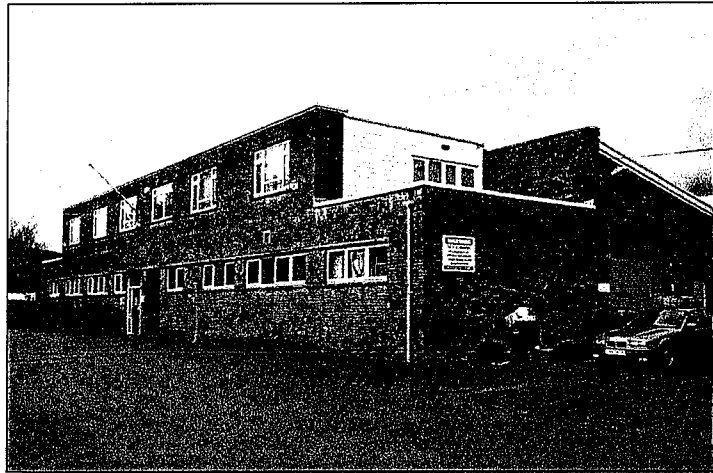


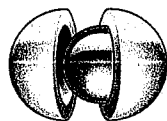
SA9 Skills & Social Enterprise Centre



BUSINESS PLAN

24 MAR 2010

Prepared by
Business Connect Neath Port Talbot Limited
Registered Office:
Britannic Way, Llandarcy,
Neath, SA10 6EL
Registered Number: 03181914



Business Connect
Enterprise for all • Menter i bawb

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Business Plan Ownership

Various individuals and organisations have provided all the information used in the compilation of this Business Plan, Appendices and other accompanying documentation. The Plan (which includes Appendices and Financial Forecasts) has been prepared by Business Connect Neath Port Talbot Limited in support of the project. This plan is approved by and remains the property of the proposed SA9 Skills Centre. The Financial Forecasts contained within this plan are a statement of the organisation's expectations and constitute no guarantee of future financial performance.

1. DATA SUMMARY

Proposed Business Name	SA9 Skills Centre Ltd. (to be confirmed)
Proposed Business Address	Trawsffordd, Ystradgynlais Powys SA9 1BS
Telephone	tbc
Email	tbc
Current Contact	Tom Addey, Ystradgynlais Communities First Centre, Tel: 01639 845051
Directors	See Appendix I
Proposed Legal Status	Not for profit organisation limited by guarantee.
Date of Incorporation	tbc
Bankers	tbc
Accountants	tbc
Solicitors	tbc

2. EXECUTIVE SUMMARY

The proposed project involves taking possession of a 458.5m² building, known as Trawsffordd which is currently in the ownership of Powys County Council. Effectively a newly set up company (*SA9 Skills Centre Ltd*), a not-for-profit social enterprise limited by guarantee, will then own the leasehold which it will have obtained at nil cost. The building will then be improved to operate as a centre for social enterprise activities primarily providing training facilities operated by external providers and office rental for social enterprise tenants who will lease space and facilities to provide additional services for the benefit of the local community.

This business plan outlines three possible scenarios for the proposed Centre. Each Scenario has been examined in light of the overhead costs provided by Ystradgynlais Community Centre. These costs average around £11k per month. The actual size of the rentable space within the building is around 3,600 sq ft. Using an average rental cost of £6 sq ft the maximum income for the building is approximately £1,500 per month for long term lets. Clearly, from a business perspective, the business model proposed can never be viable based purely on revenue from rental.

Analysis of available data and contact with interested parties has confirmed the demand locally for the provision of various skills training. Therefore, the operation of the proposed facility will either depend on a on-going grant income or the setting up within the building, by its owners, of profit-generating activities for themselves.

Scenario A

This represents the 'worst case' situation. A limited market appraisal has been undertaken in the time allowed which has identified only one organisation (Ystadgynlais Media) which has been able to provide a letter of intent clearly stating that they wish to rent office space in the new Centre. Other organisations have provided letters of support but at this stage their general enthusiasm for the project cannot be translated into a firm commitment to use the facilities. This Scenario is explained further on page 23 and a cashflow forecast has been prepared which shows the significant shortfall in revenue based on the overheads costs supplied by Ystadgynlais Community Centre.

Scenario B

This shows the 'best case' scenario. The local Colleges have expressed general support which could become a commitment once they have had the opportunity to engage with the secondary schools and to identify sources of funding. However, both Colleges, whilst very keen, are constrained by Government spending cut backs and are therefore cautious in their support. This Scenario is explored further on page 23 and a cashflow forecast has been prepared. However based on the overhead costs provided and even if these costs were reduced significantly the forecasts still indicate a short fall.

Scenario C

At the request of the Welsh Assembly Government, a third possible scenario has been explored. This would be based upon securing an anchor tenant for the Centre who would provide a steady rental income and employment opportunities. An example would be a call centre. This option would enable the remaining space to be used for training purposes or as room rental. Analysis of the running costs shows that the anchor tenant would need to pay over the market rate for the office space for the venture to be viable unless further income streams could be generated. Further analysis of this Scenario can be found on page 23.

Financial Requirements

Initial refurbishment capital costs are estimated by Ystradgynlais Community First Centre to be £135,500 with first year working capital of £112,500. Therefore £248,000 must be raised in order to establish the project.

Overhead costs including the staffing structure and wages have been provided by Ystradgynlais Community Centre. An on going income stream of approximately £95,000 has also been calculated for break-even.

The steering group, headed by Ystradgynlais Community Centre, has identified possible funding sources from the Western Valleys Strategic Regeneration Area fund (WAG) and the Communities' First Outcome Fund. — *other?*

3. BACKGROUND

The proposed training centre is located in Ystradgynlais which is within the Welsh Assembly's Western Valleys Strategic Regeneration Area. This area has suffered from a general decline since the closure of the local coal, iron and tinsplate industries and more recently in the 1990s there were further significant job losses with the closure of the Dewhirst clothing factory and Lucas SEI. This decline is reflected in higher than average levels of unemployment and the economically inactive. The Future Skills Wales survey (2005) estimated that 27% of the South West Wales population is economically inactive. More recent data from Nomis reinforces this research as it shows that around 27% of the population in Upper Swansea Valley wards were claiming benefits in February 2008. This includes incapacity benefit, job seekers allowance, lone parents and carers.

The Future Skills Wales Survey highlighted the positive fact that 25.1% of the economically inactive in this region *wanted* a job which is higher than the Welsh average. But there is a desperate skills shortage among this sector.

