and transport. He was chair of BFOE from 1990 to 1994 and is a long-standing member of the Board which he joined in 1988. As a regional campaigner he has a wide understanding of the policy and issues that are in play across the region and sees himself as a networker and sign-poster.

Richard Bickle - BA (Honours) University of East Anglia, MSc University of Birmingham . Richard is currently Society Secretary of Friends of the Earth (Birmingham) Ltd. A serial co-operator, he is co-founder of the Birmingham Film Co-op and Revolver Co-op (a Fairtrade Co-op) and a Director of the Central England Co-operative and the Co-operative Press Ltd. He works as a freelance development worker, consultant and trainer with co-operatives and community organisations. In his spare time he is a member of the Jemima D Narrowboat Co-operative, sharing in the ownership and maintenance of a 37ft canal boat which makes for some fun and affordable holidays.

7.2 Staff

Philip Burrows - General Manager. Phil is Architecturally trained and a former art director for award winning advertising agency AIA. He has worked in the voluntary sector for nine years with a focus on infrastructure support, information technology, project and volunteer management. He has a particular interest in energy savings in buildings including measuring energy usage and wastage, heating controls, external and internal solid wall insulation, photovoltaics and the psychology of energy saving.

Libby Harris - Campaigns Support Worker. Graduate of Friends of the Earth's Campaign Organisers programme. A former BFOE volunteer Libby now works for the organisation alongside studying towards a Bachelor of Laws (Honours) degree. She carries out a variety of tasks to oversee the day to day running of campaigns whilst providing support and training for volunteers.

Martin Dobbing - Freelance Accountant and Book-keeper. Martin is the Managing Director of the Accountancy firm Mar Daw Maven Ltd. He has worked for the University of Derby as an accountant and has chaired the Midlands Tax Group and sat on the National Tax Group for the University sector presenting on tax and treasury. He has a broad experience of charity and not for profit accountancy and tax, as well as educational institutions ranging from academies to colleges and universities.

7.3 Volunteering

Whilst the management and governance structure is based upon a clear hierarchy of responsibilities and reporting, day-to-day practice is based on a participative culture in which volunteers often set their own work with guidance and support from the staff, Campaigns Strategy Committee and Board.

The majority of volunteers work on campaigns with the supervision of the Campaigns Support Worker and include volunteers who come in during the daytime and those that come to Monday night meetings and help out on stalls.

Our festival volunteering programme is very popular, with around 200 volunteers committing to help us provide a property lock up and phone charging service at several music festivals. These volunteers are managed by a super committed team who ensure we deliver a quality service.

We also have a number of reception volunteers who help us to promote our campaigns to building visitors and manage our meeting room. This has freed up the General Manager to do development work.

8 FINANCE AND FUNDING

8.1 Funding the project

This business plan is based on raising our core target of £240,000. However, in reviewing the costs of the build, we have costed out three different possible schemes of work which will enable us to accomplish different levels of renovation:

- Our “stretch” target is to deliver the full scheme of work to realise all our objectives with £270,000 of share capital;
- Our “core” scheme involves moving commercial tenants downstairs with disabled access to the whole building, but more limited changes on the first floor with £240,000 of share capital;
- Our “minimum” scheme with disabled access to first floor and additional meeting room in middle bay is costed at £150,000, which would involve a revised business plan being prepared for shareholders, with adjustments in revenue forecasts.

The “core” scheme enables us to deliver the budgeted increases in revenue through increasing the lettable space on the ground floor and improving its quality for the retail and catering tenants. While additional works on the first floor would be limited to a light touch refurbishment of existing spaces and conversion of the current café areas into meeting rooms, the budgeted increases in revenue should still be possible, albeit without some of the improvements in energy efficiency.

The “minimum” scheme has simply been prepared on a “worst case” basis to illustrate that revenues from additional meeting room spaces, disabled access to the café and first floor offices, plus passive provision for a larger scheme at a later date could be delivered for a more modest capital outlay. However, this would fail to realise the full benefits for tenants or to deliver the vision set out in this business plan. This is outlined more fully in section 8.4 below and in Appendix 5.

Our five-year income and expenditure, balance sheet, and cash flow forecasts can be found in Appendices 1-3.

We will generate income from:

- Renting space in The Warehouse;
- Sales (primarily the provision of festival lock-up and phone charging services);
- Membership support and donations from those supporting our campaigning activities.

Our assumptions about the factors affecting financial performance such as rental values, customers for meeting spaces, membership income, sales values and overheads will form Key Performance Indicators (KPIs) and we will use these to monitor progress.

We have built a small contingency allowance into all the financial projections, but, when the offer closes, we will review the total sum raised, which version of the scheme we can proceed with, and let a building contract with an exact specification and agreed price which includes 10% headroom for any unforeseen costs that may arise within our available funds.

8.2 “Core” Scheme – Financial Forecasts

(a) Capital requirements

To realise our ambition to renovate The Warehouse, the table below indicates how we would finance the delivery of our “core” project.

Investment requirement	Core
	240,000 (Moving commercial tenants downstairs and limited changes on the first floor).
Refurbishment costs	225,000
Revenue funding to deliver project	12426
Contingency	8574
Total	£246,000.00
Source of funds	
Booster development grant	6,000
Community shares	140,000
Booster programme match funded equity (shares)	100,000
Total	£246,000

We are basing our investment plans upon Community Shares together with a small development grant from the Booster Programme.

(b) Trading Forecasts

Our financial forecasts are set out in detail in Appendices 1-4. We anticipate paying interest on shares from Year 2 and permitting limited withdrawals from Year 3 onwards. The Net Asset value at the end of Year 5 of this scheme would be £363,117.

Here is our trading forecast for the next five years:

Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Trading income (rental income, sales, sundry)	69,191	83,376	102,338	103,940	105,575
Other income (membership subscriptions, donations, capital grants)	33,158	22,022	25,922	24,846	23,200
Total income	102,349	105,398	128,260	128,786	128,775
Overheads	(88,807)	(89,410)	(91,750)	(94,020)	(95,650)
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Interest on shares	0	(2,400)	(3,600)	(4,320)	(4,860)
Net Profit	3,491	5,289	24,664	23,135	27,255

The basis of our project is to bring into use underutilised parts of the ground-floor of the building, enabling us to meet our existing tenants' long-standing requirements for additional space. This will increase the lettable space from approximately 65% of our total floorspace to 85%, with the majority of this additional floorspace being on the ground-floor where we can charge our retail and catering tenants a higher rent per square foot than the office tenants upstairs.

This forecast has been based on our knowledge of our current trading position and detailed consultations with our tenants. We have been modest in our assumptions about the possible increase in meeting room income and, were our projections of increased income not to be realised, we could delay our linked plans to increase our staff team.

8.3 "Stretch" Scheme – Financial Forecasts

(a) Capital Requirements

This table shows how we would fund the delivery of the "stretch" version of the project:

Investment requirement	Stretch
	270,000 (Moving commercial tenants downstairs and increased changes on first floor).
Refurbishment costs	252,572
Revenue funding to deliver project	14,328
Contingency allowance	9,200
Total	£276,000
Source of funds	
Booster development grant	6,000
Community shares	170,000
Booster programme match funded equity (shares)	100,000
Total	£276,000

(b) Trading Forecasts:

We have worked up a larger scheme of work which includes full refurbishment of the first floor of the building and maximises the meeting room space available.

These projections assume that meeting room income increases by 30% above the “core” scheme projections from year 3 onwards with all other assumptions remaining the same. The Net Asset value at the end of Year 5 of this scheme would be £407,487 (see Appendix 5.2).

