

THESPACESCOTLAND CIC

**BUSINESS AND
SOCIAL CASE**

NOV • 2021

www.thespacedunbar.com



“MAKING THE
IMAGINABLE POSSIBLE,
THE POSSIBLE DOABLE
AND THE DOABLE
DONE”

theSpaceDunbar

Business & Social Case



It is late 2021, more than 6 years on from theSpace NB closing its doors. Done before, it can be done again. This time in its spiritual hometown of Dunbar!

theSpace NB was able to achieve so much, despite massive challenges and limitations. Just imagine what thespaceDunbar could achieve with a supportive community and a serviced site in a perfect location. With solid demographics, the right team, committed partners, and of course, an ambitious and inspiring idea. And given our weather, we need it.

This proposal is happening at a socially important time. We can also learn much from what has been achieved elsewhere.

Together, we can make the imaginable possible, the possible doable and the doable done!



Summary

thespaceDunbar will be a vibrant and sustainable youth and community hub providing facilities, opportunities and spaces for young people, adults, children and families. Promoting active, social and creative lives will help to build strong and diverse communities around shared interests and passions.

thespaceScotland CIC is currently in active discussion with Hallhill Developments Ltd on a shared ambition to create thespaceDunbar at Dunbear Park. With their ongoing positive support we aim to secure an exclusivity agreement on a serviced site as part of Phase 2 of the Dunbear Park Development. This will provide us with an agreed timescale to secure the necessary capital finance and planning permission.

thespaceDunbar could provide the following:

- **An Indoor Skatepark**
- **A Bouldering Climbing wall**
- **A Cinema and Performance space**
- **A Ten Pin Bowling space**
- **A Cafe and social space**
- **A Health and Well-being zone**
- **A Learning and Enterprise zone**
- **Workshop and Retail units**

thespaceDunbar will provide young people with employment opportunities; trade, hospitality and management apprenticeships; volunteering opportunities; work based training programmes; partnerships to support school based qualifications; short and long term work experience placements; transition support; skills training for youth groups and much more.

It will be sustainable in terms of generating revenue through trading with profits being reinvested in supporting young people and ensuring the facility remains cutting edge and future-proofed for changing and unexpected times. Both skateboarding, bmxing and climbing are growing in popularity and participation recently became official events at the Olympic games.

It is 2021, almost 6 years on from theSpace NB closing its doors,



It has simply been a pause to reflect, learn, re-imagine and plan.

Uprising East Lothian was a social enterprise company and charity limited by guarantee that existed between 2010 and 2015. It grew from Phantassie Sound, a youth based music collective. It then went on to create Phantassie Skatepark (summer 2009 and summer 2010) and then theSpace North Berwick (2011 to 2015).

Uprising East Lothian promoted 'Youth in Community' and it made a massive positive and long-lasting impact on the lives of the many young people who made it happen.

“Uprising is a self-sustaining social enterprise that is peer based and youth driven in order to motivate and support young people so they recognise and nurture their ability and potential to be active, creative and inclusive; as individuals, among their social groups and within their communities” (2010).”

Done before, it can be done again.

Uprising EL had a 5 year lease agreement at the old Ben Sayers factory in North Berwick and after a 4 month planning surge and an 8 month build, theSpace NB operated successfully for 4 years. Once the temporary lease ran out the owners sold the site and although Uprising EL worked hard to find a more permanent venue for theSpace it was not possible and the core crew had to earn a living and move on with their lives.

But the dream of a permanent youth powered community space did not disappear.

We have rebooted Uprising East Lothian as theSpace Scotland CIC, with the same values and attitude, but we aim to be bigger, better, sustainable and secure.

Over the next few years our efforts will culminate in the creation of a permanent and sustainable youth powered community hub offering a huge variety of fun and healthy activities and opportunities in a socially diverse and inclusive community.