It has been estimated that nationally around 30% of the economically inactive have no qualifications at all¹. Looking more closely at the region, in

¹ *Learn to succeed: the Case for a Skills Revolution, by Mike Campbell*

Ystalyfera (*data unavailable for Ystradgynlais*) for example 46% of the general population have no qualifications at all². With a population in the town of around 3065 that equates to around 1,410 people in one nearby town alone with no qualifications whatsoever. A lack of skills is a clear barrier to obtaining employment. In addition Hyder Consulting carried out research in 2009³ which showed that a large proportion of the working population were employed in low skill jobs. Unfortunately the opportunities for the local workforce to improve their skills have vastly diminished with the closure of the Remploy training centre in Ystradgynlais. However Remploy have indicated an interest to provide an employment search and support facility within the SA9 Centre. (*see letter in Appendix IV*)

In addition the local comprehensive schools have highlighted a clear need for local vocational training facilities to meet demand from pupils who wish to learn practical skills such as construction, beauty and horticulture etc.. (*see Section 4.0*)

Therefore in order to meet the need to provide vocational training for school children and adults, a cross-border consortium has come together with the aim of forming a not-for-profit social enterprise, SA9 Skills Centre Ltd (tbc). This new organisation will be limited by guarantee and will be a registered charity. The aim of the consortium is to acquire the necessary resources such as buildings and equipment and to raise funding to ensure the ongoing viability.

This consortium includes Community First Partnerships, local authorities, training and education providers and community groups from the target area.

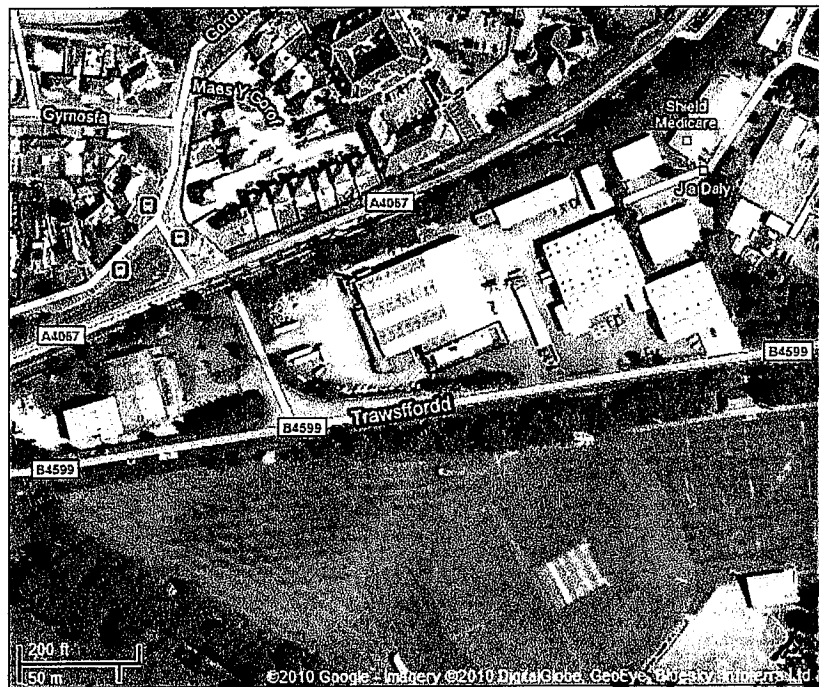
² *Neath Port Talbot County Borough Council's Neighbourhood Profile*

³ *Upper Swansea Valley Regeneration – Baseline & SWOT report by Hyder Consulting*

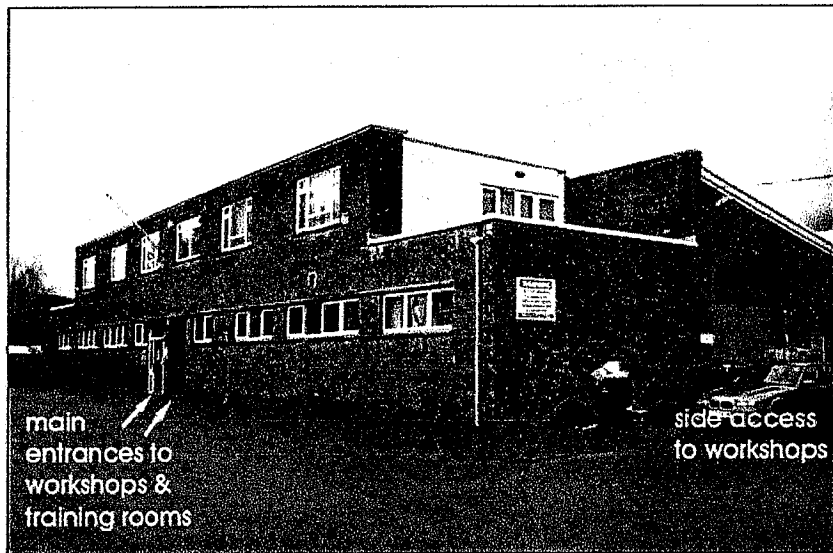
4. LOCATION & PREMISES

The proposed premises are located at the Trawsfordd Industrial estate in Ystradgynlais. The property was used by Powys County Council until April 2009 for the Housing Area offices (until 2002) and more recently for the Registrar. There are business units at the rear which are managed by Economic Development. The property has been valued at around £200k by Powys County Council. It is estimated to be around 458 sq meters over two floors. There are a mix of offices and workshops which has been estimated at 50/50 for the purposes of this plan.

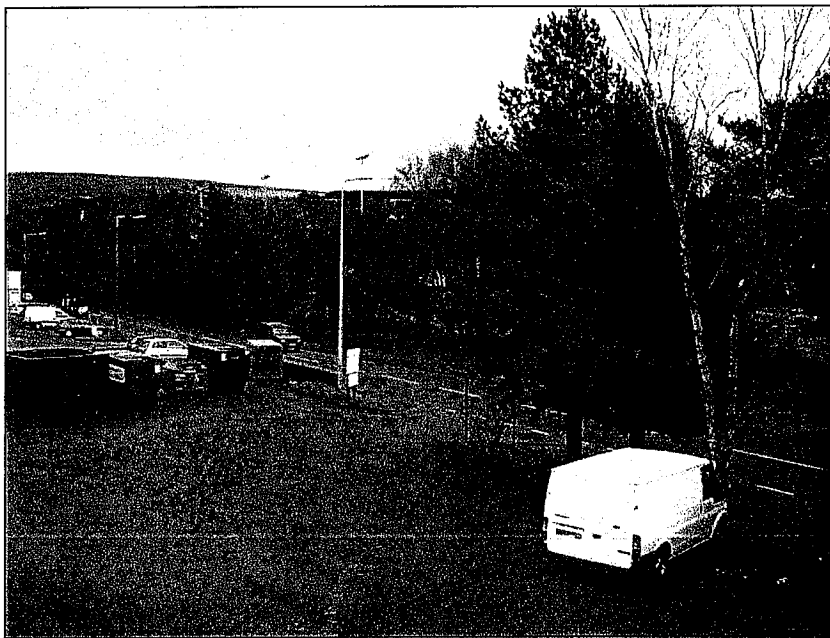
The intention is for the property to be transferred at no cost from the Council and the SA9 Skills Centre Ltd will become the legal owner of the leasehold subject to conditions set by the Council. The precise location is marked by a red box on the map below.