Our 5 year trading forecast for this scenario is as follows:

Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Trading income (rental income, sales, sundry)	69,191	83,376	109,538	111,284	113,065
Other income (membership subscriptions, donations, capital grants)	34,250	22,022	25,922	24,846	23,200
Total income	103,441	105,398	135,460	136,130	136,265
Overheads	(89,899)	(89,410)	(91,822)	(94,094)	(95,724)
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Interest on shares	0	(2,700)	(4,050)	(4,860)	(5,468)
Net Profit	3,491	4,989	31,342	29,865	34,063

8.4 “Minimum” Scheme – Financial Targets

(a) Capital Requirements:

This table shows how we would fund the delivery of the “minimum” version of the project:

Investment requirement	Minimum
	150,000 (Additional ground floor meeting rooms plus disabled access to first floor).
Refurbishment costs	140,540
Revenue funding to deliver project	9,960
Contingency allowance	5,500
Total	£156,000
Source of funds	
Booster development grant	6,000
Community shares	75,000
Booster programme match funded equity (shares)	75,000
Total	£156,000

(b) Trading Forecasts:

We have identified a smaller scheme costing £150,000 that will deliver disabled access to both floors of the building and provide for the conversion of the underutilised ground-floor space into new meeting rooms while making passive provision for delivering a larger project at a later date.

In this scenario, interest payments would be delayed until year 3, when 2% would be targeted, the existing tenants would not move and a small retail unit would be created from the current meeting room. The Net Asset value at the end of Year 5 of this scheme would be £268,565 (see Appendix 5.1).

These changes would create an incremental increase in rental income of £14,500 per year, leading to a 5 year trading forecast as follows:

Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Trading income (rental income, sales, sundry)	71,266	74,107	94,465	95,910	97,384
Other income (membership subscriptions, donations, capital grants)	29,882	22,022	25,922	24,846	23,200
Total income	101,148	96,129	120,387	120,756	120,584
Overheads	-85551	(88,117)	(90,309)	(92,412)	(95,568)
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Interest on shares	0	0	(2,250)	(2,700)	(3,038)
Net Profit	5,546	(287)	19,582	18,333	20,968

9 COMMUNITY OWNERSHIP

9.1 The 2017 Share Offer

Birmingham Friends of the Earth is seeking to raise up to £270,000 by the issue of Community Shares. Of this, £100,000 will be contributed as equity by the Community Shares Booster programme, a new initiative designed to support and stimulate public involvement with community share offers in England, which is being funded by The Power to Change and delivered via the government-backed Community Shares Unit. Birmingham Friends of the Earth was accepted onto the Booster Programme in early February 2017.

The total capital sum will cover the refurbishment and essential repairs needed to improve and restructure the premises and provide the necessary working capital as described in the Finance section of this plan.

The share offer will run for 9 weeks from 1st April 2017 and is designed to give our supporters the opportunity to become members and contribute financially, via community shares, to the business known as Friends of the Earth (Birmingham) Ltd. (FOEB). We expect a good proportion of shareholders to come from the local community but will welcome contributors from further afield.

According to our rules, our shares have a face value of £1, but for the purposes of this share offer we are inviting members to invest a minimum of £250 in shares up to a maximum per individual of £10,000. The value of a share in FOEB cannot increase beyond the nominal value of £1 and could even decrease if liabilities exceed assets.

The “core” amount we wish to raise from the share offer is £240,000, and the maximum amount is £270,000. Both these figures include up to £100,000 equity from the Booster programme which is invested with complete parity (i.e. pound for pound, up to a maximum of £100,000).

The minimum amount we need to raise through shares from the community, below which it would be difficult to implement any meaningful parts of this plan, is £150,000 (which would comprise £75,000 of shares from our members and a match of £75,000 equity from the Booster programme). We reserve the right to extend the share offer by a further 4 weeks but will keep investors fully informed.

If the offer does not reach the minimum target then the Share Offer will not proceed at this time and the Board will consider whether there is any alternative viable scheme. Prospective investors would be consulted on any such scheme.

Shares will be allocated on a first come, first served basis. These shares cannot be sold or transferred.

We have carefully modelled the cash-flow impact of the different versions of the scheme. Appendix 5 (c) shows that, to maintain liquidity in the society, interest payments do not begin until Year 3.

Within all the variants of the project, the anticipated increase in staffing costs is linked to the projected increase in donations from members and supporters. If this income target is not met in Years 1 and 2 of the project, the staffing levels and costs will be reduced in Years 3, 4 and 5 by a similar sum.

Existing membership

BFOE has always been a membership organisation and the existing members and supporters will be the first to receive an invitation to invest and details of the share offer. The rights of existing members are not changed by this share offer.

The Society will not charge an Annual Subscription to members joining as part of this Share Offer for the period of the Business Plan (2017-2022).

9.2 Interest Policy

The Society is obliged to use any profits not needed for developing the business for the benefit of the community, but it is also allowed to pay interest to its members based on the amount invested.

This investment must primarily be considered an opportunity to contribute financially to the community with the expectation of a social dividend rather than a financial reward. However, the Board has the aspiration to offer interest on shares from year 2 onwards, starting at 1% and steadily increasing to a maximum of 3%.

Members, at their discretion may opt not to receive interest on their shares and any payment of interest will be subject to a Board recommendation (based on the health of the business and the need to retain prudent reserves) and put to a member vote at the Annual General Meeting.

9.3 Benefits of Ownership

The following benefits will apply for our shareholders:

- They will become members of a vibrant organisation;
- They will be playing a vital part in ensuring the long term survival of BFOE;
- They have the possibility of receiving interest on their investment;
- They have the right to vote on the election of the directors and on all resolutions put to the Members by the Board, on the basis of one member one vote, no matter how large or small their shareholding;
- They can put themselves forward for election to the Board.

9.4 Share Liquidity

We hope that people will buy shares in BFOE as a long term investment. However, people's financial circumstances might change and they may wish to withdraw their funds from the Society.

The Board is stipulating for this share offer that, in order to ensure that the Society has time to refurbish the Warehouse, allowing us to put all changes in place to make a profit and rebuild our financial reserves, shareholders will not be able to withdraw capital within the first three years, except in exceptional circumstances, after which time they can apply in writing according to the Rules of the Society.

The board will also have the right to set a cap on how many shares can be withdrawn each year. For example, the current plan is to allow only 10% of share capital to be withdrawn per financial year (from Year 3 onwards). The Booster equity would be withdrawn with complete parity on terms, i.e. if 10% of non-institutional investment can be withdrawn in one year, then 10% of Booster equity can be withdrawn.

In the event of the death of a member, the intention would be to make an earlier repayment, if requested, subject to funds being available.

The Board will consider all withdrawal requests in the order in which they are submitted, but they are obliged to consider the financial security of the Society. If withdrawing shares would leave the Society unable to meet its financial commitments, and result in inadequate level of financial reserves, the Board will have to suspend withdrawal of shares. This does not preclude the possibility of future applications succeeding, when more cash has become available.

9.5 Dissolution

The Rules provide the following framework for dissolution:

“The Society may be dissolved by the consent of three-quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of surpluses and assets as is imposed on this Society by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.” (Rule 68).

Any shortfall after a sale of assets will mean the amount returned to each shareholder will be scaled down pro rata.

As Friends of the Earth (Birmingham) Ltd. has limited liability, then should it fail, there would be no further liability on shareholders beyond the nominal value of their shares.

9.6 Risks attached to shareholding

Anyone considering investments should think carefully about the risks involved. This share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor a right to apply to the Financial Services Compensation Scheme.