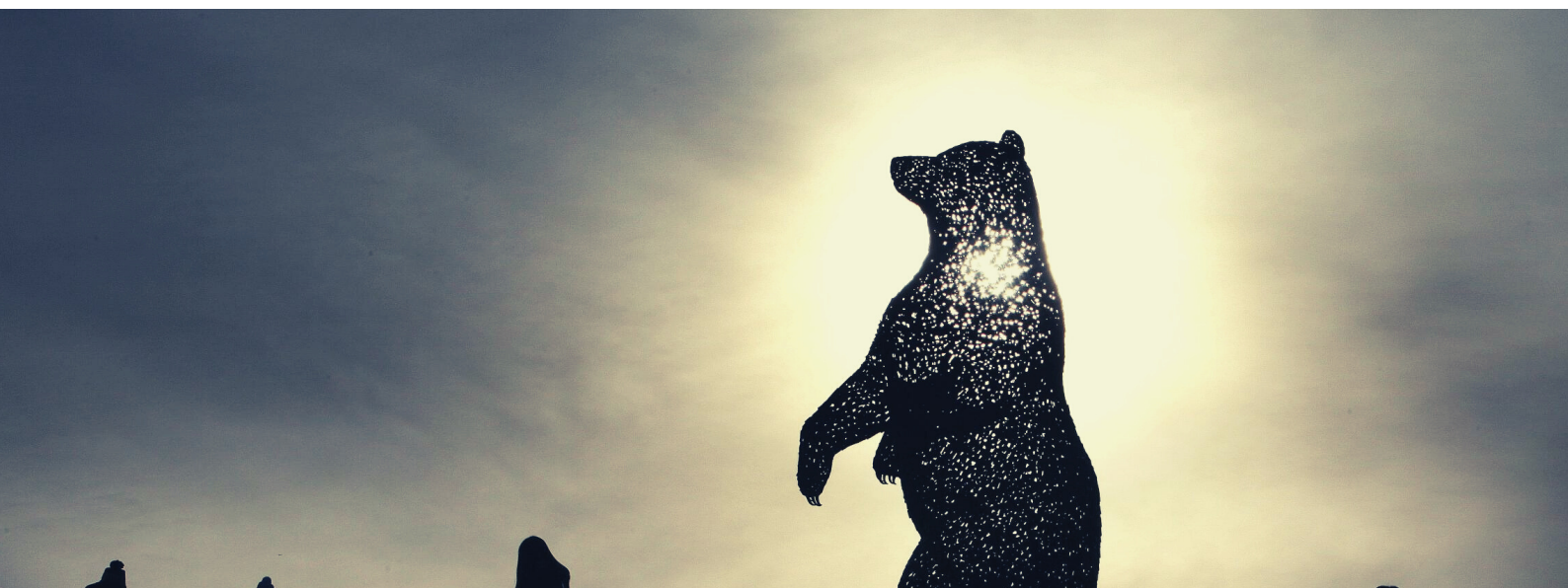
thespaceScotland CIC is a locally based Community Interest Company seeking to create a vibrant and grounded social enterprise that builds and runs a youth and community hub in Dunbar. The organisation's directors are based in Dunbar and across East Lothian and have a track record in supporting young people making things happen in their communities.

This time in theSpace's spiritual home town of Dunbar.

In a growing county, Dunbar is a growing town with a strong vibrant community and an appetite for creating community led ventures. It has its fair share of challenges and problems and more than its fair share of spirit and resourcefulness. Most of the young crew at theSpace NB were from Dunbar, East Linton and the Borders and the first place they looked for a building was Dunbar but couldn't find one. Then the old Ben Sayer factory building in NB became available and that became the pragmatic choice.

We know Dunbar is a brilliant town but it's young people need more. More opportunities, more spaces and places that they have a sense of ownership over, more hands on learning options and more support for those who need it most. A recent report on youth issues in Dunbar pointed to some challenges that the town must face up to and address. This was pre-covid19 and many of these issues will be worsened by its ongoing impact.

What we are proposing for the town has the potential to make a massive impact on these challenges and it could give lasting momentum to resourcing and prioritising essential youth work and youth services.



Youth Issues Report, Dunbar

Young people are living in exciting and challenging times of rapid social, political and technological change. For many people of all ages the last year and a half has been another layer of difficulty and restriction. Personal, social and economic opportunities are still there; but not for all. In many ways it has become more complex and difficult for all young people to navigate the transitions from childhood to adulthood. Compounded by personal and family struggles, some young people don't get the support or opportunities they need, or are unable to accept or benefit from the available support and opportunities when they do exist and are offered.

- For the majority of young people the majority of the time, Dunbar and the surrounding area is in general a safe and positive place to live.
- Similar to all places, young people like other people can add to or take away from this safe and positive feeling.
- Like all small-town communities, for some young people, the transition of youth, moving from childhood to adulthood, can be a difficult and isolating experience.
- In the main young people and adults seem to see Dunbar as a supportive town.
- Young people want to be able to have fun in their community, without adults (and other young people) intimidating them or poking unwelcome noses into their business.
- Most of the time young people look after and support their peers very well.
- Anecdotally and statistically, young people don't have a monopoly on anti-social behaviour, however they often get a disproportionate amount of the blame.
- There are some very good established and new services for young people in Dunbar and East Lothian that make a positive and lasting difference.
- Dunbar has loads of sports clubs and uniformed organisations and a strong volunteer base of people of all ages giving their time to support and encourage young people.
- There is serious concern about the safety, the actions and wellbeing of some young people across the town and these issues need to be carefully and sensitively discussed and addressed - challenges should not be understated.