Below is a photograph of the front and side view showing the entire width and depth of the property.



This two storey property is situated on the main road (B4599) into Ystradgynlais with good visibility from the road and within walking distance of bus stops. The photograph below was taken from the first floor of the property and illustrates its proximity to the main road into Ystradgynlais.



There is ample free car parking and a nearby café providing refreshments. A survey of the building has been undertaken and no major structural works were identified according to Ystradgynlais Community Centre. The property is already sub-divided into offices and workshops and therefore there are only limited changes required to the basic layout.

The premises are in reasonable repair and require mostly cosmetic updating in terms of décor, but improvements for operation use and to meet the latest health and safety legislation and fire regulations are needed. Below is a photo of the former Registrar room which shows the general condition of the building.



There is already a fire and security alarm system and a lift to the first floor although it needs to be verified if the lift meets the latest regulations.

The property has offices on the ground floor which will be used for administration purposes and further rooms on the first floor which could be converted into training facilities for IT and health and beauty courses.

One part of the ground floor and the rear of the building has been used in the past for storage by the Council's facilities department. It is intended to use this section for 'dirty' training courses such as construction-related training, agricultural or horticultural courses.

Draft floor plans are included in Appendix IV.

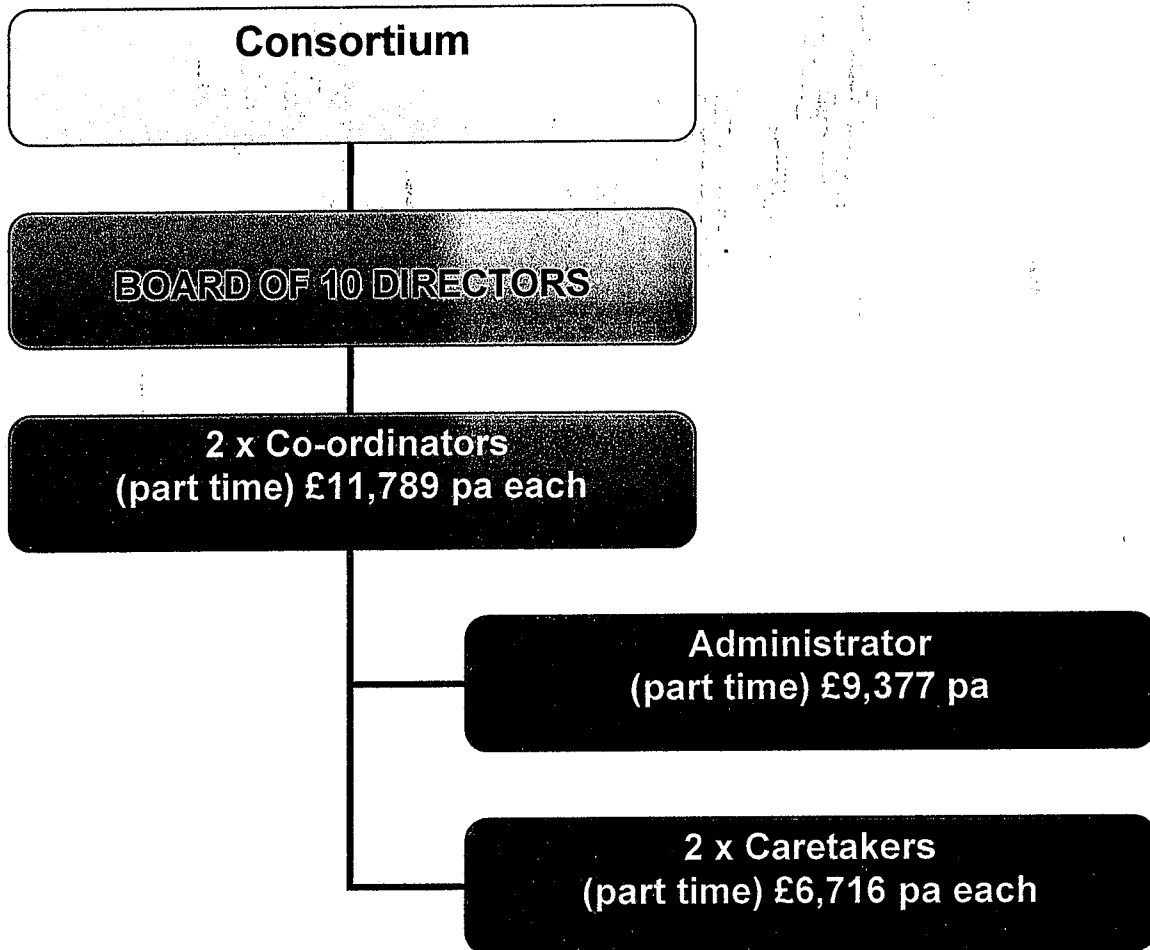
5. MANAGEMENT

The Directors of the new organisation will be drawn from the organisations represented on the Consortium and the local population and will be identified in Appendix I.

There will be 5 part time jobs created. It was initially proposed by Ystradgynlais Community Centre that 2 full time posts (Co-ordinator and Caretaker) plus 1 part time Administrator role would be required. However to ensure adequate cover during annual leave and sickness, these full time roles have been split. In reality one Co-ordinator may need to be more senior with overall responsibility and the job share may not be 50:50 in terms of hours worked. The proposed structure is shown on the next page. The day to day management of the Centre will be the responsibility of the Co-ordinators.

It is important to note that this staff structure represents an estimated annual wage bill of £46,387.

PROPOSED STRUCTURE



The Management structure will ensure that monthly profit and loss statements are produced and distributed to the Directors prior to monthly Board meetings. It is envisaged that these will move to quarterly meetings when the financial performance has stabilised.

The Company will pursue ISO 9001 quality system accreditation to ensure administration quality of performance.

6. PRODUCT & SERVICES

The aim is for the Centre to provide a venue for:

- Skills-based training and vocational mentoring for the communities in the Upper Swansea Valley, Amman and Dulais valleys. The ultimate objective is to decrease levels of benefit claims and economic inactivity in the region.
- External training providers such as the local Colleges will rent the facilities to provide training for the general population (adult training courses), the unemployed and economically inactive and pupils aged 14 -19 years from local comprehensive schools.
- To offer office space for social enterprises to rent.

These services and the likely levels of demand are examined further below.

Vocational Training

As there is a higher than average level of unemployment and inactivity in the region, it is envisaged that helping to upskill the local population will help to improve their job prospects. A local Community Survey⁴ carried out in 2008 analysed the demand for training within the communities of Ystalyfera, Godre's Graig and Cilamengwyn. It showed that 35% of the respondents were interested in training to improve their computer skills. This was by far the most popular type of training required.