10 UNCERTAINTY AND RISK

Before embarking on the refurbishment scheme, the Board undertook a thorough strategic review of the organisation including a SWOT analysis (reproduced below) and the creation of a risk register which can be found in Appendix 7

10.1 SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ● Skilled and motivated staff; ● Community Benefit Society structure with up to date model rules; ● Ownership of the building; ● City centre location; ● Reputation and brand image; ● Input and enthusiasm of volunteers / activists; ● Committed Board that recognises need for change; ● 200 regular donors giving £7,000 per year; ● Lettings & festivals income provide core funding; ● Diverse sources of income; ● Organisation 'hugs above its weight'! 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ● Limited capacity to finance capital investment in the building; ● Semi-dormant charitable arm with no strategy; ● Separate groups of volunteers and building users (e.g. daytime and evening people) who don't meet; ● Poor condition of some parts of the building and difficulties of retrofitting new technologies; ● Lack of a permanent Chair; ● Lack of reception volunteers; ● Over-reliance on General Manager; ● Conflicting time demands of day to day and strategic/management tasks in General Manager's role; ● Over-reliance on key volunteers; ● Falling number of regular donors; ● Supporter and membership base not representative of the city's diversity.
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ● Increased footfall down Shaw's Passage from pre-HS2 works; ● Lettings potential of under-used space in the building; ● Increasing UK environmental threats are raising awareness; ● Re-invigorate membership and donor base through share issue; ● Educational projects delivered through BEEP; ● Diversifying festival income. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ● Uncertainty and planning blight caused by Eastside regeneration/ Curzon HS2 Masterplan; ● Compulsory Purchase Order being served on the building; ● Loss of tenants if quality of building deteriorates or does not improve; ● Potential for legal action if more of the building is not made disabled accessible; ● Environmental issues moving down the UK political agenda.

Our conclusion from this exercise was that the best way to minimise the threats and maximise the opportunities we face while, at the same time, building on our internal strengths and moving towards addressing our weaknesses, is to undertake an ambitious and transformative refurbishment project.

This will lead to a step-change in our income and financial resilience, attract new members and supporters and put us in the best possible position to secure a good price for the building if the worst-case scenario of compulsory purchase was to ever come to pass.

We believe that other options for financing the development such as a sale and leaseback of the building, or commercial borrowing against our freehold assets, would impose unnecessary financial burdens upon the organisation in the future and significantly increase the risks to our long-term survival. In contrast, a community share issue actually strengthens our balance sheet and allows us to make long-term investments with the confidence that we enjoy the support of a significant community of people who have a financial interest in our shared success.

It is also our belief that the risks of doing nothing, continuing with an essentially break-even business and premises of variable quality, would leave us exposed to greater risks of compulsory purchase and declining viability as space becomes less desirable and more difficult to let out in the future.

10.2 Eastside Regeneration and HS2

The latest masterplans show a bridge linking Paternoster Place (the proposed public space in front of the proposed HS2 station) to Park St via a bridge and the Curzon St Investment Plan states:

“Rather than becoming just a functional link, the funding identified within this Programme will enable this scheme to become a wide and attractively landscaped route that will bridge over part of the existing railway and provide a high quality entrance to Digbeth, vital for improved pedestrian access and a catalyst for further private investment.”

We believe that this bridge will make it easier and more attractive to get to our building from the city centre or from the new HS2 station. Birmingham City Council has expressed a desire to get the bridge (and other infrastructure works) in place before construction of the new station begins. This is to alleviate the effect that the construction work (road closures, noise, air pollution) will have on adjacent businesses. Design work for the bridge is scheduled for completion in 2018 and construction in 2020.

Whilst we believe that HS2 will bring more business to the building, it does not alter our publicly known opposition to HS2 as a whole, but accepts that it is likely to happen. We continue to lobby the Curzon St. Development Company, HS2 Ltd. and Birmingham City Council to ensure that the station will not have a detrimental effect on small business and residents around the station. Construction of the station is due to begin in 2021 and complete by 2026. We expect that there will be a downturn in trade at our building during this time if the aforementioned bridge is not complete by the time the stations construction starts.

None of the plans identify our building for regeneration or a compulsory purchase order, however there is a building project earmarked for the adjacent land (that we currently use as a community garden) and the businesses under the arches on Shaw’s Passages are shown being used for retail or catering purposes.

The Midland Metro extension has also been proposed to run down Meriden St with a stop on the junction with Typhoo Wharf (which is less than 100m from our door). Construction is due to start in 2019 and be complete by 2022. We may see a dip in trade whilst this work is being carried out as there will be road closures, however this will be minimal in comparison with the construction of the HS2 station.

10.3 Risks of the Refurbishment Project

The Board have carefully assessed the risks that we will face in delivering the proposed refurbishment scheme. The table below shows the risks we face scored for likelihood along the horizontal axis and impact on the vertical axis:

	1	2	3	4	5
1					
2					
3		<ul style="list-style-type: none"> • Loss of tenants during or after scheme completion. 	<ul style="list-style-type: none"> • Not raising enough money to deliver scheme; • Building work runs late. 		
4			<ul style="list-style-type: none"> • Contractor going bust during building work; • Unforeseen additional work being required during build period. 		
5			<ul style="list-style-type: none"> • Building work going over budget. 	<ul style="list-style-type: none"> • Lack of capacity to project manage scheme within existing resources. 	

Our proposals to mitigate these risks and deliver a successful project are as follows (score based on likelihood x impact, then ranked):

Score	Risk	Mitigation
20	Lack of capacity to project manage scheme within existing resources.	The development of the share offer and marketing is supported by a grant from Big Potential which is covering specialist consultancy support. The build project will then be let to a main contractor who will project manage the building work to an agreed price and specification overseen by a named group of Board members.
15	Building work goes over budget.	The building contract will be for a fixed price for the specified works, governed through a JCT Intermediate Contract.
12	Contractor going bust during building work.	BFOE will assess the financial stability of a contractor before awarding the contract and staging of payments will ensure that work is only paid for once it has been completed.
12	Unforeseen additional work being required during build period,	The consultancy support funded through the Big Potential grant includes a Quantity Surveyor's report. The plans have also been carefully developed over 9

		years by an architect with extensive experience of old buildings who is a member of the Board.
9	Not raising enough money to complete works.	In addition to the “core” scheme, BFOE have developed both a “stretch” scheme and a smaller fall-back scheme to provide a contingency against under and over-performance in raising share capital.
9	Building work running late.	The building contract will include penalty clauses to incentivise the contractor to meet deadlines. However, as work is phased such that no tenant will have an interruption to their business during the build period, the potential impact of any slippage would be reduced.
6	Loss of tenants during or after scheme completion.	The whole basis of the scheme is to improve the quality and quantity of lettable space in the building. Therefore, any voids that may occur will be easier to fill in future and current tenants will have better space to trade out of aiding their success.

11 MAKING IT HAPPEN

11.1 Building refurbishment phases

The phasing of the project has been carefully planned so that no tenant will have to vacate the building during the refurbishment, rather each new location will be completed before the tenant moves into it, leaving their former space to be refurbished for the new user of that space.

However, to facilitate this programme, the meeting room will need to be closed first and converted into the new space for Sprocket Cycles enabling the complex jigsaw type plan to commence. The

financial implications of this loss of income have been included in the assumptions on income during year 1 of the scheme.

11.2 Time-line

Development/investment work		
March 2017	Business plan completed	
March 2017	All existing members, supporters contacted	
April 2017	Share offer launched	
June 2017	Share offer closes	
June 2017	Match funding from Booster drawn down	
Building work		
May-June 2017	Detailed drawings prepared and put out to tender	
August 2017	Site work starts and Meeting Room closes	
October 2017	Sprocket Cycles moves to refurbished space	
November 2017	Natural Healthy Foods moves into refurbished space	
Mid-January 2018	Ground floor works complete	
Early February 2018	Warehouse Café relocates downstairs	
Feb-March 2018	Upstairs space reorganised and refurbished	
April 2018	Completion of works and Meeting Room re-opens	

11.3 Planned community engagement and events

The formal launch of the Share Offer will take place during the 40th Anniversary Party and celebration events on the weekend of the 1st-3rd April, supported by media, social media and promotion to existing members and supporters. This will be followed by a series of campaign and public events during April, May and early June which will include promotion of the offer.

During the period of the build, regular monthly campaign, educational and social events for the public will continue off-site in other venues in and around the city, followed by a re-launch party in April 2018. There will also be a monthly update prepared for tenants throughout the redevelopment period.

