

Feasibility Study : Foyers Stores

Boleskine Community Care

July 2025

Confidential



community
enterprise



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1. Background and Introduction

1.1 The Purpose of the Report

Community Enterprise has been commissioned to carry out an assessment into the best future for the Foyers Store, a still working shop and café in Foyers. The owners have been keen to sell for some time and there is a danger that the shop will be lost to the community. With its retail outlet, café and accommodation, it is not just a vital lifeline for this small, dispersed community, but is also an important income generator and is a stopping point for visitors.

This piece of work has been led by a steering committee involving representatives from Stratherrick and Foyers Community Trust (SFCT), the Community Council and Boleskine Community Care (BCC), a local community led regeneration organisation.

BCC has been the driving force behind the idea. As well as the shop being important there is a vision for the upstairs accommodation to be used for local key workers. There is a challenging recruiting care workers because of a lack of housing in the area.

The relationship with the owner very good and they are supportive of the shop being in the community. The shop has been on the market for 4 years.

This report is intended to help identify a direction of travel and to provide a clear way forward for the community to take on ownership and control of the shop to secure it for the future. It will form the basis of the business plan.

1.2 The Asset



Waterfall Café & Foyers Stores

Foyers, Inverness, IV2 6XU

This property includes a ground floor shop, post office and café, along with a four-bedroom flat above. It is located in the rural village of Foyers, on the eastern side of Loch Ness—approximately 20 miles south of Inverness and 13 miles north of Fort

Augustus.

The building sits in an elevated position beside the B852 road, with scenic views over Loch Ness. The area is known for its natural beauty and is popular with outdoor enthusiasts, including walkers, anglers, and those interested in country sports such as shooting. The property is next to the Falls of Foyers car park and the shop and café attracts many visitors because of its position.

Accommodation

On the ground floor, the layout includes:

- A retail sales area
- Post office
- Stock room



- Café with a gift shop area
- Kitchen
- WC

The owner's flat has a utility room and stairwell at ground level. Upstairs, the flat includes:

- Three bedrooms (one with en-suite)
- Sitting room
- Dining room
- Kitchen
- Shower room

Site and Grounds

The property sits on an irregularly shaped plot of around 0.31 acres, including the building footprints. There is a decked seating area in front of the café and shop, currently featuring an ice cream stand. A private garden lies to the side of the flat, and private parking is available at the rear, accessed via the Falls of Foyers car park.

There is also a timber-framed shed with a solid floor and corrugated metal cladding, currently used for storage by the shop and café.



Condition and Value

The property is on the market for **£440,000**, with an estimated business value of **£60,000**.

The buildings appear to be in a condition typical for their age and construction. Internally, the property is in reasonable condition. The retail area is somewhat dated but still functional.

Rates and Council Tax

- The shop and café have a rateable value of **£6,000**.
- The residential flat falls under **Council Tax Band D**.

The property provides the following accommodation and approximate floor areas:

DESCRIPTION	AREA (SQM)	AREA (SQ FT)
Ground – Retail	132.22	1,423
First – Residential	156.99	1,690
TOTAL	289.21	3,113

The above areas, which have been calculated from on site measurements have been calculated on a Net Internal area for the shop unit and Gross Internal area for the residential flat in line with the RICS Property Measurement Professional Statement (2nd Edition) and the RICS Code of Measuring Practice (6th Edition).

1.3 Methodology

Inception Meeting	A session took place with the board and staff representatives to identify the baseline for the work, agree the core intention and discuss the methodology.
Statistics	Community Enterprise considered existing statistics and demographics for the area.
Policy Review	A review took place of the key policy areas that impacts on the shop concept.
Key Stakeholder Contribution	15 key stakeholders contributed thoughts and discussed possible ideas
Suppliers	Research took place into existing and potential suppliers to the shop to evolve it from where it is now.
Community Survey	88 separate individuals completed the survey and this reflected the views of a high proportion of the local population. When asked if the survey represented the views of other family members, a further 96 an addition contributed ideas. So the survey represents, to some extent the views of 184 people.
Public meetings	A drop in was held in the Boleskine base all day, allowing individuals to drop by and give their views. This was done at the same time as an NHS session so

	<p>attracted a lot of local people. Around 30 attended during the day.</p> <p>An open event took place in the evening with the local population to discuss the idea in detail. This was a facilitated engaging event with table top discussion on specific issues. Over 50 people took part.</p>
Visit to the shop	The shop business was analysed including recent trading history.
Legal Options appraisal	Pros and cons of different possible options for control of the shop were considered with input from Democratic Finance and others.
Funding Review	An assessment of potential capital funding was undertaken.
Financial modelling	Models were created to use to work out the financial sustainability implications of different approaches. Full cash flow projections will be set out in the business plan.
Review and Report	A review of the data took place and this report was produced for consideration by the client.

2. Findings and Recommendations

The full data can be seen in a separate appendices document.

2.1 Findings

Strengths of the site

1. The site is a good size with options for more than one use. The mix of accommodation, retail, café, post office and parking offer good diversity of trading.
2. There is good road access and good parking
3. There is good visitor attractions nearby especially the Falls.

Community Support

4. Approximately 85% of respondents are in favour of the community buyout of the shop and Post Office. Slightly less (78%) are in favour of the community buying the cafe. There was more uncertainty about the use of the upstairs accommodation but support was still 69%.
5. The local community identified that the shop fitted well with their Local Place Plan and 96% saw that it fitted with the “Community Life” theme which mentions the shop.
6. 20% of survey respondents wanted to get involved actively and 20% wanted to join the organisation. 89% wanted to be kept in touch.

Needs

7. Although the area does not experience high levels of deprivation, it does suffer from high levels of geographic access deprivation, ranking in the most deprived decile
8. If the shop were to be lost, 67% said it would be a disaster and 26% said it would be a problem.
9. It was noted that the delivery service to older people during covid was a vital lifeline.
10. For those who didn't use the shop, the main reason was that it doesn't stock what people want. Discussion with new suppliers could attract new customers to the shop.
11. Survey respondents noted that the area is a great place to live but not a great place to work. 42% said it was poor to average.
12. Individuals aged 65+ years make up 26.6% of the population which is higher than the regional average (23.7%) and higher than the national average (20%).
13. The tenure for homes in the area is as follows; 79.3% are owned, 4.6% are socially rented and 12.2% are privately rented. The national averages for types of tenure are 63% owned, 22.5% socially rented and 12% privately rented. There are fewer rented properties available.
14. 41.8% are economically inactive. 32% are retired.
15. 13.8% of the population say their day-to-day activities are 'limited a little' by a disability, but a further 9.5% say it is 'limited a lot'. Both measures are on par with

the national averages of 13.3% and 10.8% but the impact is more severe in a rural setting.

Preferred uses

16. The biggest demand was to use the post office (87%) and to use the parcel service. 52% used the café and 35% the grocery part of the shop.
17. In the community survey the biggest demand was for local produce. Other ideas were deliveries for older people and a range of hardware products. 77% said they would use the shop more if it has more relevant products.
18. Substantial new ideas emerged from the public consultations that will be built into the business plan.
19. Ideas for the flat in the community survey showed support for use either for residential accommodation for local people (68%) or for key workers (72%). It was felt that there was enough holiday accommodation in the area.

Impact

20. There is demand for a merging of commercial usage and social impact.
21. 86% of survey respondents agreed or strongly agreed that the shop would reduce isolation.
22. 53% agreed or strongly agreed that the initiative would improve people's skills
23. 88% agreed or strongly agreed that the initiative would provide employment
24. 75% agreed or strongly agreed that the initiative would encourage people to say in the community.
25. 80% agreed or strongly agreed that it would strengthen community spirit
26. 84% agreed or strongly agreed that it would make the community more attractive to visitors.
27. Embedding learning and employability into a preferred route is important to stakeholders.

Funding

28. Grant funding for capital projects is highly competitive and innovation is going to be vital
29. It is likely that repayable finance is an option and community shares could be considered.

Financial Assessment

30. Financial modelling showed a shop in small surplus and some income to be made from rent to key workers but there are not large margins and care needs to be taken in running the business.
31. In the community survey the largest proportion of response to how often people use the shop was "every other day" or "weekly". Including fortnightly this represented two thirds of the respondents (68%). This is a good level for demand for a rural shop.
32. Though the local population is only around 800, there is a substantial visitor customer base. 70,000 people visit the Falls.

33. A good list of local providers was identified.

34. There was limited displacement and local business did not envisage any competition but that there was a need for more to attract more visitors.

2.2 Recommendations

Though further work will be required as part of the business planning, there is high demand locally, a good commercial customer base and an opportunity to diversify.

It is recommended that BCC proceeds to business planning and a potential bid to Scottish Land Fund and that the development of a Community Benefit Society is considered with support from Democratic Finance.

This idea is not risk free and a careful risk assessment will be set out in the business plan.

3. Research

3.1 Community Survey

Overview

The Shop at Foyers includes a Post Office, cafe and accommodation upstairs. The owner has been keen to sell the shop for some time and is positively disposed to a community buy out.

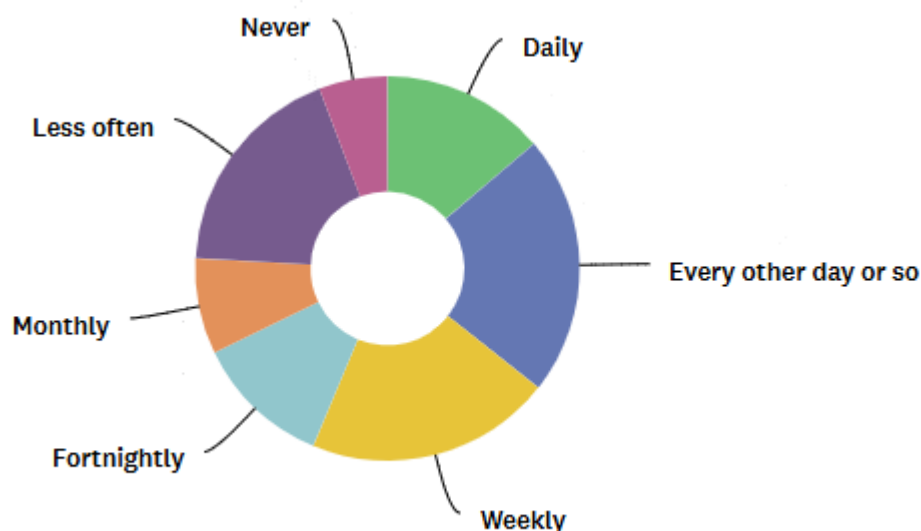
The survey asked respondents for their views on the shop's future.

88 people completed the survey between the end of March and the middle of June 2025 both online and on paper. 96 additional family members fed in views so this represents a total of 184 people.

Question 1

Respondents were asked how often they, or members of their household used the shop (including the Post Office).

87 people replied to this question.