⁴ Community Survey 2008 compiled by Carl Gough, Communities First

The Competitor analysis (see Section 5.2) shows that there is very limited IT training provided locally by Powys IT. The Community Survey report also highlighted that lack of confidence is a common barrier for many in the local population and therefore these people are more likely to be attracted to informal training and perhaps taster sessions rather than formal set courses.

Education Sector

There are two secondary schools within the Upper Swansea Valley namely Ysgol Gyfun Ystralyfera and Ysgol Maesydderwen in Ystradgynlais. Both schools were contacted to ascertain their training needs. (A third secondary school which is in Pontardawe, Cwmtawe Community School, was contacted twice via email but no response was received at the time of writing.)

The findings showed that both the local secondary schools are using the College training facilities in Brecon and Neath which is far from ideal. Both schools have expressed a keen interest in using the training facility at SA9. Each of the schools were asked about their likely usage of the facilities for their pupils aged 14-19 years old. Their responses were very positive and are summarised below. Further information is in Appendix V.

❖ Ysgol Gyfun Ystalyfera

Respondent: Mr Eurig Davies, Head

This local secondary school would be interested in using the SA9 Centre for construction trades, hairdressing and land-based industries such as horticulture and/or agriculture.

Current numbers accessing these courses are:-

- Construction (at Neath Port Talbot College)
16 Year 10 students; 8 Year 11 students
- Horticulture (on site at Ysgol Gyfun Ystalyfera)
10 Year 10 students
- Agriculture (at Golden Grove)
7 Year 10 students

*What they
wanted and
wanted Neath College
way to get numbers*

Mr Davies also outlined the current funding arrangement. Funding is currently via the local 14-19 Network's Annual Development Plan which funds a course for the first two years of its duration. From the third year onwards, the school has to buy the training from the provider.

❖ **Ysgol Maesydderwen, Ystradgynlais**

Respondent: Sally Speedy, Head

The school has expressed an interest in being able to access to courses where the SA9 centre would provide the facilities and the tutors e.g. construction, motor vehicles, engineering, hair and beauty. They also need access to specialist equipment where their own staff could deliver courses e.g. music technology.

In terms of the likely numbers of pupils who use the facilities, Ms Speedy has explained that it is very difficult to gauge at present. Some pupils do not follow these options as they would currently have to travel to Brecon. It is estimated that around 10 to 15 pupils are likely to opt for construction and motor vehicle courses. And about 10 pupils would be interested in hair and beauty.

For Post 16 years the school does not offer any such courses currently so it is difficult to estimate the figures.

Following this research, preliminary discussions were held with the Principals of Neath Port Talbot College and Coleg Powys. It had been indicated that the latter organisation was not interested in the project and therefore discussions were opened with Neath Port Talbot College. However the Principal Designate of Coleg Powys, Mr Simon Pirotte, was contacted as a matter of courtesy and it emerged that the Coleg is particularly interested in the proposal as they are considering increasing the provision of training in the area. Both Colleges have provided letters of support (Appendix V)

In summary, both Colleges have indicated an interest in renting the facilities to offer training. However neither Principal felt it was appropriate to confirm a definite intent in writing at this stage as further discussions with the schools would be required. They would also need to investigate the funding available before making a final decision. Below is an excerpt from Coleg Powys' support statement.

"Coleg Powys is committed to working with other providers to offer high quality provision to learners throughout the region. As such, I am extremely interested in our involvement in discussions around the SA9 project. We are already working in collaboration with a number of providers and I will be interested to see how this potential project fits in with the 14-19 transformation agenda".

Simon Pirotte, Principal Designate, Coleg Powys

Room Rental

Only one local social enterprise, Ystradgynlais Media Trust Ltd (known as Ystrad TV), has expressed a keen interest in renting office space at the Centre. This organisation is currently housed in a portacabin in the car park of the Centre which is far from ideal. The organisation uses the modern technology and they are understandably concerned about the poor security in the portacabin. Their commitment to renting an office is clearly stated in their letter which is included in Appendix V

Remploy have provided a letter of intent via Ystradgynlais Community Centre dated 2008 which suggests that they may be interest in using some of the office space but their commitment is not clearly stated. (see Appendix V)

At the time of writing no commercial office space in Ystadgynlais could be identified to provide a comparative cost. The only local comparison which can be drawn is from a local property firm⁵ which has two industrial units to rent which cost from £2 to £4 per sq ft.. Therefore a charge of around £6 per square foot has been estimated for the office space and £4 per sq ft for the workshops. The overall floor space has been estimated at around 458 sq meters. Converting this into square feet and making a sensible deduction for common space e.g. corridors, toilets, etc., leaves around 3,600 sq ft of rental space. Assuming full occupancy, a simple calculation to estimate the maximum income is below. This calculation also assumes a 50/50 split between the workshops and offices.

Estimated income from rental of space:

1,800 sq ft x £6 = £10,800 per annum

1,800 sq ft x £4 = £7,200 per annum

Total max income = £18,000 per annum

7. CUSTOMERS

The SA9 Skills Centre will be an important resource for all communities in the targeted area. The neighbouring wards which will be able to benefit from the facilities include Aber-craf, Crynant, Cwmllynfell, Cwmtwrch, Garnant, Glanamman, Glynneath, Godre'r graig, Gwaun-cae-Gerwen, Lower Brynamman, Onllwyn, Pontardawe, Quarter Bach, Rhos, Seven Sisters, Tawe-Uchaf, Ynyscedwyn, Ystalyfera and Ystradgynlais.

⁵ *Clee Thompkinson Francis*

As the main aim of the project is to decrease the levels of benefit claims and inactivity in the target area, the key direct beneficiaries include:

- The unemployed
- Those claiming incapacity benefit
- Those with a disability or claiming disability benefit
- Those that are classed as economically inactive

The above groups will also include people with personal problems such as alcohol or drug dependency, homelessness or a criminal record often termed 'the hardest to reach'. The overall aim is to create people with new skills who can then obtain the habit, dignity and financial advantages of employment.

Other groups of direct beneficiaries from the provision include:

- 14-19 year olds who would prefer/benefit from a more vocational based curriculum
- Members of the community looking to learn a new skill or re-skill

The project will also indirectly benefit local employers, providing them with a potential workforce that is higher skilled and meets their needs. It will also benefit the wider community with a community resource and the wider community problems can be alleviated with more participation in economic active or training

Schools are now required to meet the Learning Skills Measure which imposes a duty on them to offer a certain number of courses including courses across a range of vocational domains – this means that demand for vocational provision will need to grow.