11.4 Five year plan

The first 3 years of the 5 year plan are spent planning and implementing the refurbishment scheme and then consolidating the financial and operational benefits of the new operating model. It is anticipated that sufficient funds will be available to enable withdrawals of share capital to begin during year 4 after which there will be a steady stream of revenue to fund withdrawals and maintain reasonable reserves. We will base the preparation of the 2022-2027 Business Plan upon trading experience during years 1-4 of this plan and trends of demand for share withdrawals from members.

The 2022-2027 plan will include significant expenditure on the roofs of the building and we will make decisions about interest rates on shares from 2022 onwards, and whether to launch any further share issues, upon those capital requirements and our level of reserves at the time.

APPENDIX 1 FIVE-YEAR FORECAST: Income and Expenditure 2018-2022 (Core Scheme)

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	18,220	14,220	19,220	19,220	19,220
<i>Other income</i>					
Rents and room hire	47,971	66,156	80,118	81,720	83,355
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,000	3,000	3,000	3,000	3,000
Donations	7,000	7,000	7,000	7,000	7,000
Total income	85,191	101,476	124,338	127,140	128,775
<i>Overheads</i>					
Salaries etc	47,081	59,897	61,233	62,597	63,292
Administration	16,210	16,697	17,198	17,713	18,244
Premises	11,800	12,154	12,518	12,893	13,280
Other overheads	480	662	801	817	834
Total overheads	(75,571)	(89,410)	(91,750)	(94,020)	(95,650)
Operating profit	9,620	12,066	32,588	33,120	33,125
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Capital grants released	3,922	3,922	3,922	1,646	0
Share offer expenses	(13,236)	0	0	0	0
Revenue grants	13,236	0	0	0	0
Interest on shares	0	(2,400)	(3,600)	(4,320)	(4,860)
Loan interest	0	0	0	0	0
Net profit	3,491	5,289	24,664	23,135	27,255

NB. We are not projecting any Corporation Tax liability during the period of this 5-year plan as a result of allowable losses brought forward of £55k and the fact that an element of our income does not fall within the charge for Corporation Tax as it is based upon donations. We would also look to mitigate any further tax charge based on the type of work undertaken on the building and claiming capital allowances for that work where appropriate. The profits for the period under the Core Scheme add up to £84k, of which approx. £20k (net of depreciation) would be considered non-taxable.

APPENDIX 2 FIVE YEAR FORECAST: Balance sheet 2018-2022 (Core Scheme)

	Year ended				
	31/01/18	31/01/19	31/01/20	31/01/21	31/01/22
Fixed Assets					
Freehold property	303,872	303,872	303,872	303,872	303,872
Office Equipment	37,962	29,663	21,417	14,106	13,096
	341,834	333,535	325,289	317,978	316,968
Current Assets					
Trade debtors	5,646	7,166	8,324	8,463	8,602
Bank	16,645	26,181	51,235	53,038	56,668
	22,291	33,347	59,559	61,501	65,270
Current Liabilities					
Trade creditors	2,412	2,502	2,555	2,618	2,725
VAT	(1,827)	(189)	(198)	(206)	(219)
PAYE	0	0	0	0	0
Other creditors	8,365	8,365	8,365	8,365	8,365
Deferred capital grants	3,922	3,922	1,646	0	0
	(12,872)	(14,600)	(12,368)	(10,777)	(10,871)
Net current assets	9,419	18,747	47,191	50,724	54,399
Total assets less current liabilities	351,253	352,282	372,480	368,702	371,367
Deferred capital grants due after one year	(5,570)	(1,648)	0	0	0
Deferred tax	(8,250)	(8,250)	(8,250)	(8,250)	(8,250)
Net assets	337,433	342,384	364,230	360,452	363,117
Represented by					
Share capital	896	896	896	896	896
Community shares	240,000	240,000	240,000	216,000	194,400
Revaluation reserve	23,999	23,999	23,999	23,999	23,999
Income and expenditure account	72,538	77,489	99,333	119,555	143,820
	337,433	342,384	364,228	360,450	363,115

NB. The Society has no intangible assets.

Freehold assets are not depreciated as the building is regarded as an investment property.

Appendix 3 CASH FLOW FORECASTS (Core Scheme)

(a) CASH FLOW 2017-18

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Total
Sales	0	0	0	0	0	0	13,200	0	8,664	0	0	0	21,864
<i>Other income</i>													
Rents and room hire	10,174	3,998	3,998	3,998	3,998	3,998	3,998	3,998	3,998	3,998	3,998	3,998	54,152
Membership income	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Sundry income	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Donations	583	583	583	583	583	583	583	583	583	583	583	587	7,000
	11,807	5,631	5,631	5,631	5,631	5,631	18,831	5,631	14,295	5,631	5,631	5,635	95,616
Community Share income	0	0	0	100,000	110,000	30,000	0	0	0	0	0	0	240,000
Grant income	0	0	4,500	0	3,640	4,004	1,092	0	0	0	0	0	13,236
	0	0	4,500	100,000	113,640	34,004	1,092	0	0	0	0	0	253,236
Expenditure													
Salary	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,928	47,081
PAYE	0	2,166	0	0	0	0	0	0	0	0	0	0	2,166
Purchase Ledger	1,802	2,410	10,710	7,810	14,410	42,778	43,215	36,720	47,410	62,410	26,410	8,410	304,495
Non PL expenditure	295	295	295	295	295	295	295	295	295	295	295	295	3,540
VAT	0	(232)	0	0	(474)	0	0	(3,858)	0	0	(5,639)	0	(10,203)
Other Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0
Share repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	(6,020)	(8,562)	(14,928)	(12,028)	(18,154)	(46,996)	(47,433)	(37,080)	(51,628)	(66,628)	(24,989)	(12,633)	(347,079)
Net income/expenditure	5,787	(2,931)	(4,797)	93,603	101,117	(7,361)	(27,510)	(31,449)	(37,333)	(60,997)	(19,358)	(6,998)	1,773
Opening balance	14,872	20,659	17,728	12,931	106,534	207,651	200,290	172,780	141,331	103,998	43,001	23,643	14,872
Closing balance	20,659	17,728	12,931	106,534	207,651	200,290	172,780	141,331	103,998	43,001	23,643	16,645	16,645

NB The PAYE charge for March 2017 is there to reconcile an opening balance from the Management Accounts. Elsewhere in the projections, it is included within salary charges as splitting out exact figures is difficult to predict for the future.

(b) CASH FLOW FORECAST YEARS 1-5

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	21,864	17,064	23,064	23,064	23,064
<i>Other income</i>					
Rents and room hire	54,152	64,636	78,960	81,581	83,216
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,600	3,600	3,600	3,600	3,600
Donations	7,000	7,000	7,000	7,000	7,000
	95,616	103,400	127,624	131,445	133,080
Community Share income	240,000	0	0	0	0
Grant income	13,236	0	0	0	0
	253,236	0	0	0	0
Expenditure					
Salary	47,081	59,897	61,233	62,597	63,292
PAYE	2,166	0	0	0	0
Purchase Ledger	304,495	29,703	30,629	31,540	32,439
Non PL expenditure	3,540	3,814	4,047	4,160	4,278
VAT	(10,203)	450	3,061	3,025	2,981
Other Creditors	0	0	0	0	0
Share repayments	0	0	0	24,000	21,600
Interest on shares	0	0	3,600	4,320	4,860
Loan interest	0	0	0	0	0
Total expenditure	(347,079)	(93,864)	(102,570)	(129,642)	(129,450)
Net income/expenditure	1,773	9,536	25,054	1,803	3,630
Opening balance	14,872	16,645	26,181	51,235	53,038
Closing balance	16,645	26,181	51,235	53,038	56,668

Appendix 4 Revenue costs for delivering project (Core Scheme)