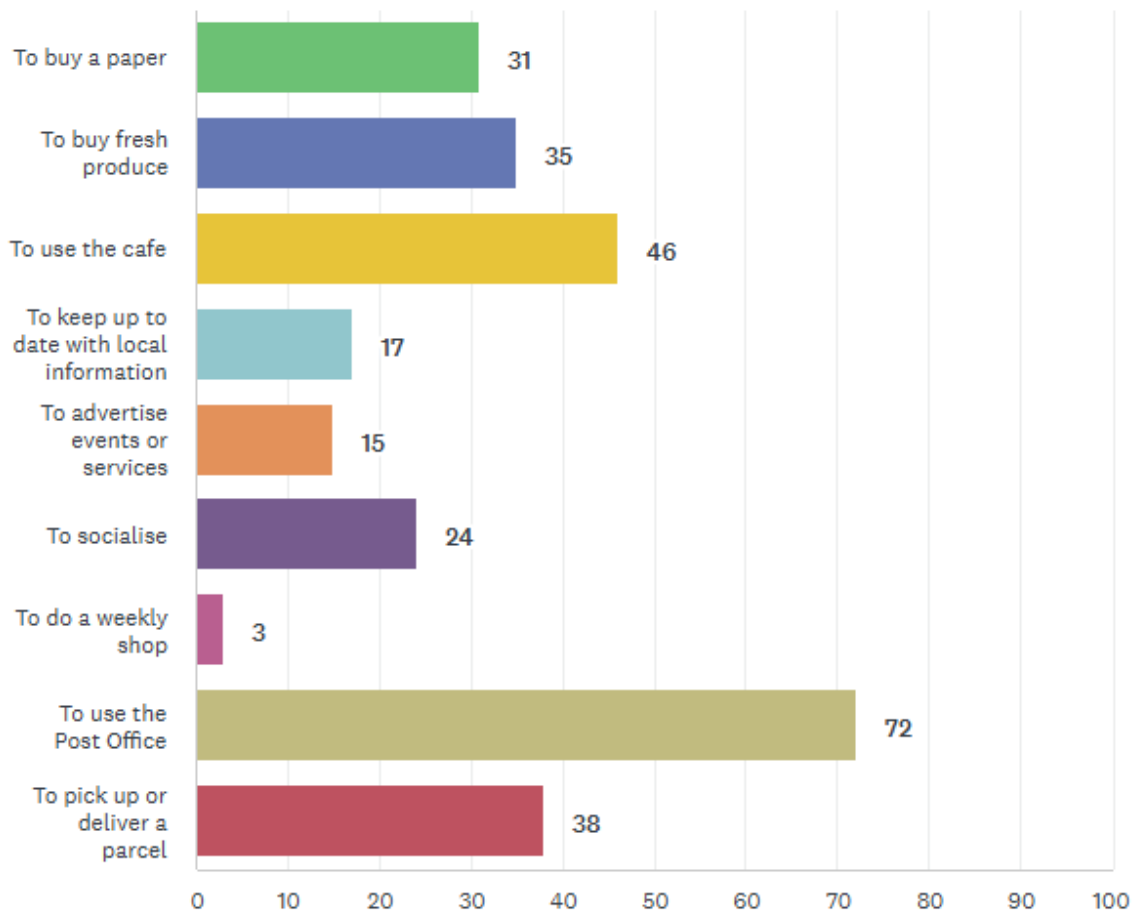


There was a broad range of answers here. The most popular answer was Every other day or so (19). If we combine answers, 68% of respondents use it at least fortnightly. The remainder saying that they use it monthly, less often or never.

Question 2

Respondents were asked why they go into the shop. They were asked to tick all answers that apply.

81 people replied to this question.

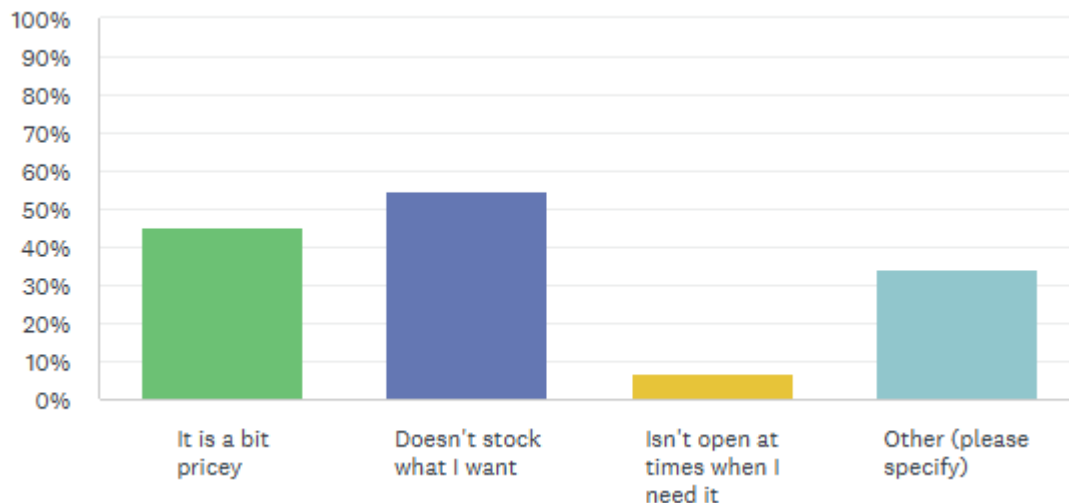


Responses show that the Post Office is what brings people into Foyers Stores most. There were also 17 comments added. 3 respondents said that they use the Post Office for banking. 9 of the comments related to the shop, saying that they use the shop for occasional, emergency or top-up shops when they run out of something. One respondent highlighted the importance of deliveries to older people during COVID and how vital that was.

Question 3

Respondents were asked if they rarely or never shop in the village, why not.

44 people answered this question (50% of overall survey respondents).



Answers were quite evenly split between the shop being a bit expensive or not stocking what was needed. Opening times were only an issue for 7% of respondents.

Comments were left by 15 respondents. These mentioned the location of the shop being an issue (e.g. not on their route to work), the use of bigger shops removing the need to go to a local shop, opening times and range of products.

"Go to Inverness to do a large weekly/twice weekly shop with better selection especially fruit and veg."

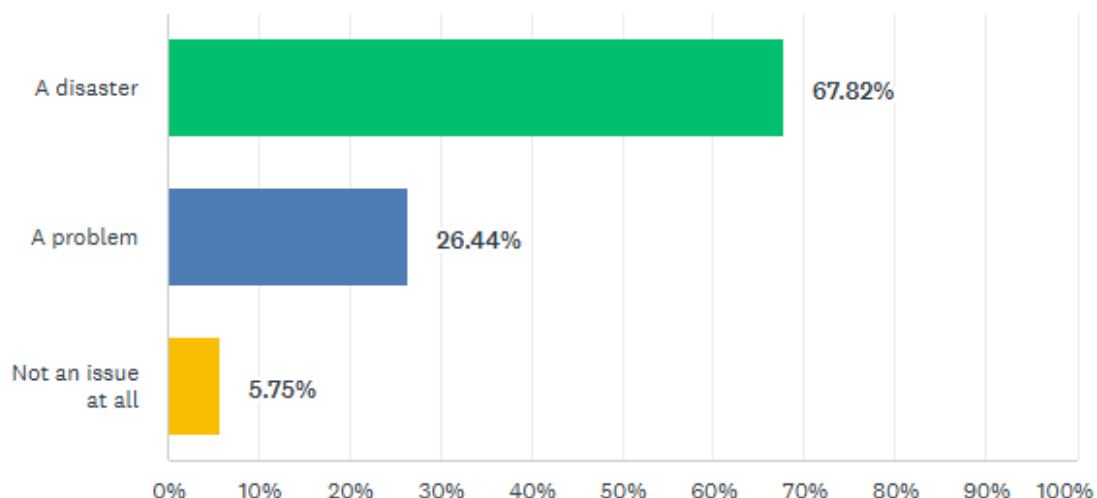
"It would mean a detour"

"Limited range of products, would benefit from longer opening times."

Question 4

Respondents were asked what they felt the impact would be if the shop, cafe and Post Office were to close.

87 people answered this question.



Of those who replied, only 6% felt that the closure wouldn't be a problem.

33 people left comments.

18 of the comments highlighted the shop, Post Office and cafe as essential in some way particularly for the elderly or anyone who struggles to get out and about. Other comments highlighted its importance as a community resource.

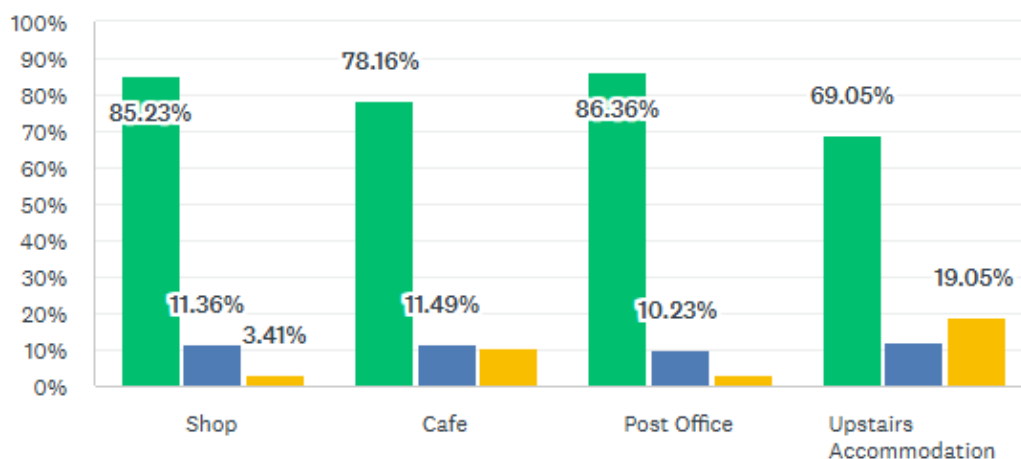
"The local shop is the heart of the community."

"It is bad enough there is no local school. If there was no shop then there is little or no attraction to encourage people and families to move here."

Question 5

Respondents were asked if, in general, they are in favour of a community buy out of the shop and other facilities.

88 (100% of survey respondents) people replied to this question.



Approximately 85% of respondents are in favour of the community buyout of the shop and Post Office. Slightly less (78%) are in favour of the community buying the cafe. There was more uncertainty about the use of the upstairs accommodation.

Question 6

Respondents were asked what other types of products and services they would like to see the shop offer. Answers were given in the form of comments.

59 people responded to this question.

The request most often mentioned (17 times) is for more local produce. Also mentioned was more fresh produce, more competitive prices and fewer products aimed at tourists. 7 respondents requested an extension to the cafe to allow for more seating.

Other ideas mentioned were hardware products, tourist information, In-Post lockers and deliveries for vulnerable and older residents.

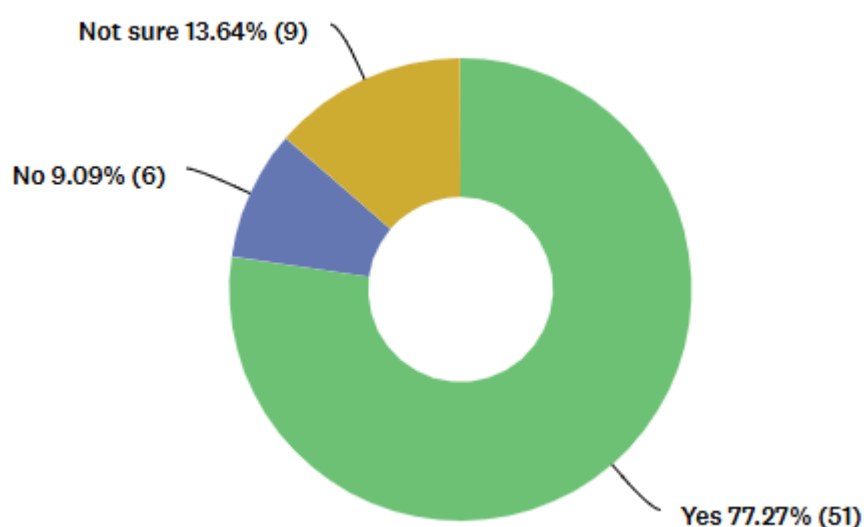
“Extend tables of cafe. Possible rationalisation of shop space to accommodate tables, provide broader food options, lunches, breakfasts.”

“Better local produce to save people going to Tesco and at reasonable prices.”

Question 7

Respondents were asked, if these products and services were available, would your use of the shop be likely to increase? There was an option to leave a comment.