In addition the schools have mentioned that they are often looking for work/training placements for pupils at risk of exclusion from school and who benefit from a different learning environment. This would include access to Key Skills courses. Keyskills are a vocational qualification designed to work alone or in conjunction with NVQs.

Pinpointed by the Government as being the essential KeySkills for working life, these qualifications are delivered in the same way as NVQs.

The local comprehensive schools have indicated that there is a lack of KeySkills training facilities in the region.

COMPETITORS - TRAINING

There is limited training provided locally. A summary is below:

- **Powys Training**

This is a self-financing organisation within Powys County Council's HR department. Established in 1988 this organisation runs learning centres across Powys including one in Ystadgynlais. This particular centre offers the employed and non-employed a choice of training including National Vocational Qualifications in Business & Administration, Children's Care, Learning and Development, Basic Skills and Key Skills. Only basic IT training such as the European Computer Driving Licence (ECDL) and CLAiT is on offer.

The organisation also offer KeySkills training (levels 1-3) in certain topics including Application of Number, Communication, Improve Own Learning, Information Technology, Problem Solving and Working With Others.

- **Coleg Powys, Ystradgynlais**

This is the main provider of Further Education in the area in addition to the sixth form college at Ysgol Maesydderwen. The College has 3 sites across Powys including a smaller campus in Ystradgynlais. However this campus offers a selection of adult learning courses rather than vocational training. The College has indicated that take up of the courses has been patchy.

In addition car parking is limited near the site which causes problems. Discussions with the new Principal Simon Pirotte have indicated a keen interest by the College to expand their training provision in the area. However there are other options for them to consider in this respect.

7.1. COMPETITORS – ROOM RENTAL

A basic search of the availability of rooms to rent in the town indicates a severe lack of available commercial office space.

In terms of rooms to hire, Ystradgynlais Welfare Hall and the Octopus Centre both hire out rooms which are outlined below.

- **Ystradgynlais Miners' Welfare & Community Hall**

This is a large arts and community centre situated in the town with free car parking. The Hall is managed by Director Wynne Roberts. Facilities include a large impressive theatre, a bar and offices and rooms to rent. A team equivalent to 5 full time members of staff work at the Hall plus there are volunteers who help to run the facilities. Mr Roberts has indicated that, at present, the Hall is unable to meet the demand for short term and long term room rental. However the organisation is keen to expand the facilities by building a second floor and improving the ground floor layout. The new improved building will offer ample room rental and a conference room. The Welfare Hall is primarily focused upon the arts and therefore the tenants and users of the rooms would ideally be culturally-based. Mr Roberts was asked if Hall receives enquiries from commercial organisations who are looking to hire rooms. His response was that the level of enquiries of this nature was extremely low.

The Welfare Hall intends to apply for further funding from the Western Valleys Strategic Regeneration Area fund to progress the expansion plans. Phase 1 has already been completed and this involved raising funding to purchase 3D cinema equipment and improved raised seating for the theatre. Phase 2 will be to commission architects to draw up specific plans based on the 3D model which has already been built. Phase 3 will be the construction.

The 3D model for the expansion project is impressive and has been well-thought out. It is likely that Ystradgynlais Media TV will be tempted to rent space in this new facility as they will be surrounded by the latest technology and like-minded organisations.

- **Octopus Healthy Living Centre, Ystradgynlais**

This Centre opened in 2003 and offers a range of community services aimed primarily at families including health classes. The Centre is located within the Penrhos housing estate in Ystradgynlais and has limited parking. It is unlikely to appeal to commercial or professional organisations who need to rent rooms.

8. COMPARISON OF SCENARIOS

8.1. SCENARIO A

Scenario A is based on the actual commitment shown to date by the organisations contacted. As only one social enterprise has expressed a keen interest then the proposal is clearly unviable. The overhead costs provided work out at around £11,000 per month. Ystradgynlais Media TV are likely to require a small office and therefore will not generate sufficient income. For the purposes of the cashflow it has been assumed that the organisation would rent a 400 sq ft office which would generate a monthly income of about £200. A cashflow forecast is shown in Appendix II

8.2. SCENARIO B

This Scenario takes a more positive perspective. If the Colleges were able to utilise the training rooms and tenants were secured for the remaining space then the premises would be likely to generate around £18,000 in terms of income. This assumes that all the users pay approximately £6 per square foot for office type accommodation and £4 per sq ft for workshop accommodation, and that the premises have full occupancy throughout the year. However the overheads would still need to be reduced considerably for the project to be viable. It was shown in Section 5.0 that the proposed staffing structure alone would cost around £46,000. A cashflow forecast is shown in Appendix II

8.3. SCENARIO C

The final option is to secure an anchor tenant who would provide a steady, reliable income. This could be a call centre or other commercial organisation. The remaining office space and workshops could be used for the training purposes and short term lets. However based on the assumption of £6 per sq ft, the project is still not viable against the overhead costs provided.

The rooms could possibly be let on an adhoc basis for a higher rate e.g. for conferences but this could not be relied upon to sustain the organisation. A cashflow forecast is shown in Appendix II

Clearly the overheads would need to be vastly reduced and additional income sources generated for the project to be viable. These additional income sources would need to be income-generating services rather than letting the rooms. Examples include running a crèche, café, a low cost hair & beauty salon (using the training facilities & trainees), office support services to the neighbouring business units, etc.. These ideas would need to be carefully researched to ascertain their viability which is outside the remit of this business plan.

9. PROMOTIONAL ACTIVITY

A number of tailored promotional activities would be undertaken on an on-going basis to ensure that the target sectors are kept aware of the facilities and courses on offer.

To raise awareness of the Centre an Open Day could be held and representatives from the local media and the target sectors such as education, social enterprises, etc invited. The general public will also be encouraged to attend to view the facilities. It is hoped that an event of this nature would generate free editorial coverage in the local newspapers.

A website would be created to show the facilities and the courses available and to allow the local community to book spaces. An online newsletter would be updated regularly. This newsletter would also be printed quarterly and flyers would be produced.

Clear signage would be erected on the building in accordance with planning permission to raise awareness to passersby.

Regular taster sessions would be held to encourage the general population and the 'hardest to reach' sectors such as the economically inactive to considering improving their skills before committing to a full course.

6. SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Convenient location ▪ Reasonable condition of building ▪ Support from local schools & colleges ▪ Cross-border support from partner organisations ▪ Ample car parking ▪ Potential tenant (Ystrad TV) keen to move in asap. 	<ul style="list-style-type: none"> ▪ New organisation & team ▪ Need to raise profile quickly ▪ Organisation must be become self sufficient after 2 years ▪ New team must be commercially-minded ▪ High running costs ▪ Project is entirely reliant upon external funding
Opportunities	Threats
<ul style="list-style-type: none"> ▪ 'Gaps' in provision of vocational training & adult learning classes ▪ General lack of commercial office space available locally ▪ Non cultural social enterprises may need office space ▪ Project fits with key local and national strategies 	<ul style="list-style-type: none"> ▪ Another training provider may run similar courses locally (low risk) ▪ Competition for room rental from the Welfare Hall & Octopus Centre ▪ Educational funding may be unavailable ▪ Colleges may decide to expand other facilities instead of using SA9

9. SUMMARY OF DEVELOPMENT

		<u>Start Date</u>	<u>Completion Date</u>
PHASE 1	Organisation Set Up ○ Social enterprise limited by guarantee set up Directors appointed	March 2010	March 2010
	Funding Applications ○ Expressions of interests already submitted ○ Western Valleys proposal submitted ○ Communities Outcome proposal submitted		June 2010
PHASE 2	Assuming funding approval ○ Renovation work	August 2010	August 2011
PHASE 3	Recruitment Marketing programme	August 2011	
	Centre opens	September 2011	

9. FINANCIAL REQUIREMENTS.

The *estimated* project capital costs (exclusive of VAT) are as follows;

	Capital Expenditure
Conversion Works (inc decoration, carpets etc.)	£61,000
Furniture	£10,000
IT Suite Equipment	£12,000
Machinery and Tools	£50,000
Training Equipment	£2,500
	£135,500.00
Estimated working capital Year 1*	£40,000.00
TOTAL FINANCE REQUIRED YEAR 1	£175,000.00

The *proposed funding package* for the project is as follows:

Source	£
Powys County Council	
Western Valleys Strategic Regeneration Area Fund (for capital expenditure)	
Communities First Outcome Fund (for 2 yrs revenue costs)	
Match Funding (tbc)	
Earned Income	£18,000
Total Funding Package	

At the time of writing there is no definite information with respect to any of these sources of funds although applications have been made.

* Working capital is to cover salaries and costs involved with overseeing capital works assuming approximate 12 months duration.

10. APPENDICES

Appendix I : Director CVs

NOT AVAILABLE AS DIRECTORS HAVE NOT BEEN SELECTED YET

Appendix II : Cash Flow Forecasts

Scenario A - Ystrad TV Renting One Office only (Scenario A)

CASH FLOW FORECAST

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Rental Income Office Space	200	200	200	200	200	200	200	200	200	200	200	200	2,400
West Valleys Strategic Fund Grant	135,000	-	-	-	-	-	-	-	-	-	-	-	135,000
VAT	-	25,625	-	-	1,625	-	-	1,624	-	-	1,625	-	30,499
	135,200	25,825	200	200	1,825	200	200	1,824	200	200	1,825	200	167,899
PAYMENTS													
Co-ordinator	1,965	1,965	1,965	1,964	1,965	1,965	1,965	1,965	1,965	1,965	1,964	1,965	23,578
Administrator	781	782	781	782	781	781	782	781	782	781	782	781	9,377
Caretaker	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,119	1,120	13,432
Insurances	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Heating	304	304	306	304	304	304	304	304	306	304	304	304	3,652
Rates	538	539	538	539	538	539	538	539	538	539	538	539	6,462
Electric	330	331	330	330	330	331	330	330	330	330	330	330	3,963
Telephone	244	246	244	244	246	244	244	246	244	244	246	244	2,936
Postages	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Stationery	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Cleaning Materials	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Water	1,469	-	-	1,469	-	-	1,469	-	-	1,469	-	-	5,876
Refuse	215	216	215	215	216	215	215	216	215	215	216	215	2,584
Photocopying	176	176	176	176	176	176	176	176	176	176	176	176	2,112
General Maintenance	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Refreshments	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Marketing	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Accountancy	705	-	-	-	-	-	-	-	-	-	-	705	1,410
Banking and Legal Fees	-	4,700	118	118	118	118	118	118	118	118	118	118	5,880
Childcare and Transport	441	441	441	441	441	441	441	441	441	441	441	441	5,292
Overdraft Interest	153	258	250	334	413	486	573	653	729	818	901	981	6,549
Building Works	64,625	-	-	-	-	-	-	-	-	-	-	-	64,625
Furniture	11,750	-	-	-	-	-	-	-	-	-	-	-	11,750
Carpets	7,050	-	-	-	-	-	-	-	-	-	-	-	7,050
IT Suite	14,100	-	-	-	-	-	-	-	-	-	-	-	14,100
Signage	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Training Equipment	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Machinery and Tools	58,750	-	-	-	-	-	-	-	-	-	-	-	58,750
PAYE/NI	-	1,644	1,645	1,644	1,644	1,646	1,644	1,644	1,645	1,644	1,645	1,644	18,089
	172,107	14,238	9,644	11,195	9,808	9,881	11,434	10,049	10,124	11,680	10,296	11,079	291,535
NET CASH FLOW	(36,907)	11,587	(9,444)	(10,995)	(7,983)	(9,681)	(11,234)	(8,225)	(9,924)	(11,480)	(8,471)	(10,879)	(123,636)
OPENING BANK	-	(36,907)	(25,320)	(34,764)	(45,759)	(53,742)	(63,423)	(74,657)	(82,882)	(92,806)	(104,286)	(112,757)	-
CLOSING BANK	(36,907)	(25,320)	(34,764)	(45,759)	(53,742)	(63,423)	(74,657)	(82,882)	(92,806)	(104,286)	(112,757)	(123,636)	(123,636)

SA9 Centre - Scenario B (No anchor tenant)