Detail of revenue costs for project	£150k share target	£240k share target	£270k share target
Marketing of share offer (video)	900	900	900
Crowdfunder fees (6.24% of community shares raised, not Booster shares)	4680	8736	10,608
Standard Mark assessment	900	900	900
QS fees	2000	2000	2000
Promotion	400	400	400
Hard copy share offer	300	300	300
Total	9180	12,426	15,108

Appendix 5.1 Projections for the delivery the “Minimum” Scheme based upon a Share Issue of £150,000

(a) Income and Expenditure Account 2018-22

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	18,220	14,220	19,220	19,220	19,220
<i>Other income</i>					
Rents and room hire	50,046	56,887	72,245	73,690	75,164
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,000	3,000	3,000	3,000	3,000
Donations	7,000	7,000	7,000	7,000	7,000
Total income	87,266	92,207	116,465	119,110	120,584
<i>Overheads</i>					
Salaries etc	47,081	58,697	59,871	61,069	63,292
Administration	16,210	16,697	17,198	17,713	18,244
Premises	11,800	12,154	12,518	12,893	13,280
Other overheads	500	569	722	737	752
Total overheads	(75,591)	(88,117)	(90,309)	(92,412)	(95,568)
Operating profit	11,675	4,090	26,156	26,698	25,016
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Capital grants released	3,922	3,922	3,922	1,646	0
Share offer expenses	(9,960)	0	0	0	0
Revenue grants	9,960	0	0	0	0
Interest on shares	0	0	(2,250)	(2,700)	(3,038)
Loan interest	0	0	0	0	0
Net profit	5,546	(287)	19,582	18,333	20,968

NB In this scenario, interest is not payable until Year 3 of the project in order to conserve cash within the business.

(b) Balance Sheets 2018-22

	Year ended				
	31/01/18	31/01/19	31/01/20	31/01/21	31/01/22
Fixed Assets					
Freehold property	213,152	213,152	213,152	213,152	213,152
Office Equipment	37,962	29,663	21,417	14,106	13,096
	251,114	242,815	234,569	227,258	226,248
Current Assets					
Trade debtors	5,818	6,389	7,678	7,792	7,913
Bank	21,337	22,196	42,037	48,063	53,525
	27,155	28,585	49,715	55,855	61,438
Current Liabilities					
Trade creditors	2,412	2,502	2,555	2,618	2,725
VAT	(177)	(189)	(198)	(206)	(219)
PAYE	0	0	0	0	0
Other creditors	8,365	8,365	8,365	8,365	8,365
Deferred capital grants	3,922	3,922	1,646	0	0
	(14,522)	(14,600)	(12,368)	(10,777)	(10,871)
Net current assets	12,633	13,985	37,347	45,078	50,567
Total assets less current liabilities	263,747	256,800	271,916	272,336	276,815
Deferred capital grants due after one year	(5,570)	(1,648)	0	0	0
Deferred tax	(8,250)	(8,250)	(8,250)	(8,250)	(8,250)
Net assets	249,927	246,902	263,666	264,086	268,565
Represented by					
Share capital	896	896	896	896	896
Community shares	150,000	150,000	150,000	135,000	121,500
Revaluation reserve	23,999	23,999	23,999	23,999	23,999
Income and expenditure account	75,032	72,007	88,769	104,189	122,168
	249,927	246,902	263,664	264,084	268,563

(c) Cashflows 2018-22

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	21,864	17,064	23,064	23,064	23,064
<i>Other income</i>					
Rents and room hire	56,055	56,316	70,956	73,576	75,043
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,600	3,600	3,600	3,600	3,600
Donations	7,000	7,000	7,000	7,000	7,000
	97,519	95,080	119,620	123,440	124,907
Community Share income	150,000	0	0	0	0
Grant income	9,960	0	0	0	0
	159,960	0	0	0	0
Expenditure					
Salary	47,081	58,697	59,871	61,069	63,292
PAYE	2,166	0	0	0	0
Purchase Ledger	204,563	29,703	30,629	31,540	32,439
Non PL expenditure	3,560	3,721	3,968	4,080	4,196
VAT	(6,356)	2,100	3,061	3,025	2,981
Other Creditors	0	0	0	0	0
Share repayments	0	0	0	15,000	13,500
interest on shares	0	0	2,250	2,700	3,038
Loan interest	0	0	0	0	0
Total expenditure	(251,014)	(94,221)	(99,779)	(117,414)	(119,446)
Net income/expenditure	6,465	859	19,841	6,026	5,462
Opening balance	14,872	21,337	22,196	42,037	48,063
Closing balance	21,337	22,196	42,037	48,063	53,525

Appendix 5.2 Projections for the delivery the “Stretch” Scheme based upon a Share Issue of £270,000

(a) Income and Expenditure Account 2018-22

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	18,220	14,220	19,220	19,220	19,220
<i>Other income</i>					
Rents and room hire	47,971	66,156	87,318	89,064	90,845
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,000	3,000	3,000	3,000	3,000
Donations	7,000	7,000	7,000	7,000	7,000
Total income	85,191	101,476	131,538	134,484	136,265
<i>Overheads</i>					
Salaries etc	47,081	59,897	61,233	62,597	63,292
Administration	16,210	16,697	17,198	17,713	18,244
Premises	11,800	12,154	12,518	12,893	13,280
Other overheads	480	662	873	891	908
Total overheads	(75,571)	(89,410)	(91,822)	(94,094)	(95,724)
Operating profit	9,620	12,066	39,716	40,390	40,541
Depreciation	(10,051)	(8,299)	(8,246)	(7,311)	(1,010)
Capital grants released	3,922	3,922	3,922	1,646	0
Share offer expenses	(14,328)	0	0	0	0
Revenue grants	14,328	0	0	0	0
Interest on shares	0	(2,700)	(4,050)	(4,860)	(5,468)
Loan interest	0	0	0	0	0
Net profit	3,491	4,989	31,342	29,865	34,063
Corporation tax	0	0	0	0	0
Profit transferred to reserves	3,491	4,989	31,342	29,865	34,063

(b) Balance Sheets 2018-22

	Year ended				
	31/01/18	31/01/19	31/01/20	31/01/21	31/01/22
Fixed Assets					
Freehold property	332,222	332,222	332,222	332,222	332,222
Office Equipment	37,962	29,663	21,417	14,106	13,096
	370,184	361,885	353,639	346,328	345,318
Current Assets					
Trade debtors	5,646	7,166	8,924	9,075	9,228
Bank	16,498	27,684	58,816	64,337	72,062
	22,144	34,850	67,740	73,412	81,290
Current Liabilities					
Trade creditors	2,412	2,502	2,555	2,618	2,725
VAT	(3,477)	(189)	(198)	(206)	(219)
PAYE	0	0	0	0	0
Other creditors	8,365	8,365	8,365	8,365	8,365
Deferred capital grants	3,922	3,922	1,646	0	0
	(11,222)	(14,600)	(12,368)	(10,777)	(10,871)
Net current assets	10,922	20,250	55,372	62,635	70,419
Total assets less current liabilities	381,106	382,135	409,011	408,963	415,737
Deferred capital grants due after one year	(5,570)	(1,648)	0	0	0
Deferred tax	(8,250)	(8,250)	(8,250)	(8,250)	(8,250)
Net assets	367,286	372,237	400,761	400,713	407,487
Represented by					
Share capital	896	896	896	896	896
Community shares	270,000	270,000	270,000	243,000	218,700
Revaluation reserve	23,999	23,999	23,999	23,999	23,999
Income and expenditure account	72,391	77,342	105,864	132,816	163,890
	367,286	372,237	400,759	400,711	407,485