66 people answered this question. 15 left comments.



“The opportunity to buy locally grown food from the shop would be greatly appreciated and way less food miles an advantage.”

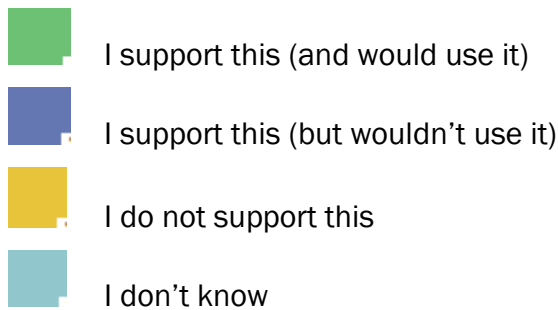
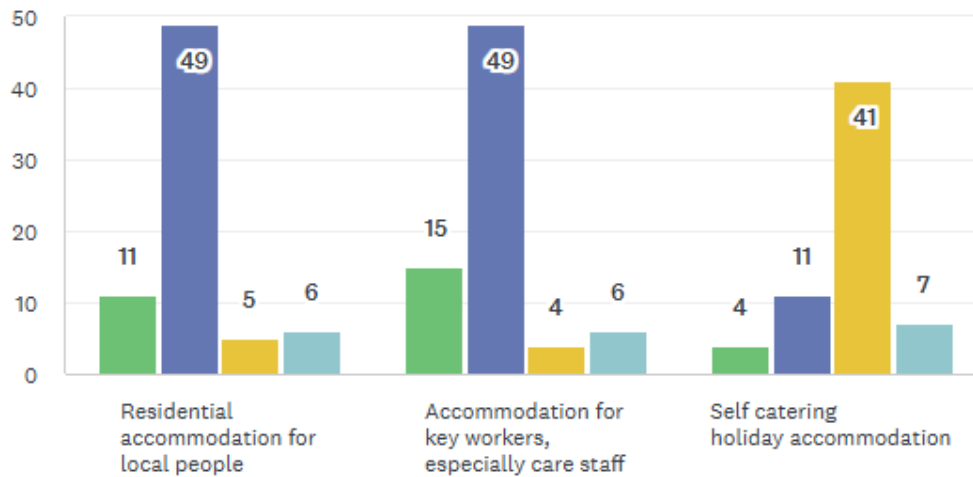
“Obviously can’t compete with supermarket prices and range of goods due to limitation of space so I’d be unlikely to do a full shop there.”

“Yes I would use the shop more if it stocked things I was interested in.”

Question 8

This question relates to the four bedroom flat upstairs at Foyers Stores where the current owner lives. This would be included in the sale. We asked respondents how they feel the accommodation should be used.

79 people responded to this question. 26 left a comment.



Answers to this question showed support for the use of the flat either for residential accommodation for local people or for key workers (49 of those who replied) although the respondent themselves wouldn't actually use it.

65% (41 people) of those who replied to this question also stated that they do not support the use of the flat for self-catering holiday accommodation.

26 respondents added comments.

While some felt that holiday accommodation would help to finance the project, half of those who left comments felt that there is enough holiday accommodation and a shortage of good accommodation for people working locally, particularly single people and possibly any future staff or managers of the shop.

2 respondents suggested that the upstairs is used as an extension for the cafe.

"Much needed accommodation for locals (at a fair rent)."

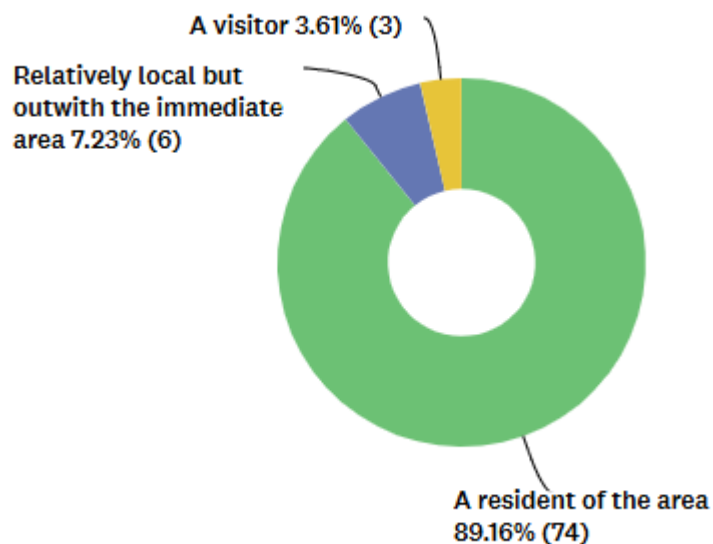
"Should be local accommodation with a criteria of living and working in the community. Must be accommodation for single people. Too much 3 bedroom family places already."

"If self-catering, could add income stream for the project. If for staff or key workers could be a draw to attract workers."

Question 9

This question asked respondents if they were answering as a resident or a visitor to the area.

83 people answered this question. 4 left comments.



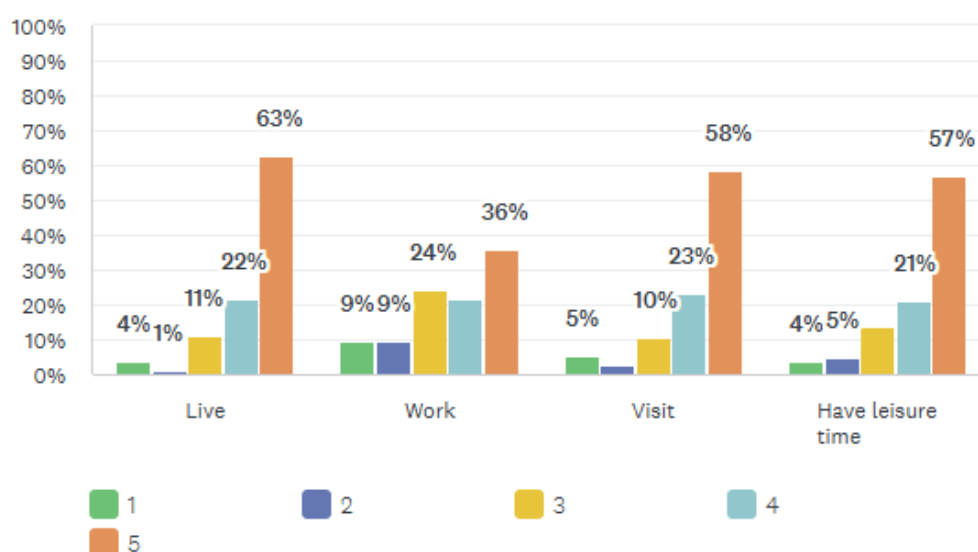
2 respondents were residents in Whitebridge. 1 has lived in the area for over 30 years. The other owns a holiday let and stays in the village when the property is vacant.

Question 10

Respondents were asked how they rate the area as a place to live, work and visit.

1 being "Very Poor" and 5 being "Excellent".

84 people replied to this question.

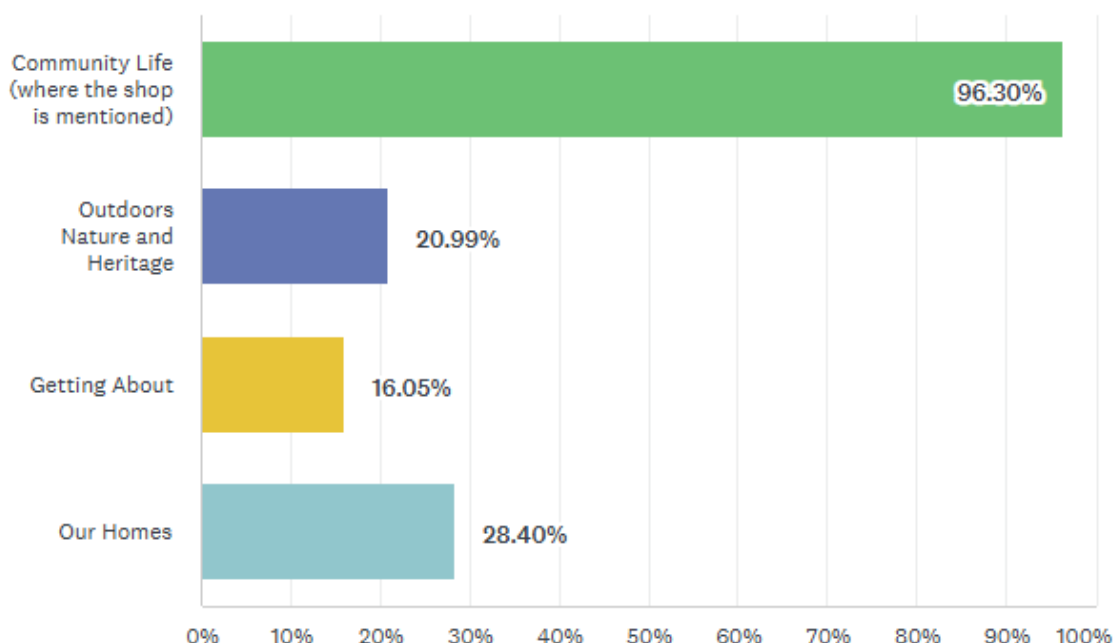


The area is rated highly by its residents as an excellent place to live and to visit. It was not considered as good as a place to work.

Question 11

Here, respondents were asked which themes from the Local Place Plan would benefit if the shop was secured.

81 people responded to this question and 10 left comments.



Comments reflected the results above focusing on the importance of the shop for the community as a place for residents to meet, socialise and get basic items.

“Central location for a very spread out community. An excellent location for tourists because of the waterfall walk and other walks. Toilet provision has already been funded by SFCT large car park available.”

“Having a local shop brings a sense of community, it’s always nice to visit and see other people from the community and socialise. Not having a shop available in the community could cause people to move homes due to lack of resources at immediate disposal. It could also scare tourists away from visiting and using local holiday homes/campsites etc.”

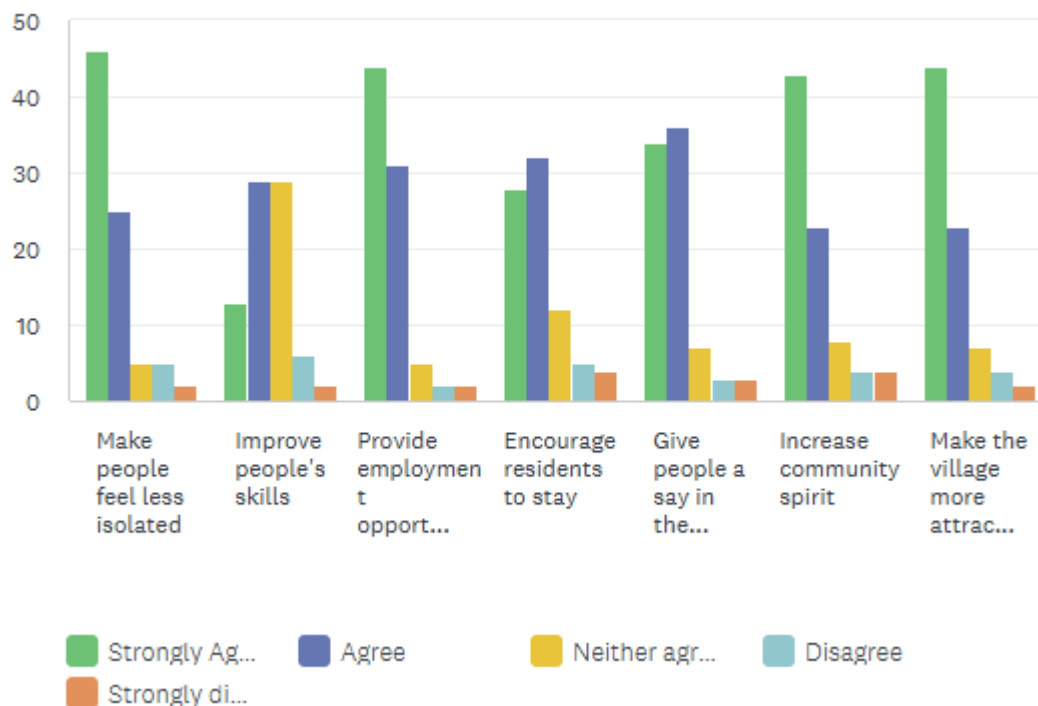
Question 12

This question asked respondents to agree or disagree with the following statements.