CASH FLOW FORECAST

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Rental Income Office Space	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Rental Income Ind Space	267	266	267	267	266	267	267	266	267	267	266	267	3,200
West Valleys Strategic Fund Grant	135,000	-	-	-	-	-	-	-	-	-	-	-	135,000
VAT	-	25,585	-	-	1,505	-	-	1,504	-	-	1,505	-	30,099
	135,667	26,251	667	667	2,171	667	667	2,170	667	667	2,171	667	173,099
PAYMENTS													
Co-ordinator	1,965	1,965	1,965	1,964	1,965	1,965	1,965	1,965	1,965	1,965	1,964	1,965	23,578
Administrator	781	782	781	782	781	781	782	781	782	781	782	781	9,377
Caretaker	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,119	1,120	13,432
Insurances	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Heating	304	304	306	304	304	304	304	304	306	304	304	304	3,652
Rates	269	269	270	269	269	269	269	269	269	269	269	269	3,230
Electric	330	331	330	330	330	331	330	330	330	331	330	330	3,963
Telephone	244	246	244	244	246	244	244	246	244	244	246	244	2,936
Postages	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Stationery	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Cleaning Materials	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Water	1,469	-	-	1,469	-	-	1,469	-	-	1,469	-	-	5,876
Refuse	215	216	215	215	216	215	215	216	215	215	216	215	2,584
Photocopying	176	176	176	176	176	176	176	176	176	176	176	176	2,112
General Maintenance	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Refreshments	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Marketing	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Accountancy	705	-	-	-	-	-	-	-	-	-	-	705	1,410
Banking and Legal Fees	-	4,700	118	118	118	118	118	118	118	118	118	118	5,880
Childcare and Transport	441	441	441	441	441	441	441	441	441	441	441	441	5,292
Overdraft Interest	150	249	234	313	386	453	534	608	677	760	837	910	6,111
Building Works	64,625	-	-	-	-	-	-	-	-	-	-	-	64,625
Furniture	11,750	-	-	-	-	-	-	-	-	-	-	-	11,750
Carpets	7,050	-	-	-	-	-	-	-	-	-	-	-	7,050
IT Suite	14,100	-	-	-	-	-	-	-	-	-	-	-	14,100
Signage	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Training Equipment	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Machinery and Tools	58,750	-	-	-	-	-	-	-	-	-	-	-	58,750
PAYE/NI	-	1,644	1,645	1,644	1,644	1,646	1,644	1,644	1,645	1,644	1,645	1,644	18,089
	171,835	13,959	9,360	10,904	9,512	9,578	11,126	9,734	9,804	11,352	9,963	10,738	287,865
NET CASH FLOW	(36,168)	12,292	(8,693)	(10,237)	(7,341)	(8,911)	(10,459)	(7,564)	(9,137)	(10,685)	(7,792)	(10,071)	(114,766)
OPENING BANK	-	(36,168)	(23,876)	(32,569)	(42,806)	(50,147)	(59,058)	(69,517)	(77,081)	(86,218)	(96,903)	(104,695)	-
CLOSING BANK	(36,168)	(23,876)	(32,569)	(42,806)	(50,147)	(59,058)	(69,517)	(77,081)	(86,218)	(96,903)	(104,695)	(114,766)	(114,766)

SA9 Centre - Full Occupancy Scenario C

CASH FLOW FORECAST

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Rental Income Call Centre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Rental Income Industrial Space	267	266	267	267	266	267	267	266	267	267	266	267	3,200
Rental Income Office Space	400	400	400	400	400	400	400	400	400	400	400	400	4,800
West Valleys Strategic Fund Grant	135,000	-	-	-	-	-	-	-	-	-	-	-	135,000
VAT	-	25,545	-	-	1,385	-	-	1,384	-	-	1,385	-	29,699
	136,667	27,211	1,667	1,667	3,051	1,667	1,667	3,050	1,667	1,667	3,051	1,667	184,699

PAYMENTS

Co-ordinator	1,965	1,965	1,965	1,964	1,965	1,965	1,965	1,965	1,965	1,965	1,964	1,965	23,578
Administrator	781	782	781	782	781	781	782	781	782	781	782	781	9,377
Caretaker	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,120	1,119	1,119	1,119	1,120	13,432
Insurances	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Heating	304	304	306	304	304	304	304	304	306	304	304	304	3,652
Electric	330	331	330	330	330	331	330	330	330	331	330	330	3,963
Telephone	244	246	244	244	246	244	244	246	244	244	246	244	2,936
Postages	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Stationery	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Cleaning Materials	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Water	1,469	-	-	1,469	-	-	1,469	-	-	1,469	-	-	5,876
Refuse	215	216	215	215	216	215	215	216	215	215	216	215	2,584
Photocopying	176	176	176	176	176	176	176	176	176	176	176	176	2,112
General Maintenance	147	147	147	147	147	147	147	147	147	147	147	147	1,764
Refreshments	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Marketing	118	118	118	118	118	118	118	118	118	118	118	118	1,416
Accountancy	705	-	-	-	-	-	-	-	-	-	-	705	1,410
Banking and Legal Fees	-	4,700	118	118	118	118	118	118	118	118	118	118	5,880
Childcare and Transport	441	441	441	441	441	441	441	441	441	441	441	441	5,292
Overdraft Interest	145	233	208	276	338	395	465	528	588	658	724	787	5,345
Building Works	64,625	-	-	-	-	-	-	-	-	-	-	-	64,625
Furniture	11,750	-	-	-	-	-	-	-	-	-	-	-	11,750
Carpets	7,050	-	-	-	-	-	-	-	-	-	-	-	7,050
IT Suite	14,100	-	-	-	-	-	-	-	-	-	-	-	14,100
Signage	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Training Equipment	2,938	-	-	-	-	-	-	-	-	-	-	-	2,938
Machinery and Tools	58,750	-	-	-	-	-	-	-	-	-	-	-	58,750
PAYE/NI	-	1,644	1,645	1,644	1,644	1,646	1,644	1,644	1,645	1,644	1,645	1,644	18,089
	171,561	13,674	9,064	10,598	9,195	9,251	10,788	9,385	9,445	10,981	9,381	10,346	283,869

NET CASH FLOW

	(34,894)	13,537	(7,397)	(8,931)	(6,144)	(7,584)	(9,121)	(6,335)	(7,778)	(9,314)	(6,530)	(8,679)	(99,170)
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OPENING BANK

	-	(34,894)	(21,357)	(28,754)	(37,685)	(43,829)	(51,413)	(60,534)	(66,869)	(74,647)	(83,961)	(90,491)	-
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CLOSING BANK

	(34,894)	(21,357)	(28,754)	(37,685)	(43,829)	(51,413)	(60,534)	(66,869)	(74,647)	(83,961)	(90,491)	(99,170)	(99,170)
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Appendix III : Summary of the assumptions made in respect of the projections.

General assumptions

- Square Footage of building 4500 sq ft
- Assume available rental square footage @ 80% = 3600 sq ft
- Conservative estimate of potential rental income – Industrial space £4 per sq ft : Office space £6 per sq ft.
- Split of space 50/50 industrial / office.
- Assumes Western Valleys Strategic Fund has given full grant of £135K to undertake building and refurbishment works.
- Overheads similar whether building is fully let or not.

Cash Flow Full Occupancy

- Assumes anchor tenant (e.g. call centre) to take 2000 sq ft @ £6 per sq ft = £12K pa.
- Remaining space Industrial let 800 sq ft @ £4 per sq ft : office let 800 sq ft @ £6 per sq ft.
- Tenants may not pay rates on top so no liability shown in cash flow.

Cash Flow Occupant Ystrad TV

- Assumes worst case scenario where only tenant is current occupant.
- Assume rental income of 400 sq ft @ £6 per sq ft
- Rates to be fully absorbed into overheads.