(c) Cashflows 2018-22

	Year ended				
	31/01/2018	31/01/2019	31/01/2020	31/01/2021	31/01/2022
Sales	21,864	17,064	23,064	23,064	23,064
<i>Other income</i>					
Rents and room hire	54,152	64,636	85,560	88,913	90,692
Membership income	9,000	11,100	15,000	16,200	16,200
Sundry income	3,600	3,600	3,600	3,600	3,600
Donations	7,000	7,000	7,000	7,000	7,000
	95,616	103,400	134,224	138,777	140,556
Community Share income	270,000	0	0	0	0
Grant income	14,328	0	0	0	0
	284,328	0	0	0	0
Expenditure					
Salary	47,081	59,897	61,233	62,597	63,292
PAYE	2,166	0	0	0	0
Purchase Ledger	335,805	29,703	30,629	31,540	32,439
Non PL expenditure	3,540	3,814	4,119	4,234	4,352
VAT	(10,274)	(1,200)	3,061	3,025	2,981
Other Creditors	0	0	0	0	0
Share repayments	0	0	0	27,000	24,300
Interest on shares	0	0	4,050	4,860	5,468
Loan interest	0	0	0	0	0
Total expenditure	(378,318)	(92,214)	(103,092)	(133,256)	(132,832)
Net income/expenditure	1,626	11,186	31,132	5,521	7,725
Opening balance	14,872	16,498	27,684	58,816	64,337
Closing balance	16,498	27,684	58,816	64,337	72,062

Appendix 6 Social Impact Monitoring Framework

Our refurbished building will be generating the income necessary to:

- Build up reserves to comfortably replace assets when they need to be replaced e.g. Roofs, boilers, windows, flooring, furniture - Ask Martin to create an asset management account to which we divert funds. This will be a part of our annual report. *Financial Quantitative.*
- Cover its maintenance - This is the cost of maintaining an asset rather than replacing it. The items on it are costed on anything between a 1 day (cleaning the floor) to a 3 year cycle and will be budgeted that way. *Financial Quantitative.*
- Invest in developing the organisation - This can be measured by the number of actions generated per £, however it will need a qualitative evaluation next to it so as not to skew our priorities towards metrics that don't necessarily cover all of the work that we do. *Quantitative Financial & Social, Qualitative.*

Our building will be creating greater positive environmental change as:

- It will be better able to demonstrate energy efficiency and generation measures. *Quantitative - Energy Usage, Quantitative - Number of Customers Visiting The Building (inc. our tenants' customers), Qualitative - Types of Interaction Between Public and the Building.*
- It's tenants will be in a better position to meet our shared environmental missions. *Qualitative - How The Tenant Feels Supported.*
- It will be running a building that has been redesigned to meet its purpose freeing up capacity to focus on meeting its mission. *Quantitative - Proportion of Time Spent On Value Added vs Basic Administration.*
- The number of visitors to our building will increase alongside our capacity to converse with those visitors. *Quantitative - Energy Usage, Quantitative - Number of Customers Visiting The Building (inc our tenants customers), Qualitative - Types of Interaction Between Public and the Building.*
- *Support communities of geography in Digbeth and Birmingham and communities of interest in the UK with more and bigger meeting room space that we significantly subsidise for groups that help us meet our mission. Quantitative - Number Of Meeting Room Bookings By Community Groups.*

The building will measure

- Number of office tenants;
- Number of interactions on reception;
- Number of customers / transactions that they have;
- Number of times they've supported our campaigns;
- Number of tenants that report on ethical criteria;
- *Number of meeting room bookings.*

Our campaigns will:

- Be better resourced and therefore reach more people.
 - *Quantitative - Social media page likes & follows;*
 - *Quantitative - Contacts on our database;*
 - *Quantitative - Financial supporters;*
 - *Quantitative - Members;*
 - *Quantitative - Volunteers interested in coming to Monday night meetings and volunteering with us in the daytime;*
 - *Qualitative - Setting the above numbers in context, explaining reasons for different strategies and making sure that we don't focus on the numbers so much that we lose sight of the overall goal.*
- Engage those contacts more and improve the quality of our engagement:
 - *Quantitative - Social media likes, comments, shares and retweets measured as a percentage of page likes and follows.*
 - *Quantitative - Number of people that sign petitions.*
 - *Quantitative - Those that email, ring or visit a political representative to lobby as a percentage of the number of people on our contacts database or follow us on social media.*
 - *Qualitative - Setting the above numbers in context, explaining reasons for different strategies and making sure that we don't focus on the numbers so much that we lose sight of the overall goal.*
- Increase the diversity of the people that we talk to, making us more representative of the community that we serve.
 - Quantitative - Numbers of contacts per ward. Quantitative - Number of contacts per ethnic group / religion. Qualitative - Do we feel representative?*
- *Number of mentions in media. Quantitative, Qualitative - Explaining the likely impact that this had by stating page number, size of article, circulation figures etc.*

As an organisation, we will be:

- More effective in the use of our staff and volunteer resource; *Qualitative.*
- More effective use of our charitable arm to meet our environmental aims; *Qualitative.*
- Clearer identity, higher profile; *Qualitative.*
- Seeking an increase in Board skills and capacity; *Qualitative.*
- *More accountable to our members and a membership that is more*

diverse and reflective of the community that we operate in. As an organisation, we will be: Qualitative.

Appendix 7 Marketing plans

7.1 Improving the identity and profile of The Warehouse

Category	Strategy
Target Markets	<p>1. Current tenants and meeting room users</p> <p>2. New customers - start-ups and small businesses in the Digbeth square mile looking for office space, individuals and businesses in Birmingham requiring meeting rooms, with a focus on charities and third sector groups and organisations.</p> <p>It is important to understand the market and continually market services to potential new customers, but The Warehouse is fully occupied and does not have space to attract a significant number of new customers.</p> <p>The strategy focuses on marketing to existing customers and meeting room users, and the local community within the Digbeth Square Mile.</p> <p>Existing long-term customers are more likely to introduce The Warehouse to others via a verbal referral, and are more likely to purchase additional space.</p> <p>The benefits of keeping hold of current customers are clear, but there must be no complacency. Modern customers are smart, and will not continue to use The Warehouse simply because they share values, know the office is well located or even because it's the lowest cost option. As Digbeth develops, new competitors will emerge, and offer deals.</p>
Positioning Statement	The most cost effective rental and room hire costs in Digbeth, within an environmentally sustainable building, and a community of tenants with shared values, contributing towards tackling local environmental and social issues.
Offering to customers	Small serviced office units, shared space, meeting rooms.
Price Strategy	Affordable, low cost, excellent value.
Sales Strategy	<p>Increase meeting room hire levels year-on-year and maintain 100pc office rental occupancy.</p> <p>Communicate with existing tenants and building users to encourage referral and cross selling through incentives. Turn existing customers into ambassadors for The Warehouse.</p>

	<p>Advertise directly to potential tenants and meeting room users, using website and direct mail.</p> <p>Engage in property marketing actions locally; with limited resources, the most logical "potential" tenant will be in the Digbeth Square Mile area, that may need additional expansion space near their current location.</p> <p>Develop a comprehensive database of local area companies that require space, and organisations that can help market The Warehouse.</p> <p>Local school, college and university notice boards and websites may also be worth considering to attract start-ups.</p>
Service Strategy	<p>Offer a wide range of high value low cost services for customers.</p> <p>Establish good relationship with customers and ensure that appropriate services are developed to meet their needs.</p> <p>Onsite services must meet or exceed the expectations of customer.</p>
Promotion Strategy	<p>Develop a campaign that focuses on The Warehouse positioning.</p> <p>Produce the proposed 'Warehouse News' publication, with limited print circulation for existing building users and made available online for internal (all stakeholders) and external marketing and promotion purposes.</p> <p>The Warehouse is trying to attract a specific group of specialty tenants, so, advertise and attend local events where they get together.</p> <p>Negotiate regular infomercials on Brum Radio.</p> <p>A professional for rental sign is placed on a v-board outside at regular intervals.</p> <p>Add a page to the web site, with professional photos of the building highlighting office space, meeting rooms and other key features.</p>
Marketing Research	<p>Conduct customer audit and identify new service opportunities.</p> <p>Regularly collect customer feedback to:</p> <ul style="list-style-type: none"> • Ensure customer satisfaction. • Make ongoing improvements. • Build customer profiles. • Develop stronger customer relationships. • Promote The Warehouse, its tenants, and the work of Birmingham Friends of the Earth.