Developing the shop premises as a community owned asset will...

- Make people feel less isolated
- Improve people’s skills
- Provide employment opportunities
- Encourage residents to stay
- Give people a say in the services offered to them
- Increase community spirit
- Make the village more attractive to visitors

84 people responded to this question. 9 left comments.

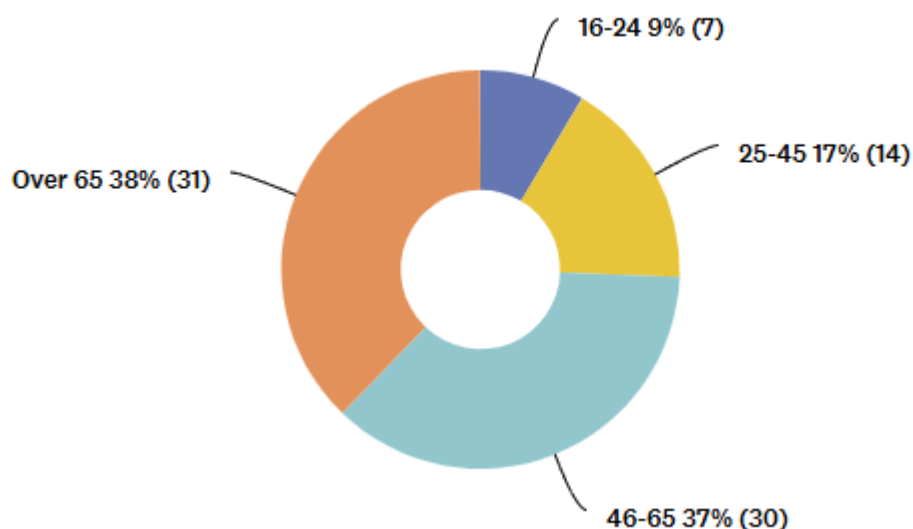


Overall it was felt that retaining the shop would make people feel less isolated (86% of respondents either strongly agreed or agreed). Around 80% of respondents also agreed or strongly agreed that retaining the shop would increase community spirit and make the village more attractive to visitors. The least support was for the statement that people's skills would be improved.

Question 13

This question established the age of those responding to try to ensure contributions from the whole community.

82 people responded to this question.



Question 14

Respondents were asked if they were answering on behalf of a family or group of friends. If so, they were asked to indicate how many people were represented in their response (not including the respondent).

25 people replied to this question.

ANSWER CHOICES		AVERAGE NUMBER		TOTAL NUMBER		RESPONSES
Children under 12 yrs	Responses	1		3		4
Young people 12-17yrs	Responses	0		1		3
Adults 18+yrs	Responses	4		92		24
Total Respondents: 25						

Answers revealed that a further 96 people are represented by the answers given in the survey.

Question 15

Here, respondents were asked for any further comments.

18 people left comments.

5 comments expressed support for the shop and the community buyout.

"Local crafters could rent shelves to sell their goods, a cafe to encourage folk to get together. Flats to accommodate local people. I shop to provide essentials at a reasonable price. Keep post office as I use it a lot."

"It is vital that the shop is NOT lost."

3 comments were against the community buyout of the shop.

"I do not agree with community purchasing the shop etc when it is still open and operating, Simon and Jan wanting to retire should not have a bearing on community"

monies being used, local business owners do not have the privilege of community buy outs to enable retirement."

5 comments expressed concern about how a community shop would be run and its long-term viability.

"It is potentially a good idea but not sure how it would be sustainable in the long run with staff costs etc."

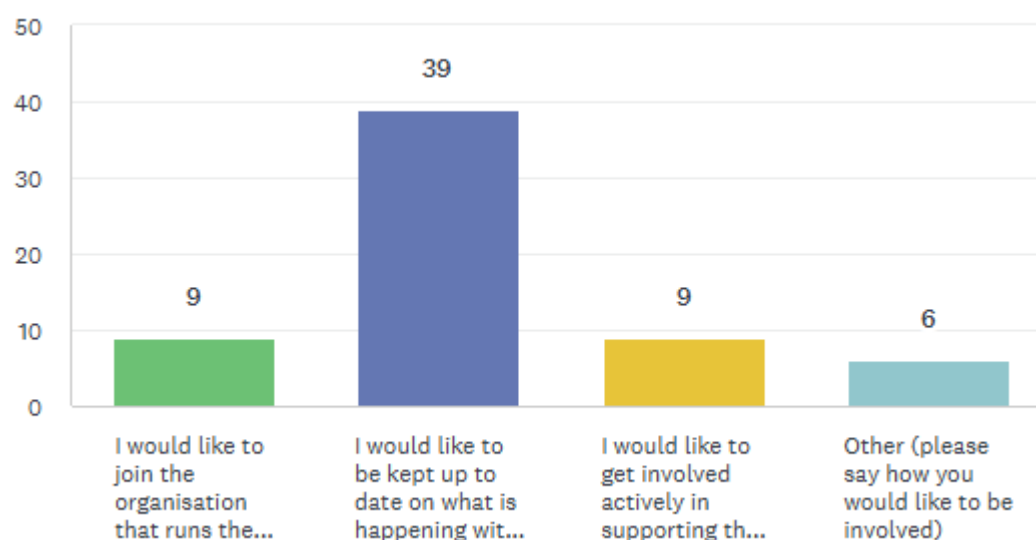
"My concern is the sustainability of the project. The shop needs to make enough of a profit to enable ongoing employment i.e. manager at the very least."

Remaining comments made suggestions around different topics like changes to the cafe, opening hours, products stocked etc.

Question 16

Finally, respondents were asked about getting involved in the project in the future.

44 people responded to this question.



There were 6 comments. 1 comment offered to supply the shop with arts and crafts made loc .

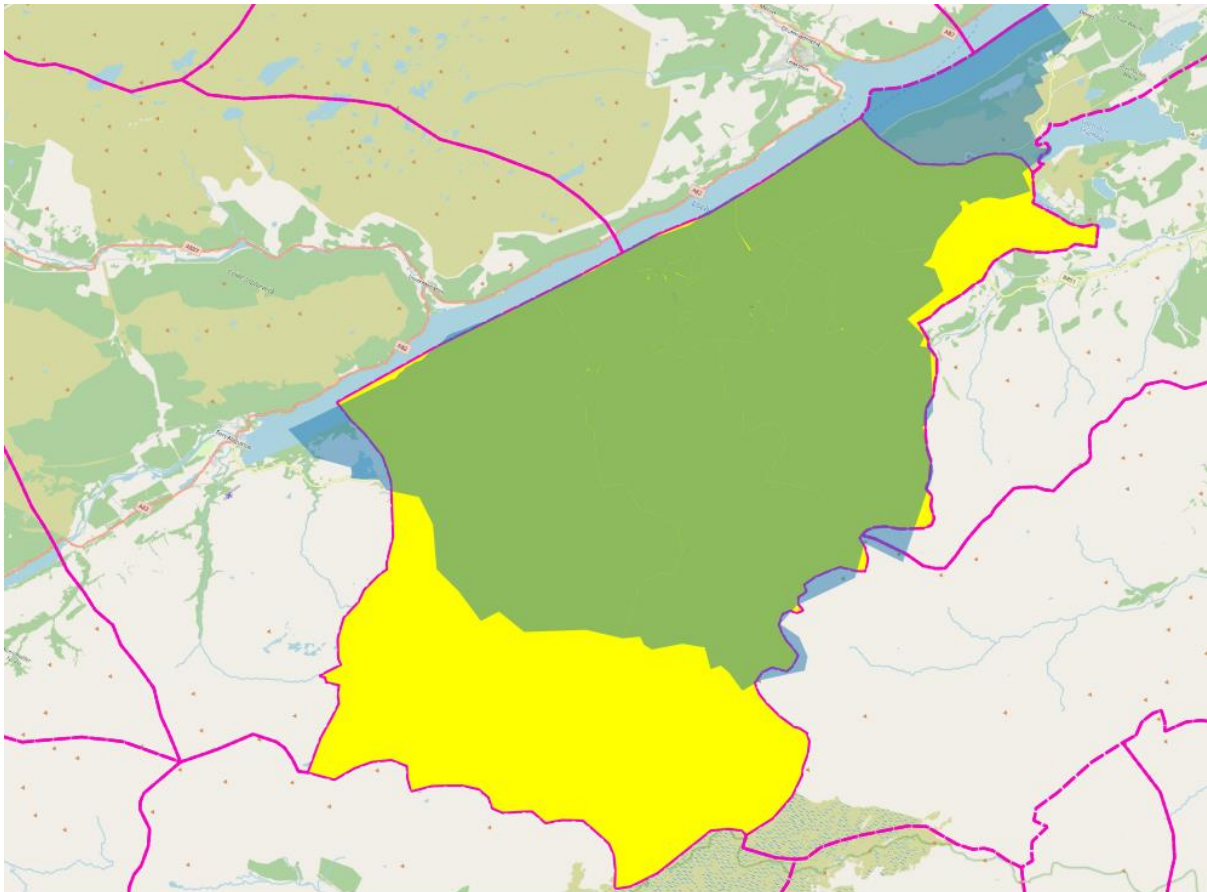
3.2 Demographics

Scope

The demographic report provides a summary of key data for the Stratherrick and Foyers Community Council area.

Demographic data is only available at the Census Output Area level, not by community council boundaries or postcodes. To extract demographic data, it is necessary to overlap the census output areas and the community council. It should be noted that the borders for these 2 different boundaries do not always align. The National Record for Scotland produces a list of what output areas they have designated within a community council. Per that list, the following demographic report covers these output areas: S00163716, S00163801, S00163806, S00163818, S00163822, S00163824, S00163826, S00163839.

In the following image, is a map overlapping the output areas (pink) and the community council boundary (blue line).



Note on Boundaries and availability of data

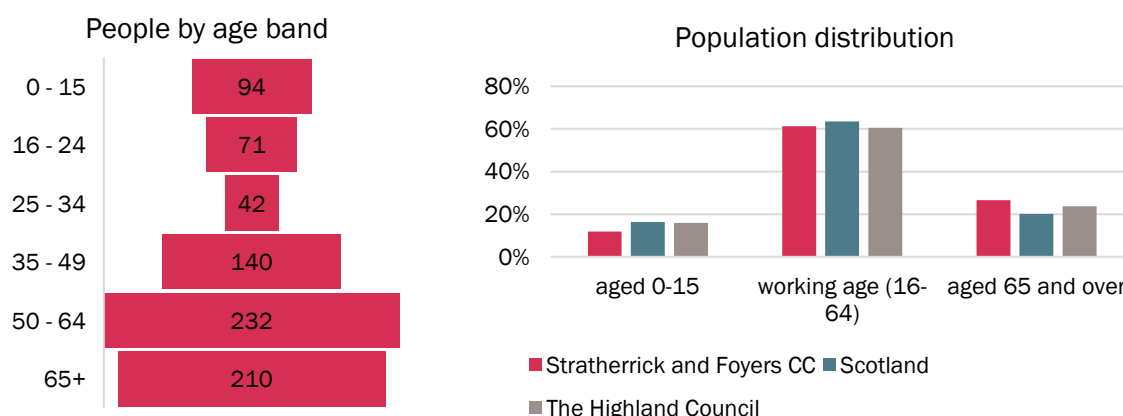
Unless otherwise noted, the data presented in this report is from the 2022 Census. Per the Data.Gov website, “Output Areas (OAs) are the key geography for dissemination of small area statistics from the Census. OAs are large enough for Census statistics to be released without infringing confidentiality. They are designed to have relatively small

numbers of households (in the range of 25 to 89) and population (≥ 60), while nesting within Council areas.”¹

When referring to the Scottish Index of Multiple Deprivation (SIMD) Index, data is gathered from the closest fitting data zones. Data zones are small area geographies designed to have roughly standard populations of 500 to 1000 residents, and are composed of Output Areas.