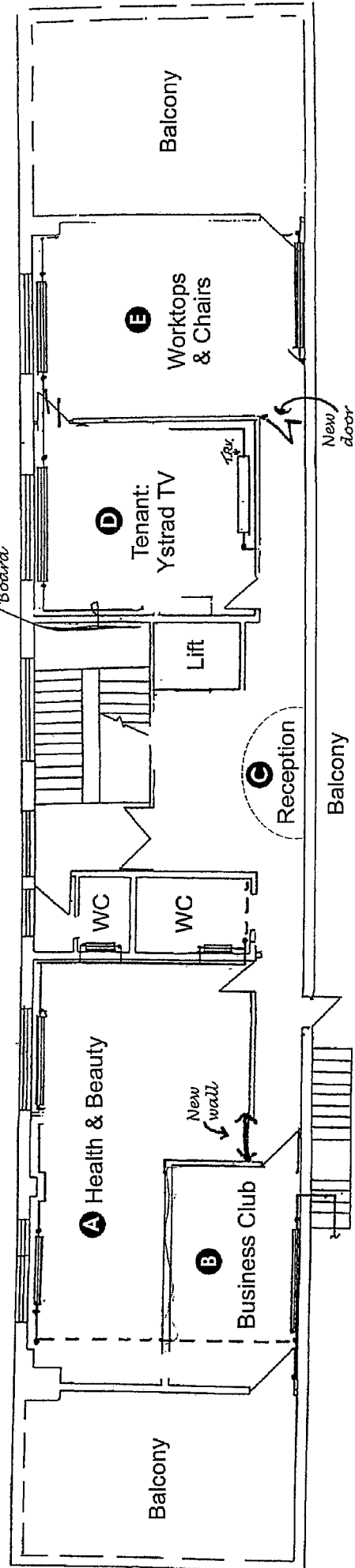
Cash Flow no anchor tenant

- Industrial and Office space fully let but no anchor tenant to take 2000 sq ft space as shown in full occupancy projection.
- Remaining space Industrial let 800 sq ft @ £4 per sq ft : office let 800 sq ft @ £6 per sq ft.
- Rates liability to be partly taken by commercial tenants leaving balance to be paid / unpaid by SA9.

Appendix IV
Draft building plans

Proposed Layout of First Floor

Front of Building



Not to scale

First Floor

Appendix V :
Letters of support & intent



www.ystradtv.co.uk

Ystradgynlais Media Trust Ltd.
The Glendale Centre
Business Centre
Swansea
SA9 1BS
01639 841 613/07813 883 595
info@ystradtv.co.uk

Communities First Centre
6 Commercial Street
Ystradgynlais
SA9 1HD

18/02/2010

Dear whoever this may concern,

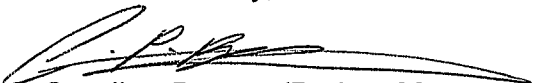
I am writing to lend my support to the proposed plans for the SA9 Skills Centre and intent that YstradTV would be interested in renting office space at the centre, if the plans go ahead.

Ystrad TV is a creative industry social enterprise based in the Upper Swansea Valleys. We produce a range of media production and training services for the third sector, public bodies, charities and organisations.

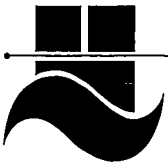
We aim for the creation of a self-sustainable Social Enterprise that can offer education, skills, and training leading to possible future employment through media contractual work. YstradTV has already established itself as a creative industry social enterprise creating and producing media content, running tailor made media training and running project-based activities in the Swansea area.

We have recently been awarded core grant funding from "Coalfields Regeneration Trust- Social Enterprise Awards". Due to the higher volume of work we anticipate and the companies' development we are now looking for suitable premises within Ystradgynlais. The SA9 Skills Centre would be the best and most viable option for us as a Social Enterprise and Training Provider.

Yours Sincerely,


Caroline Berney (Project Manager)

(07813 883 595)



11 March 2010

Mr Greg Kaminaris
General Manager
Business Connect
Britannic Way
Llandarcy
Neath SA10 6EL

Dear Greg

PROPOSED SA9 SKILLS CENTRE

Thank you for your letter of 1 March 2010. It was good to have the opportunity to speak about the proposed SA9 Skills Centre.

As discussed, the centre could be used to provide a number of courses in the Ystradgynlais area for individuals wishing to develop their DIY skills or members of the community developing skills which would enable them to gain employment or consider setting up their own businesses.

The centre could also provide a base for construction training for pupils attending the local comprehensive schools and potential students wishing to embark on a construction linked career. The SA9 centre could assist the College in accommodating learners in the School of Construction and Built Environment. Currently we have 807 students undertaking the four biblical trades where specialist workshop space is proving to be a challenge.

We look forward to collaborating with Business Connect and their partners in their endeavour to develop a skills centre in Ystradgynlais which would not only provide training and education but would also benefit the community's health, wellbeing and employability.

Yours sincerely

Principal/Chief Executive

Mark Dacey BSc MSc DipBS
MCIOB FIMBM AClarb
Principal/Pennaeth



INVESTOR IN PEOPLE



NPTC Afan Campus/Campws Afan
Margam • Port Talbot • SA13 2AL
Tel/Ffôn (01639) 648200
Fax/Ffacs (01639) 648209

Please reply to/Atebwch i
 Afan Campus/Campws Afan

NPTC Neath Campus/Campws Castell Nedd
Dŵr-y-felin Road • Neath/Castell Nedd • SA10 7RF
Tel/Ffôn (01639) 648000
Fax/Ffacs (01639) 648009
Email/Ebost info@nptc.ac.uk
www.nptc.ac.uk

Please reply to/Atebwch i
 Neath Campus/Campws Castell Nedd

Rachel Case

From: Simon Pirotte [spirotte@bridgend.ac.uk]
Sent: 15 March 2010 10:23
To: Rachel Case
Subject: RE: SA9 Business Plan

Dear Rachel

Coleg Powys is committed to working with other providers to offer high quality provision to learners throughout the region. As such, I am extremely interested in our involvement in discussions around the SA9 project. We are already working in collaboration with a number of providers and I will be interested to see how this potential project fits in with the 14-19 transformation agenda

I look forward to meeting with you soon

Kind regards

Simon Pirotte
(Principal Designate)

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Version: 8.5.435 / Virus Database: 271.1.1/2721 - Release Date: 03/03/10 19:34:00

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18/03/2010

Tom Addey
Ystradgynlais Business Centre
Trawsffordd
Ystradgynlais
Swansea
SA9 1BS

24th October 2008

Dear Tom,

Re: SA9 Skills Centre

This letter is to confirm Remploy's commitment to the above project as a working partner in the venture.

Our intention as part of our commitment to the work at this stage is two-fold;

- Firstly to provide Remploy's Recruitment Service to the local community in terms of helping and supporting people with disabilities and health conditions into work.
- Secondly, to help in some way yet to be decided to kit out one of the rooms and /or facilities in the Skills Centre.

This is a letter of intent and the detail of which is yet to be decided after I have secured sign off from Remploy's central finance function. This is an application process which will require authorisation over the coming months.

Hope this note meets with your requirements.

Yours sincerely,

Kevin Christie
Business Manager Wales