Implement a CRM system to:

- Improve the organisation of information.
- Improve communication.
- Improve customer service.
- Improve analytical data and reporting.

7.2 Increasing festivals income

Category	Strategy
Target Markets	All festival goers, with an emphasis on the 18-25-year-old lower income group, and families with children.
Positioning Statement	Competitive festival phone charger and lock up services, that fund support for tackling environmental and social issues.
Offering to customers	Secure lock up storage facilities and smartphone charging.
Price Strategy	Low cost, great value, affordable for everyone.
Sales Strategy	Increase sales by 10% year on year. Target festival organisers and bar operators. Expand the Festivals team, enabling it to be less vulnerable to volunteer loss and more able to take on new opportunities.
Service Strategy	Volunteer run at music festivals, enabling costs to be kept down and enabling Birmingham Friends of the Earth to be competitively priced against competitive alternatives. Overcome restrictions on organisational capabilities.
Promotion Strategy	Develop a campaign that focuses on the positioning: emphasising low price and supporting the not-for-profit work of Birmingham Friends of the Earth
Marketing Research	Collect customer data and feedback from festival organisers and service users. Gather demographic and lifestyle information to build customer profiles. Promote the work of Birmingham Friends of the Earth (to grow membership and campaigning groups), and develop stronger customer relationships Explore opportunities to provide services to other types of festivals. and identify new market opportunities; for example, recycling services

7.3 Marketing Plan for Refurbishment

7.3.1 Birmingham Friends of the Earth

Activity	Purpose(s)	Audience	When	Dependencies	Lead/Support
Production of Warehouse News in print and online	Tell people about the organisation, its objectives, its history and contribution to the area, the 40th Anniversary, future plans, and the longer-term community benefits.	Digbeth community Birmingham wide	Ongoing monthly	Board approval Photos and written contents	General Manager
Set up website pages	Maximise publicity and promotional opportunities for project and share offer	Digbeth community Birmingham wide All potential shareholders Public	Website pages published – regular updates required	Cost of website development Photos and written contents	General Manager

7.3.2 Community Share Offer

Activity	Purpose(s)	Audience	When	Dependencies	Lead
Articles in Warehouse News Brum Radio infomercials	Explain why, what, and how people can be involved. Raise and maintain interest. Keep people informed and involved.	Digbeth community Birmingham wide All potential shareholders Public	Monthly		Gen Mgr
Press releases	Maintain profile and spread awareness of offer	Digbeth community Birmingham wide All potential shareholders Public	As required		Campaigns

Email campaign	Encourage support and donation	Everyone who has given email addresses on BFOE and databases.	Once a week	Database collation. Involve tenants and all building users. Involve FOE national	Campaigns
Facebook, Twitter, Instagram, Google+, etc	Maintain profile and extend awareness of the offer across social media	Global	Ongoing, regular feeds/posting to build following	Reciprocal links between websites and social media sites	Campaigns
Community Share Offer document	Explain and promote share offer. Encourage people to buy shares	Local area households/businesses . Birmingham-wide. Everyone else who might be interested in supporting	From 28/3/17	Business plan and financial modelling approved	Gen Mgr
Launch event	Maximise local and media interest (and understanding) in the share offer and The Warehouse	Local community Birmingham-wide	2/4/17	Date identified to provide timescale for other promotional material. Availability of key speaker	Campaigns
Totaliser on website and outside The Warehouse	Acknowledge support and build momentum ongoing	Local community	Duration of share offer	Early indication of those offering pledges and support.	Gen Mgr
FAQs and handling questions.	People will have a range of questions ranging from straightforward to technical and peculiar	Everyone	Ongoing	Committee members and Manager are available and have the necessary expertise or know who to refer to	Secretary

7.3.3 Money is raised and construction work gets underway: celebrate when the money is raised and works begins, encourage and promote opportunities for ‘in kind’ contributions from the community including volunteer labour, and specialist skills to reduce costs.

Activity	Purpose(s)	Audience	When	Dependencies	Lead
Warehouse News Website Email All social media	Celebrate when money is raised	Everyone Shareholders Other funders	Monthly	Availability of a celebrity or local MP	Campaigns
Warehouse News Local media Social media Email	Recruit help ‘in kind’ from community and members	Everyone Shareholders	Monthly	Committee approval of skills required opportunities to contribute	All
Warehouse News Local media Social media Email	Update on progress of work	Everyone Shareholders Other funders	Monthly	Photos to show changes	Refurb Working Group
Warehouse News Local media Social media Email	Positive messages for investors and local community who benefit from the redevelopment of the Warehouse	Everyone Shareholders Other funders	Monthly	Board approval	Campaigns

7.3.4 Completion of Phases: celebrate and regularly report on progress when each stage is complete.

Activity	Purpose(s)	Audience	When	Dependencies	Lead
Events to celebrate completion phases and tenants moving in	Positive messages for investors, and the local community, and PR for tenants. To celebrate and thank those who supported the project and to share success with the local community	Everyone	Ongoing, to highlight key milestones	Board approval. Phases completed and opened. VIP guests identified and invited.	Campaigns

7.3.5 Community Development: ongoing communication activity to keep community interest high for future sales shares for capital, and keep investors involved to ensure shareholders stay shareholders.

Activity	Purpose(s)	Audience	When	Dependencies	Lead
Warehouse News Local media Social media Email	Keep people informed and motivated to use new space once fully completed	Everyone	Ongoing, monthly updates and news from tenants	Board approval.	Gen Mgr
Brochure Print and digital	Ongoing promotion of the redeveloped premises	Local community. Potential new tenants and meeting room users	From April 2018	Cost and Board approval	Gen Mgr

Appendix 8 – BFOE Risk Register and mitigations before refurbishment

Rows = likelihood;
Columns = Impact.

	1	2	3	4	5
1			<ul style="list-style-type: none"> • Injury of volunteer or member of public in building. 	<ul style="list-style-type: none"> • Shaw's Passage parking operator harassing building users; • Volunteer or campaigner taking unauthorised action in BFOE's name; • Misrepresentation of BFOE in news media. 	<ul style="list-style-type: none"> • Lack of succession planning for Board.
2		<ul style="list-style-type: none"> • Loss of individual donors; • Actions of national FOE impacting negatively on BFOE; • Actions of BFOE impacting negatively on national FOE. 		<ul style="list-style-type: none"> • Personal fallings out with or between tenants; • Loss of small tenant; • Misrepresentation of BFOE in social media. 	

3			<ul style="list-style-type: none"> • Injury of volunteer or member of public at event/campaign action. 	<ul style="list-style-type: none"> • Unexpected loss of CSW; • Contractual dispute with tenant. 	<ul style="list-style-type: none"> • Lack of capacity to develop and deliver externally funded projects; • Lack of permanent Chair of Board.
4		<ul style="list-style-type: none"> • Campaign message leads to BFOE being sued; • Compliance failure with fire, H&S or other regulations. 	<ul style="list-style-type: none"> • Safeguarding issue for volunteers or building users; • Loss of large tenant; • Unbudgeted repairs to building; • Actions of a tenant reflecting negatively on BFOE and other tenants. 	<ul style="list-style-type: none"> • Lack of skills on Board; • HS2 planning blight; • Loss of festivals income; • Increase in rent arrears. 	<ul style="list-style-type: none"> • Lack of disabled access to much of building.
5		<ul style="list-style-type: none"> • Employment dispute with an employee; • Structural failure of building; • Compulsory purchase of building. 	<ul style="list-style-type: none"> • Unexpected loss of building manager; • Cash-flow crisis. 		