Demographics

The total population of Stratherrick and Foyers CC area is 791. Individuals aged 0-15 makes up 11.9% of the population, which is a bit lower than the regional average (15.8%) and the national average (16.4%). Working age individuals (16-64 years) make up 61.3% of the population, which level with the council area (60.5%), and slightly lower than the national average (63.6%). Individuals aged 65+ years make up 26.6% of the population which is on par with the regional average (23.7%) and slightly higher than the national average (20%).



Housing

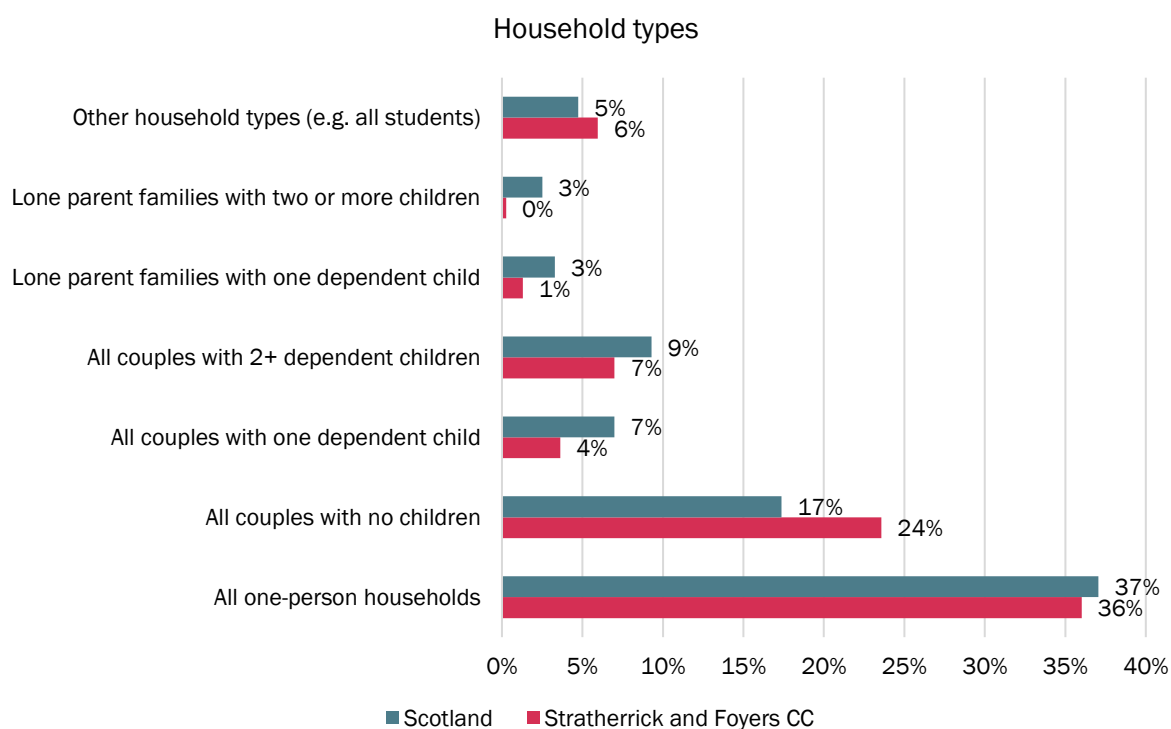
There are a total of 386 households in the defined area.

A large proportion of homes are ‘one person households’ (36%) and ‘couples with no children’ (23.6%), compared to 37% and 17.4% nationally. Couples with children make up 10.6% of households and 5.7% of households are lone parent households.

9.7% of households are ‘house or bungalows’, which is significantly higher than the national average of 65.5%. 7.6% of households are ‘flats, maisonettes or apartments’.

The tenure for homes in the area is as followed, 79.3% are owned, 4.6% are socially rented and 12.2% are privately rented. The national averages for types of tenure are 63% owned, 22.5% socially rented and 12% privately rented.

¹ <https://www.data.gov.uk/dataset/92d0e6e6-c869-4e17-a8ec-70cd291829fa/census-2022-output-areas>



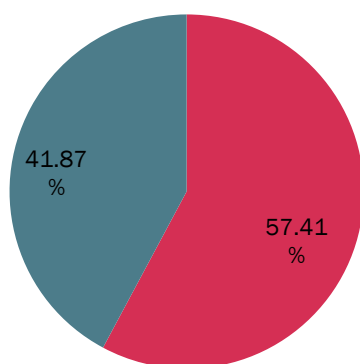
7.5% of households in the area have no access to a car or van. 44% of households have one car/van, 48.4% have two or more cars/vans. Car ownership in this area is higher than the national averages; 26.4% have no access to a car or van, 43.1% have access to one car or van, only 30.5% have access to two or more cars or vans.

Economic Activity

57.4% of the population over the age of 16 are classed as economically active; 41.8% are economically inactive. Of those who are economically active, 37.4% are employees; 27.2% of employees work full-time and 10.1% work part-time. A further 18.3% of the economically active population are self-employed. 1.6% of the people classed as economically active are unemployed and available for work.

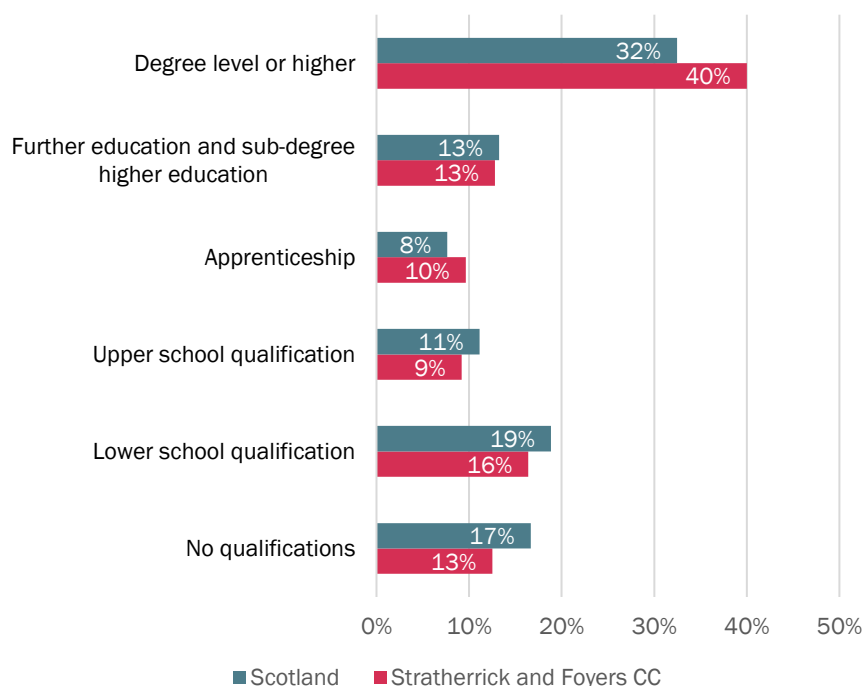
Those who are classed as economically inactive; 31.7% are retired, 1.9% are full-time students, 4.3% looking after home/family and 2.3% are long-term sick or disabled.

People aged over 16 classed as economically active



■ All economically active
■ All economically inactive

Highest level of education



Education

Generally, the education level measures of Stratherrick and Foyers CC are on par with the national average; 12.5% have no qualification (16.7% nationally), 16% have only a lower school qualification (19% nationally), 9% have only an upper school qualification (11% nationally), 9.6% have completed an apprenticeship (7.7% nationally), 12.8% have a 'further education and sub-degree higher education (13.2% nationally), and 40% of the area have a degree or higher (32.5% nationally).

Health, disability and caring responsibilities

A total of 79% of the population say they are in 'good' to 'very good' health; 14.2% say they are in 'fair' health, and 6.7% say they are in 'bad' or 'very bad health'. The national averages for the same groupings are 78.9%, 14.2%, and 6.9%. 13.8% of the population say their day-to-day activities are 'limited a little' by a disability, but a further 9.5% say it is 'limited a lot'. Both measures are on par with the national averages of 13.3% and 10.8%.

Of the people living with a long-term health condition or disability, 9.7% are deaf/hearing impaired, 2.9% are blind/vision impaired, 11.3% are physically disabled, 11% have a mental health condition and 26% are living with a long-term illness or condition. These measures are on par with the national averages, with the exception of mental health condition which has a national percentage of 21.4%.

110 people (14%) in the area are providing unpaid care, which is equivalent to the national average of 11.9%. Of these individuals, 9.2% are doing less than 19 hours per

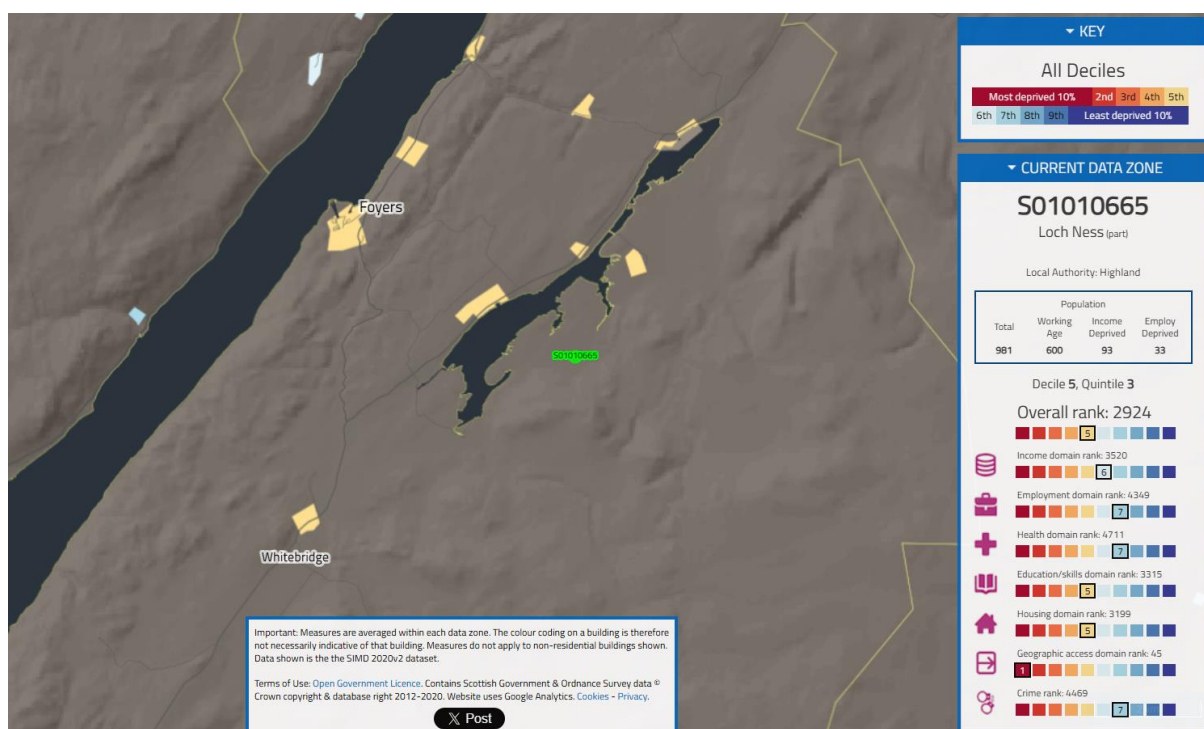
week, less than 1% do 20-34 hours, 1.3% do 35-49 hours, and 3.2% do 50 hours or more a week.

SIMD

Per the Scottish Government report *SIMD Rural deprivation evidence summary* (page 9), “The current evidence suggests that people living in rural areas of Scotland face different challenges than those living in urban areas, and therefore, the experiences of deprivation are not the same. Issues of access to services and housing are of particular importance to people in rural areas.”²

The images below are taken from the SIMD website and show the general levels of deprivation in Stratherrick and Foyers area. Majority of the area sits within the Data Zone S01010665 – Loch Ness.

One thing to note is that although the area does not experience high levels of deprivation, it does suffer from high levels of geographic access deprivation, ranking in the most deprived decile. All other domains measured in SIMD rank in the 5th to 7th decile, indicating low to moderate levels of deprivation. The yellow colour over the datazone indicates its general deprivation ranking in the 5th decile.



² <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2017/02/scottish-index-of-multiple-deprivation-rural-deprivation-evidence-and-case-studies/documents/rural-deprivation-an-evidence-review/rural-deprivation-an-evidence-review/govscot%3Adocument/rural%2Bdeprivation%2Bevidence%2Breview.pdf>

3.3 Stakeholder Interviews

15 people were contacted either by phone or email asking for their input regarding the shop, cafe and upstairs accommodation in Foyers. 6 people were interviewed;

Highland hospice

Chair – Stratherrick & Foyers Community Trust

Cameron's Tearoom

Lochness Campsite

Stratherrick Primary School

A local elected member

- It was universally agreed that the shop and the ancillary spaces were crucial to the community.
- There was agreement that it was vital to find appropriate people to form a management committee. As is often the case, it's the same people in communities who tend to be involved in everything. There needs to be enough people and it needs to be sustainable into the future.
- There was also agreement that the manager chosen to run the shop day to day could make a huge difference to the success or failure of the project.
- There was uncertainty about the profitability/viability of the shop due to competition from online supermarket deliveries. One respondent felt strongly that any business would need to be self-sustaining and not reliant on dwindling grant funding. The diversity offered by the café and accommodation would be important.
- There was agreement that the shop needs to serve both locals AND tourists as sustainable communities need facilities year round, particularly those in remote locations.
- One respondent felt that the shop and cafe should be a successful business but also a community space for people to gather.
- 2 respondents commented that the Post Office element of the shop was probably the most important element.
- There were several comments on the shortage of housing locally, especially smaller houses and too many holiday lets. There was agreement that using the accommodation to provide housing for single people, perhaps the new manager of the shop or for use by key workers would be best.
- There was agreement that the area is very busy with tourists in the summer and there is plenty of business for the shop plus other local businesses.
- 2 respondents mentioned that it would be nice to see local produce in the shop.
- There was agreement that deliveries from the shop might be beneficial for emergency supplies or for residents with mobility issues. Two respondents mentioned that a takeaway service would be well used, one discussing breakfast rolls, the other suggesting evening meals e.g. fish and chips.
- 3 respondents felt that the shop is an essential part of the community.

3.4 Supplier Data

Name	Notes
Lyne Mhor Croft	Currently sell free range rare breed pork, lamb, Hoggat, Mutton meat along with duck and hen eggs. Sell through Facebook and also through Open Boot Local Produce Days at The Wildside Centre (1 st Wednesday of the month)
Birchwood Croft Strathnairn	Range of produce available: everything from beef, pork, hogget, chutneys, relish, jellies, honey, and seasonal fresh fruit and veg. Advertise through their web site and Facebook page offering deliveries around Inverness. Has also attended the Open Boot events at The Wildside centre.
Caorann Croft in Gorthleck	Duck & Chicken Eggs, Sourdough bread & crumpets
Wild Crafts Group of local crafters based in Stratherrick	"I think quite a few local crafters would be interested" Owner says that they produce slightly higher value, nicer things than the usual tourist "tatt". Knitting, crochet, spinning and sewing. Had an issue when the shop stocked things in the past as the prices were higher than if you bought them direct at a local market – the shop added a mark-up. Perhaps renting a shelf would work better and crafters could set their own prices.
Jinty's Jams	Owner already sells her products at the shop as well as supplying local hotels. She is well known and well supported locally and would be happy to continue supplying to the store in the event of a community buy out.
Whitebridge Honey – Mathieson Family	Selling online Whitebridge Honey - Pure Highland Honey full of goodness near Loch Ness Whitebridge Honey Have attended local supplier events at the Wildside Centre. Aros replied to say that they would be willing (in theory) to supply the shop with honey/honey products.
Christiane Morley - willow weaving	Owner emailed back to say that she would be interested in supplying goods to the shop and would also be happy to volunteer in a community owned shop.
Alison Randal - knitting & textiles	Owner emailed back to say that in the event that the store is taken over, she would be interested in supplying some goods.

3.5 Drop in



Community Enterprise visited Foyers for a public consultation on 23 April, based at Boleskine Community Care Hub in Foyers.

The visit was on the same day as vaccinations in the Hub which worked well, and footfall was high. Approx 30 people dropped by to chat and shared their ideas which were recorded on post-its. The online survey was promoted, there were also paper copies of the survey available, and several were completed and returned or taken home to be done later.

Lots of local people have strong views and wide-ranging ideas about the shop and cafe. Many of those spoken to also

attended the evening presentation.

CE staff also visited the shop to talk to the current owners and see the property.

Vision for Foyer Stores

- Milk Dispenser
- Local grown produce
- Post-it Lockers
- Modern post office
- Could Café do a modern type of meals on wheels for housebound residents – shop could do small deliveries too
- Local Craft- Bigger
- Smaller Café space
- Bigger café which could cater better to the community (a lack of such facilities currently for locals)
- Bigger Café – outside catering? Open evenings in Tourist season and occasionally off season.
- More choice in the shop
- Mobile van to do deliveries/sales

Possible Challenges

- Volunteers – growing knowledge and understanding
- Need younger volunteers/supporters
- Real problem finding appropriate skilled people for board
- Key workers accommodation
- Need excellent Manager and new vision for shop

Our Community

- How do we inspire our young people to get involved with ideas?
- People who have not volunteered for other things in the past, could/ will be more likely to volunteer for a shop group, which is vital.
- Very dispersed
- Volunteers hard to find from the Local People
- Need to get younger people involved!

3.6 Open Meeting

Over 50 gathered for an evening event.

The Shop

- The shop is a valuable resource. It's nice to drop in and chat
- Shop good for essentials
- Most people get deliveries
- Café so small have to sit outside
- Shop needs to be more affordable
- Could the café be upstairs for the view?
- Accessibility
- Longer hours would be good
- Or van outside when main café closed
- Bakery oven at the back e.g. for hotel cooking classes
- Need someone with retail experience

The community – what's it like and what do we need

- Staff- could flat above be for staff needed locally
- Banking hub
- Major impact of Inverness castle opening
- Needs a good local supply chain
- Ev charging points needed
- Cruise ships from Invergordon come to the falls
- Employ 2 staff in a job share for the post office – there will always be a post office worker

The Post office and other services

- I go for newspapers – Tesco won't deliver them
- Sometimes events like coffee mornings outside

- Open earlier – e.g. 6am to 10am for breakfast
- Canopy outside to shelter

Other Ideas

- Staff needed locally would live in the flat upstairs
- Community larder@BCC starting soon
- Open up as later café and make much more from the 70,000 visitors who visit Falls of Foyers every year.
- PO – lots of crafters post things out
- Could rent out shelves to local crafters. Or exchange shelf for crafts for a day's work.
- Need to focus on needs of younger generations
- Upstairs could be flats to rent - Shortage of accommodation locally
- Vending machine for essentials out of hours
- No competition with Cameron's – enough demand for both cafes
- A refillery
- Cooking/baking classes
- Currently in the evening there are not many eateries for tourists
- Upstairs accommodation with priority given to BCC Care staff

3.7 Policy Analysis

National Policy
<p>Scottish Government - National Performance Framework³</p> <p>Provides a vision for Scotland with broad measures of national wellbeing. The Framework is intended to inform discussion, collaboration and planning of policy and services across Scotland, across public sector, businesses, civil society and communities. It is in the process of being revised, but the current national outcomes are still in operation as is the duty (community empowerment act) on public bodies 'to have regard' to them.</p> <p>The project directly contributes to these national outcomes within the revised Framework:</p> <ul style="list-style-type: none"> • Communities: <i>"We live in thriving communities with access to all the local services and amenities we need to live full lives"</i>. This outcome includes community empowerment, of which local ownership of assets is part. • Economy: <i>We have a globally competitive, entrepreneurial, inclusive and sustainable economy.</i> • Environment: <i>We value, enjoy, protect and enhance our environment.</i> • Fair Work and Business: <i>We have thriving and innovative businesses, with quality jobs and fair work for everyone.</i> • Poverty: <i>We tackle poverty by sharing opportunities, wealth and power more equally.</i>
<p>A locally owned asset and business contributes to community resilience and economic development.</p>
<p>Scottish Government – Climate Change and Scotland's 2018-2032 Climate Change Plan</p> <p>The Scottish Government commits to transitioning to a net zero emissions Scotland for the benefit of our environment, our people, and our prosperity. We also need to adapt and build resilience to the impacts of climate change alongside our actions to reduce emissions.</p> <p>Scotland's ambitious climate change legislation sets a target date for net zero emissions of all greenhouse gases by 2045. Our contribution to climate change will end, definitively, within one generation.</p> <p>Some of the relevant actions being committed to are:</p> <ul style="list-style-type: none"> • Engaging the public and encouraging people to move towards low carbon living • delivering a just transition, by working with communities, business, industry and the people of Scotland to plan for our net zero future

³ <https://nationalperformance.gov.scot/information-hub/consultation-parliament-connection-review-national-outcomes>

<p>The government recognises that our environment and our economy are intrinsically linked.</p> <p>As part of the updated 2018 – 2032 Climate Change Plan, the government has set out new targets to end our contribution to climate change by 2045. They have committed to reduce emissions by 75% by 2030 (compared with 1990) and to new zero by 2045. The approach is broken down into 8 sectors. The relevant sectors include:</p> <ul style="list-style-type: none"> • Transport: reduce car kilometres by 20% by 2030
<p>A local shop reduces driving miles to Inverness and use of local produce and energy efficiency built into the model enables carbon reduction.</p>
<p>Economic Policy</p>
<p>Scotland National Strategy for Economic Transformation, 2022</p>
<p>The vision is to create a wellbeing economy: i.e. a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places. The intention is to focus on the greatest economic opportunities for Scotland over the next decade, "the most obvious of which is the just transition to a net zero economy".</p> <p>There are six policy programmes, of which the most relevant are:</p> <ul style="list-style-type: none"> • Productive Businesses and Regions. There is a project to "<i>Realise the potential of the different economic and community assets and strengths of Scotland's regions</i>". This includes expanding Community Wealth Building and social enterprise initiatives to support regional regeneration and the wealth of local communities. • A Fairer and More Equal Society. There are two projects, "<i>Tackle Poverty through fairer pay and conditions</i>" and "<i>Eradicate Structural Barriers to Participating in the Labour Market</i>". The aim is to create a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places. A fair and equal society and a wealthier, greener economy are mutually reinforcing. Economies that have stronger productivity growth also have higher wellbeing – good businesses recognise that well-paid and respected workers are productive workers. • Entrepreneurial People and Culture. Entrepreneurship across the wider business base can drive social mobility, create fulfilling jobs and deliver the economic prosperity necessary to sustain thriving local, and rural communities and positively disrupt traditional sectors that might ordinarily be considered as less productive. In particular alternative business models such as cooperatives, social enterprises and community-owned businesses can deliver strong outcomes on fair work and benefits to local communities.
<p>This creates a new and growing business in a rural setting with entrepreneurship at its heart.</p> <p>This uses a local asset to invest in a small area with new ideas for diversification into evening meals and using local produce.</p>

Community Wealth Building

The vision of the National Strategy for Economic Transformation (above) is to create a wellbeing economy. The Scottish Government has adopted the internationally recognised Community Wealth Building approach to economic development as a way of bringing that about.