Mitigation plan (based on likelihood x impact scoring and ranking)

Score	Risk	Mitigation	Who / How / When
20	Lack of disabled access to much of the building.	Make more of the building accessible as part of refurbishment scheme.	Board to ensure a refurbishment project is delivered which meets this requirement by the end of 2018 .
16	Lack of skills on Board	Recruitment new Board members.	General Manager to advertise internally and externally - ongoing ; Campaigns Group to identify any possible candidates - ongoing ;

			Board to make sure that recruitment of new members as part of proposed Community Share Issue also includes recruitment to Board – by Summer 2017 .
16	HS2 Planning Blight	Engage with City Council, HS2 Ltd and other local residents and businesses to minimise negative and maximise positive outcomes of the HS2 proposals for BFOE.	General Manager to continue lobbying and engagement activity – ongoing .
16	Loss of festival income	Reduce dependence on festival income for day-to-day expenditure and diversify the festival offer and the events attended.	Board to ensure that proposals for refurbishment of the building lead to core expenditure being covered from lettings income by the end of 2018 . Festivals Group to continue diversifying offer and range of events – ongoing .
16	Increase in rent arrears	Improve the quality of the space being offered for rent to attract more secure tenants, paying more per square foot and which is more easily and quickly re-let in the case of a void period. Implement more rigorous systems to monitor whether rent is paid on time and to take prompt action if it is not.	Board to make sure that the proposed refurbishment of the building improves the quality of space for tenants before scheme is launched – Spring 2017 . General Manager and Book-Keeper to implement agreed rental payment and arrears policy and report to Board quarterly .
15	Lack of capacity to develop and deliver externally funded projects	Increased lettings income following the building refurbishment project will fund additional core staff time to develop and deliver projects.	Board to ensure that any refurbishment project generates additional core income and reviews possible current and future staffing structures to add resilience and capacity by Summer 2017 .
15	Lack of permanent Chair of Board	Recruit permanent Chair.	General Manager and Society Secretary to prepare advert and Job Description to circulate internally

			and externally using regular communications, partner organisations and piggy-backing on communications leading up to and immediately following the proposed Community Share Issue – Spring and Summer 2017 .
15	Unexpected loss of building manager	Record core tasks, contacts and procedures in file on shared drive. Review staffing structure to reduce dependence on one key person.	General Manager to record core tasks, contacts and procedures on shared file by March 2017 . Board to undertake staffing review by Summer 2017 with a view to implementation once proposed refurbishment scheme is completed by the end of 2018 .
15	Cash-flow crisis	Annual budget cycle, Quarterly projections, Monthly and Weekly monitoring.	General Manager and Book-Keeper to monitor weekly performance against projections; Board to receive quarterly reports and set annual budget.
12	Unexpected loss of CSW	Annual review of Job Description and recruitment paperwork. Recording of contacts and regular tasks on shared drive and regular reporting to Campaigns Group.	Line-Manager to undertake annual appraisal with CSW. Line-Manager, Campaigns Co-ordinator/s and Society Secretary to meet annually to review Job Description after each appraisal has been completed with CSW.
12	Contractual dispute with tenant	Make sure all tenants are on up to date leases.	General Manager to update leases when they are renewed . General Manager to organise regular meetings with tenants. Board to offer and arrange for mediation if necessary .
12	Safeguarding issue for volunteers or building users	Adopt appropriate safeguarding policies of working with children or vulnerable adults.	Board to appoint a Safeguarding Officer if the organisation is planning to work with children or vulnerable adults .

12	Loss of large tenant	<p>Increase amount of lettable space in the building to dilute the impact of the loss of any given tenant.</p> <p>Improve the quality of lettable space to make re-letting easier and to attract more secure tenants.</p>	Board to ensure proposed refurbishment project meets these requirements by Spring 2017 .
12	Unbudgeted repairs to building	<p>Building up reserves.</p> <p>Implementing asset management plan.</p> <p>Undertaking refurbishment project.</p>	Board to agree a plan for the building that addresses these issues by Spring 2017 .
12	Actions of a tenant reflecting negatively on BFOE and other tenants	Undertake vetting of new tenants including asking for references and conducting an interview before signing a lease.	General Manager to vet prospective new tenants when vacancies occur .
10	Employment dispute with an employee	<p>Following appropriate employment and disciplinary processes.</p> <p>Engaging the services of an HR consultant if needed.</p>	<p>Board to review Grievance and Disciplinary Process at least every 3 years.</p> <p>Board to hold an extraordinary meeting if required.</p>
10	Structural failure of building	<p>Insurance.</p> <p>Implementation of asset management plan.</p>	<p>General Manager to ensure that insurance is renewed and the scope is reviewed annually.</p> <p>General Manager to report to Board annually on progress with the asset management plan.</p>
10	Compulsory purchase of building	Improving the physical structure and value of the building to make this less likely, while also maximising the size of any capital receipt that may arise from it.	Board to ensure any refurbishment scheme meets these requirements by Spring 2017 .
9	Injury of volunteer or member of public at	Compliance with National Friends of the Earth's Public	Campaign Support Worker and Campaigns Co-ordinator/s to make sure that planned events and campaigns conform to the terms of

	event/campaign action	Liability Insurance for local groups.	the national FoE insurance coverage at each campaign strategy / planning meeting.
8	Campaign message leads to BFOE being sued	Make sure that campaigns are not mounted through Birmingham FOE that could lead to claims of libel or similar.	Campaign Support Worker and Campaigns Co-ordinator/s to make sure that planned events and campaigns do not make unsubstantiated claims at each campaign strategy / planning meeting. Campaign Support Worker and Campaigns Co-ordinator/s to request that training on this is included in national FOE's training programme by the end of 2018.
8	Compliance failure with fire, H&S or other regulations	Implementation of appropriate policies for regulatory compliance.	General Manager to report to the Board annually on policy and compliance matters.
8	Personal fallings out with or between tenants	Organise regular event to which tenants are invited. Maintain regular communications with all tenants.	General Manager to invite tenants to events and maintain regular contact. Ongoing.
8	Loss of small tenant	Increase amount of lettable space in the building to dilute the impact of the loss of any given tenant. Improve the quality of lettable space to make re-letting easier and to attract more secure tenants.	Board to ensure proposed refurbishment project meets these requirements by Spring 2017.
8	Misrepresentation of BFOE in social media	Swift rebuttal of misleading claims.	General Manager to monitor social media coverage of BFOE and issue rebuttals if necessary.
5	Lack of succession planning for Board	Recruitment new Board members.	General Manager to advertise internally and externally - ongoing; Campaigns Group to identify any possible candidates - ongoing;

			Board to make sure that recruitment of new members as part of proposed Community Share Issue also includes recruitment to MC – by Summer 2017.
4	Shaw's passage parking operator harassing building users	Keep record of incidents if/when they arise and pass on to relevant agencies.	General Manager as required.
4	Volunteer or campaigner taking unauthorised action in BFOE's name	Clear policy on who is authorised to act on behalf of BFOE.	Campaign Support Worker and Campaign Co-ordinator/s to brief volunteers and campaigners before actions are undertaken.
4	Misrepresentation of BFOE in news media	Monitoring of media coverage with rebuttals issued promptly.	General Manager to monitor social media coverage of BFOE and issue rebuttals if necessary.
4	Loss of individual donors	Develop and implement clear fundraising strategy.	Board to develop and include in future staffing plans.
4	Actions of national FOE negatively impacting on BFOE	Maintain clear local identity and good relations with National FOE.	Board, campaigners and staff to reflect local identity in campaigns and communications.
4	Actions of BFOE impacting negatively on national FOE	Maintain clear local identity and good relations with National FOE.	Board, campaigners and staff to reflect local identity in campaigns and communications and adherence to Local Groups Agreement with National FoE.
3	Injury of volunteer or member of public in the building	Public Liability Insurance.	Board and General Manager to ensure policies comply with terms of PL insurance policy. Review annually.