The Programme for Government published in September 2024 includes a Community Wealth Building Bill within the four-year legislative programme. The project will contribute to these three 'pillars' with CWB:

- Land and property: Growing social, ecological, financial and economic value that local communities gain from land and property assets.
- Inclusive ownership: Developing more local and social enterprises which generate community wealth.
- Workforce: Increasing fair work and developing local labour markets that support the strength, cohesiveness and resilience of communities

This passes an asset to the community while creating a catalyst for a local economy through use of local supply chains.

Planning

Scottish Government - National Planning Framework 4

The National Planning Framework 4 (NPF4) is Scotland's long-term spatial strategy. It has six overarching spatial principles, of which the most relevant are:

- **Conserving and recycling assets:** We will make productive use of existing buildings, places, infrastructure and services, locking in carbon, minimising waste, and building a circular economy.
- **Local living:** We will support local liveability and improve community health and wellbeing by ensuring people can easily access services, greenspace, learning, work and leisure locally (20-minute Neighbourhood)
- **Rural revitalisation:** We will encourage sustainable development in rural areas, recognising the need to grow and support urban and rural communities together.

This idea was a priority in the Local Place Plan driven by the community.

Local Policy

Highland Outcome Improvement Plan 2024 – 2027

The Community Empowerment (Scotland) Act 2015 requires community planning partners to publish a Local Outcomes Improvement Plan. This provides a framework and sets out shared priorities for the area.

The focus is on improving the lives and experiences for everyone across the Highland area by realising and maximising the opportunities to create thriving communities. We recognise the inequalities that exist in our community and that reducing inequalities

will benefit communities in many ways. We are committed to tackling inequalities through delivering services that are proportionate to need. We will also focus on prevention to address the root causes of inequality and help avoid them arising in the first place.

To deliver our Vision, three strategic priorities have been identified (with relevant outcomes included):

- People: Enable people to live independently, safe and well within their community
 - Outcome: People in Highland will benefit from good health and social wellbeing opportunities.
- Place: Work in partnership to develop sustainable and resilient local communities
 - Outcome: Highland communities will be strong and resilient and be involved in identifying and delivering local priorities.
 - Outcome: Support communities to maximise opportunities in places from sustainable tourism, culture and heritage, including Gaelic.
- Prosperity: Creating opportunities for all people and place to thrive economically
 - Outcome: Our collective use of physical assets will deliver better services, efficiencies and opportunities for communities.

A community owned shop and post office with visitor potential is central to the ideas of place, prosperity and people.

3.8 Competitive and Displacement Analysis

A Google search of “Foyers Shop” leads to the Community Trust web site.

[Foyers Stores and Post Office | Stratherrick & Foyers Community Trust](#)

“Foyers Stores provides grocery, fruit, vegetables and meat, Post Office services, off-sales and gifts. We are open from 0900 to 1730hrs Monday to Saturday, and 0900 to 1600hrs on Sundays. Daily newspapers, lottery, camping essentials and bakery goods are all available. Post Box. Call in for a friendly welcome.

There is a defibrillator available here, mounted on the wall outside the shop.”

Web site link given on this site for the shop doesn’t work. Facebook page exists but only updated every few months. Posts suggest that deliveries were offered during COVID pandemic. Unclear if deliveries are still available.

Includes the Waterfall Café & Gift Shop

<https://www.facebook.com/FoyersCafe/>

Tea/coffee and cakes/pastries

Local businesses

Name	Description	Distance from Foyers
The Camerons Tea Room & Farm Shop	https://lochnesstearoom.com/ Offers breakfast, lunch & tea/coffee/home baking all day Active Facebook page – offering events like wreath making at Christmas https://www.facebook.com/p/Camerons-tearoom-and-farm-shop-100029228624051/	In Foyers
Craigdarroch Hotel	https://www.thecraigdarroch.co.uk/ Open for lunch and dinner. Don't seem to encourage visitors for coffee/tea.	In Foyers
Foyers Bay Country House	https://www.foyersbay.co.uk/ Guest House with 6 bedrooms	In Foyers
Foyers Lodge	https://www.foyerslodge.co.uk/ Luxury hotel about half a mile outside town centre 7 bedrooms – seems to be a popular venue for filming/photoshoots Closed during winter months. Only open Wed-Sun.	In Foyers
Whitebridge Hotel	Whitebridge Hotel Loch Ness	5.2 miles
Foyers House Guest House	Bed and breakfast and hotel on Loch Ness near Inverness	In Foyers
Camerons Cottage	Self-catering cottage	In Foyers
Lodges on Loch Ness	Lodges On Loch Ness Luxury, Dog Friendly Lodges With Hot Tubs United Kingdom Self-catering Lodges	In Foyers

Loch Ness Shores Camping & Caravanning Club Site	Loch Ness Shores Campsite - Camping and Caravanning Club Site Site includes pitches and glamping options	In Foyers
The Wee Bothy Pottery	https://www.tillyandroo.co.uk/ Workshop/Studio offering activities like pottery painting and creative workshops to groups and individuals. Most products to buy are available online via Etsy, but studio stocks a selection of work including artwork, pottery, jewellery, gifts.	In Foyers
Libra Holistic	Mainly offering treatments like massage and reiki but also have a shop selling aromatherapy products, crystals and jewellery.	In Foyers
Ness Gifts	Gifts, skin care, accessories/clothing, books, stationery, cards Homeware (tourist items e.g. mugs) https://nessgiftslochness.co.uk/ Seems to have a coffee van beside it. Only found on google maps – no social media or web site.	11 miles
Tesco, Dores Rd, Inverness	Currently don't offer deliveries.	16.9 miles
Asda superstore, Ivanhoe Ave, Inverness	In store, click & collect and delivery available	18.3 miles
Inverurie Stores	Convenience store (no web site)	17.9 miles
Invermoriston Community Shop	Essentials, local produce & gifts No web site but FB page available. (4) Facebook	20.6 miles

Other small convenience stores

Dalneigh Stores – 19 miles away

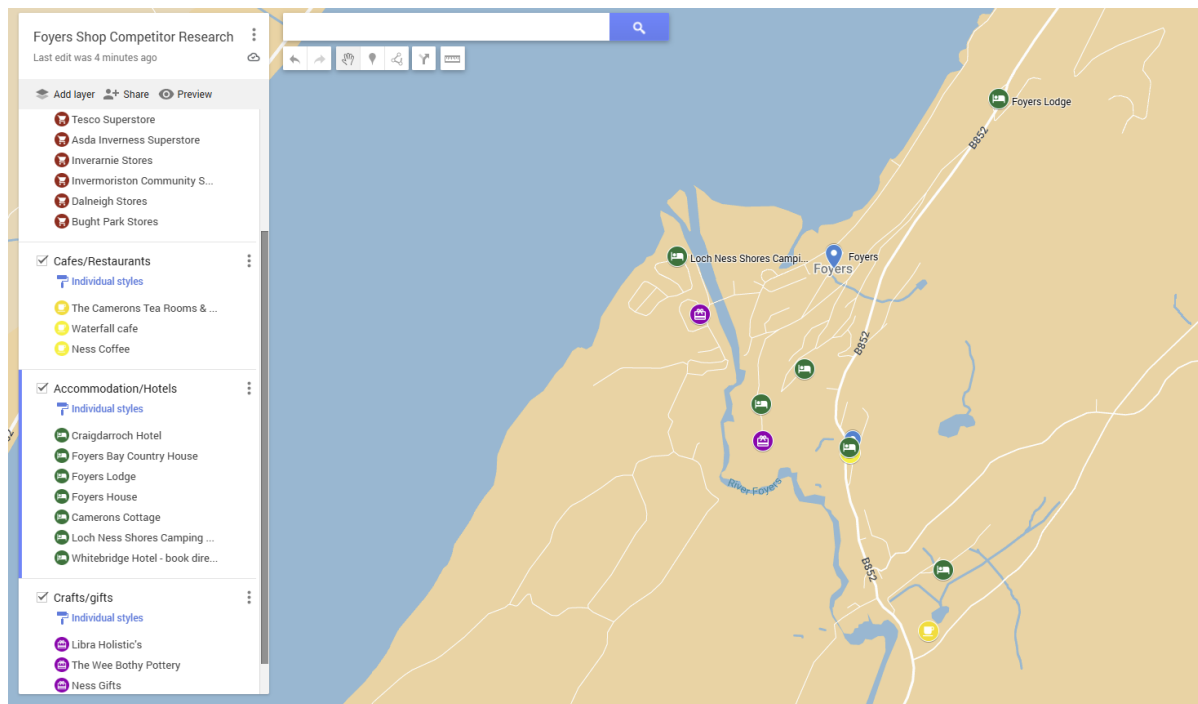
Bught Park Stores – 18.5 miles

Map & Summary

A look at the area closest to the Foyers Shop reveals quite a lot of accommodation, hotels, B&Bs, guest houses and self-catering accommodation (not all of which is included here).

The hotels offer meals and drinks but the Camerons Tea Room is the only other café nearby offering tea, coffee, cakes etc.

It is also clear from the larger map that there are no other shops nearby for groceries and other essentials. The nearest shop is Tesco, Inverness which is nearly 17 miles away.



3.9 Funding Analysis

Introduction

The table below sets out the potential funders that the local community could potentially attract to fund the purchase, capital development and working capital of a community owned shop.

Full costs will be worked out in the business plan but this will include the £380,000 for the asset, £60,000 for the business, The Land and Buildings Transfer Tax⁴ and an agreed price for stock. There will also be a need for working capital there may be a need for a new website, branding and so on.

Grant funding: purchase and other costs

Fund	Notes	Target amount
Scottish Land Fund	Can fund up to 95% of the purchase costs but at this last round of the SLF, funding will be highly competitive so a target will be agreed with the land fund officer. This will contribute to the £380,000 purchase price and Land and Buildings Transfer Tax but not the value of the business of £60,000 or the stock, branding, working capital etc.	To be discussed but say £250,000
Stratherrick and Foyers Community Trust	Access to wind farm funding	To be discussed
Regeneration Capital Grants Fund	Fund applicant would be Highland Council so it would need to be persuaded to bid on behalf Foyers.	Say £100,000

⁴ <https://www.revenue.scot/taxes/land-buildings-transaction-tax/non-residential-property>

	Has been open in June 2025 so closed for a year so might be possible future renovations.	
Shared prosperity fund	This is UK funding distributed by local authorities. Needs discussion with Highland Council	Unknown to be discussed with Highland Council.
Scottish Landfill Communities Fund	Object C : To provide, maintain or improve a public park or other public amenity. Not a strong fit	£25,000
Clothworkers Foundation	Main grants funding for capital costs (including purchase of fixtures and equipment as well as building purchase or renovation) – usually over £10,000.	£25,000
SSE Renewables	Supports strategic projects in the regions where SSE Renewables is operating including Highland. Opens Autumn 2025	Say £50,000
Philanthropic donations, legacy requests, crowd funding & targeted requests to villagers.		

Community shares

Community based projects have raised significant sums through community share offers. Given the different funding environment and the liquidity likely to be good, this is a strong potential, particularly in comparison with many similar shop related community share issues. This is potentially complex though and will require an associated new legal structure which Democratic Finance are supporting the group with.

Source	Notes	Amount
Community Shares	Fewer restrictions than grant funders so can be useful for initial cash flow, match funding, purchase of stock. Withdrawable after initial period but is usually locked in for 5 years. Can reopen share offer for future work if desired.	Say £50,000 min target for initial share offer. To be discussed.

Soft Loan Funding

The group will probably aim to avoid repayable finance (other than community shares) if possible, but the following may offer an additional option depending on total cost and limitations on grants and community shares. If the cash flow is shown to be viable, there are options with other social lenders such as Big Issue Invest or Social Investment Scotland, though interest rates can be high.

Fund	Notes	Amount
Coop Foundation loans for community spaces	Interest free loan over 5 years. Also possibility of some capital funding as part of grant-loan	Up to £50K
Social Investment Fund	Run by foundation Scotland.	The fund can invest between £10,000 and £250,000 per organisation; up to 25% (£62,500) of this can be in the form of a non-repayable grant and the remainder a repayable loan.
Catalyst fund	Patient capital – minimum request £50,000	Needs a highly viable business plan

3.10 Financial Modelling

For the purposes of this considering whether the business is profit making, we have been provided with profit and loss accounts by the current owner for the years ending 31st March 2022, 2023, and 2024.

We have assumed that fully audited and certified accounts could be made available upon request and that these are accurate.

Year Ending 31 st March	2024	2023	2022
TURNOVER (EXCLUDING VAT)	£375,584	£338,054	£333,792
GROSS PROFIT	£135,373 (36.04%)	£121,523 (35.95%)	£114,097 (34.18%)
NET PROFIT	£20,756 (5.53%)	£30,928 (9.15%)	£58,347 (17.48%)

The above table shows that turnover has increased each year from 2022 to 2024, however, in that time profitability has reduced. Costs, particularly wages and energy bills, have increased significantly during this time. This is something that is likely to continue.

The valuer considers that a gross profit margin of 35% is achievable.

One thing of note here is that the profit that is achieved would be paid to the owner whereas a Manager's salary would need to be built in going forward.

Income from the Flats for Key Workers

A model has been suggested for the key worker housing that shows it is profit making as long as there are no unexpected pieces of expenditure.

Foyers Shop Key Worker flats						
Total number of units	2					
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income	Notes See Below					
Rent	1	£12,147	£12,511	£12,886	£13,273	£13,671
Total Income		£12,147	£12,511	£12,886	£13,273	£13,671
Expenditure						
Property Management Fees	2	£1,518	£1,564	£1,611	£1,659	£1,709
Building Insurance	3	£600	£618	£637	£656	£675
Repairs & maintenance	4	£2,065	£2,127	£2,191	£2,256	£2,324
Sinking Fund	5	£0	£0	£0	£0	£0
Bad debts/Voids	6	£607	£626	£644	£664	£684
Total Expenditure		£4,791	£4,934	£5,082	£5,235	£5,392
Difference		£7,356	£7,577	£7,804	£8,038	£8,279
Notes						
1	See the Rental Amounts tab. If funded through RHF the rent is linked to Local Housing Allowance rates					
2	12.5% of rental income with 3% annual increase. Could be lower in practice.					
3	Approximate estimate of £300 per unit per year with inflationary increase of 3%					
4	Estimated at 17% of rent.					
5	£800 per unit per year starting year 6 with inflationary increase of 3%					
6	Estimated at 5% of rent.					

3.11 Value

The valuer is of the opinion that the Market Value of the property as a trading entity, as at 02 June 2025, may be fairly stated as being in the sum of **£440,000 (FOUR HUNDRED AND FORTY THOUSAND POUNDS) STERLING.**

This can be apportioned as follows:

Bricks & Mortar Value - £380,000 (THREE HUNDRED AND EIGHTY THOUSAND POUNDS)

Business Value - £60,000 (SIXTY THOUSAND POUNDS)

The situation with VAT should be checked with the owner and Land and Buildings Tax will need to be added.

3.12 Legal options

Community Enterprise are providing guidance and information rather than indemnified legal or financial advice. Once a preferred route is agreed, it is recommended that the organisation take some legal advice.

Though Stratherrick and Foyers Community Trust has the remit and legal structure to submit a community asset transfer and apply to the Scottish Land Fund, this is not a current priority for them. The leading body on this idea is Boleskine Community Care.

BCC is a Scottish Charitable Incorporated Organisation (SC044996). It has recently updated its Mem and Arts to be more rooted in the community.

Current Charitable Objectives

Definition of Community and Purposes

- 1 The Organisation has been formed to benefit those residing within the areas as defined by community of Stratherrick and Foyers Community Council area ("**the Community**") with the purposes listed in Clause 2 ("**the Purposes**"), to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs).

Purposes

- 2 The Organisation has been formed with the following Purposes:
 - 2.1 To serve and support community life by bring people of all ages, by whatever means, to benefit community wellbeing and meet the primary charity objectives as per 5.2 - 5.4 below.
 - 2.2 To improve the quality of life, health, well-being and independence and to reduce social isolation of people in need by reason of age, ill-health, disability or social circumstances.
 - 2.3 To provide recreational facilities and/or organise recreational activities with the object of improving the condition of life for the persons for whom these facilities or activities are primarily needed.
 - 2.4 To provide professional services from skilled/trained staff and/or volunteers and specialist providers to maintain and/or enhance and facilitate community wellbeing and common good.

Appraisal of Options

There is a need to select the right legal and governance structure to take the project forward – which

1. provides protection to the core charity while trading is happening
2. creates a separate entity that can focus on the different task with a different skill set
3. opens up access to funding
4. enables partnership
5. reflects the aspirations of the organisation and the ethos
6. allows profit to be distributed in a tax efficient way

This report considers BCC could run the shop under the charity, or whether a subsidiary or a separate entity is needed. It then outlines the common legal structures for such subsidiaries and entities, along with advantages and disadvantages for each.

Trading within the charity

The selling of new products and services outwith the core BCC charitable objects may have a tax liability⁵. The following is the position for trading in charities.

1. Primary purpose trading is trading carried out by a charity to fulfil its objects e.g. a care home charging fees; a nursery charging weekly fees.
2. Ancillary trading is also allowed e.g. a drug rehabilitation programme runs a café to provide work experience for those on the programme. Income from the café is ancillary trading which is allowable.
3. Non-charitable purpose trading

Total sales from the trade are less than £5,000 per annum

Charities Annual Income	Maximum Non-primary Purpose Trading
Under £32,000	£8,000
£32,000 - £320,000	25% of your charity's total annual turnover
Over £320,000	£80,000

Above these limits, it is deemed to be non-charitable trading and could be liable for tax. At that point there would need to be a trading subsidiary unless the activity was viewed as primary purpose trading.

OSCR does not normally view retail or rural economic development as a charitable objective.

⁵ (see https://www.oscr.org.uk/media/4025/v10_charities-and-trading-guide_pdfpdf.pdf and <https://www.gov.uk/guidance/charities-and-trading#small-trading-tax-exemption>).

Options

Option 1 : Legal status quo (perhaps with new advisory board)	
Pros	Cons
<p>Legal simplicity</p> <p>Saves legal fees</p> <p>Saves accountancy fees</p> <p>Administratively simple</p> <p>Advisory board brings different skills set</p> <p>The shop could be branded with a different cost centre while sitting in the core charity if it could be viewed as charitable</p> <p>More easily attracts funding</p> <p>Secured charitable rates relief</p>	<p>OSCR not likely to view a shop as charitable activity so it could undermine the BCC charitable status. Lack of clarity as to whether it is primary purpose trading or not. Creates risk.</p> <p>Potential limits to trading</p> <p>Confusion with charitable purpose</p> <p>Lack of single focus for financial management</p> <p>Potential for mission drift from the core charity</p> <p>Could be liable for full business rates anyway</p> <p>Different skill set needed from the charity.</p>

Option 2 : Separate trading subsidiary of BCC	
Pros	Cons
<p>Clear separate entity with a focus on commercial thinking</p> <p>Different board with different skill set</p> <p>Protects the core charity</p> <p>Can be a VAT registered entity while the charity remains VAT free (though group registration can be an issue)</p> <p>No limits to trading</p> <p>Legal and direct links to the core charity for profit distribution (and therefore corporation tax saving)</p> <p>If things go wrong, this reduces the risk to the charity</p>	<p>Complex legal structure and increase in accountancy fees</p> <p>Separate admin, minutes, bank account, reporting to companies house etc</p> <p>Can create unnecessary distance from the charity.</p> <p>If not a Community Benefit Society, no chance to raise community shares.</p> <p>Not easy to fundraise beyond loans.</p>

Possible structures for a subsidiary

If a subsidiary becomes necessary or desirable, the following are the likely structures.

Community Interest Company

Advantages	Disadvantages
<ul style="list-style-type: none">• Focused on trading and enterprise – business model rather than a charity model• Same protection as a company or SCIO• Some profit can be distributed (35%)• Directors can be paid – removes the distinction between paid staff and voluntary trustees• Asset locked but not profit locked• Small, focussed board – can be very commercial• Can be a trading subsidiary and transfer all profits. Doesn't have to be two tier• Easier to attract funding than a company limited by shares	<ul style="list-style-type: none">• Harder to attract funding than a charity• More controversial model for the third sector• As they are not a charity, they pay full corporation tax• Report to CIC Regulator and Companies House• As well as producing accounts which comply with companies' legislation requirements, they have to produce a Community Interest Statement and Report detailing how they are delivering benefit for the community• No need for social impact statement as this is already included in the charity

Company ltd by Shares

Advantages	Disadvantages
<ul style="list-style-type: none"> • A company undertakes all its activities in its own right, including entering into contracts, being sued taking loans, owning property etc. • Robust and limits liability • Wholly owned subsidiary – entirely controlled by BCC (all shares owned by BCC) • Can be a small, focussed board or mostly existing board. No need to find new members or new individual directors • Can have separate directors if needs different skill set • Can have BCC paid officer on the board • Registration of a limited company will protect the company name • Can be a full subsidiary 	<ul style="list-style-type: none"> • Limited independence • Not a charity and not community controlled so limited potential to secure grants • Can be liable for full business rates (NB, charity can take the lease and sub-lease to subsidiary but this is complex) • There is a lack of privacy. Information on a company's activities is submitted to the Registrar of Companies and is available for public scrutiny. • There are additional costs - registration fee and possibly legal fees for help setting up the company; plus recurring fees for submitting the Annual Return, and administrative costs, including accounting/auditing fees to comply with the Companies Acts.

Co-ops/IPSSs - Community Benefit Societies

Option 3 : New Community Benefit Society	
Pros	Cons
<ul style="list-style-type: none"> • Community Shares can be issued so money can be generated • Run for the benefit of the community – asset locked • Capital only repaid if shop could afford it • Same limited liability as companies • One member one vote so it is very democratic • Members can receive interest on share capital – which can be locked in for, say 5 years • Can gain charitable status, though this is not easy. • Can be linked to the charity, though this is complex 	<ul style="list-style-type: none"> • Harder to make decisions due to co-operative ethos • Harder to secure grant funding • Gaining charitable status is challenging • Must register with FCA so greater regulation • Low levels of profit and liquidity would limit ability to issue shares • Shareholders more likely to shop in a shop where they own shares. Sense of ownership.

On balance a Community Benefit Society is a strong option and a community route for community shops because of the ability to generate share capital to invest in the business.