- There are dangers caused by large mixed age gatherings of young people from Dunbar and from across East Lothian and the presence of alcohol and drugs can cause worrying vulnerabilities especially among the youngest teenagers
- There are low level repetitive disturbances that frustrate neighbours and residents and some that sadly escalate to harassment targeted at vulnerable residents.
- There is a lack of safe social spaces free of intimidation to relax, eat and chat
- Alcohol and drug dependency and abuse is seen as a growing problem (worsened by the increased availability of cocaine and drugs such as xanax).
- There are significant numbers of vulnerable young people in leases and long term temporary accommodation often with limited specialist support from statutory services
- Some children are acting as adult carers with the attendant stress and social/school impact and Dunbar has a large number of young people in care.
- These are issues that are directly experienced directly by young people and/or indirectly through the struggles of family members and friends.
- Due to a number of related changes over the last 10 years, Dunbar has all but lost a generation of general and specialist youth work for the 13+ age group and the impact of this can be seen today by local youth workers who know of young people struggling who would have benefited from this support and interventions at a much younger age.
- It does not help intergenerational and community understanding when issues and events are generalised and sensationalised in the press or social media. These pressures are cyclical and can quickly change - the issues and challenges should not be overstated. Social Media can be a force for good in many ways but it can easily lead to a 'witch hunt' when local agendas can get more airtime than they deserve.
- Future funding for long term and proactive youth work may be harder to secure.
- Youth work is relationship based and takes time and consistency to develop and nurture. General and Specialist Youth Work in Dunbar needs significantly more investment, especially supporting the 13+ youngsters who are struggling at home, at school and in their community support for open and diverse activities and spaces.

theSpace NB was able to achieve so much,

- 28 jobs for different people (mainly young people and often their first job) - at the end of operations there were 14 jobs (8FTE / 5 for 16 to 18yo and 6 for 19-25yo)
- Worked closely with North Berwick High School to provide over 20 short term and 9 long-term work placements to S3-S5 pupils who all contributed to theSPACE
- Developed and grew a young workforce and created an environment where leadership roles were formed among the young team, both paid and voluntary.
- Benefited from 13,000 hours of voluntary work from 2009 during the build and operational phases of the enterprise - essential to getting theSPACE open
- Developed many, varied and successful community partnerships with a diverse mix of organisations (ELC, NBHS, ELSNP, UPMO, NB Rowing Club)
- Registered over 3500 users and provided over 600 memberships
- Connected individuals, families, peer groups and communities in a positive and supportive way with an open mind, friendship and solidarity
- Generated 84% of operational income through trading (Social Enterprise status requires over 50%). This was achieved in every year trading (with a total income just under £1,000,000 from capital and revenue)
- Contributed around £600k into the local economy through wages, contracts and supply orders and always paid wages and invoices in full and on time
- Young people created a place that they had imagined, built and then ran, making theSpace NB authentic, relevant and owned by young people

Despite massive challenges and limitations.

- The lease was signed with no guarantee of planning permission. Building work commenced and the planning committee were soon unanimous in their approval
- The headache of not being able to claim capital funding until it had been spent and evidenced instead of having a drawdown fund when capital was required
- Securing only limited capital investment for the activity areas (the majority of capital went on electrics, plumbing, heating systems and fire safety systems)
- Converting a tired old factory building in poor condition with limited flexibility that needed constant maintenance and a roof that leaked - over a skatepark!
- Creating all of the financial, governance, operational and human resource systems from scratch, stage by stage, learning step by step
- The process and outcomes were built around a young and inexperienced crew
- The experience of running a large public-facing cash flow based community business was new to those leading the organisation and the process
- The footfall and travel issues of being in a fairly out of the way location in NB
- Maintaining an inclusive policy of low customer prices well below market rates
- Not depending too heavily on revenue funding and in general having limited reserves (plus no overdraft)
- Investing almost all reserves in a skatepark extension in 2014 just before 6 weeks of constant sunshine summer holiday that pushed business viability to the edge
- This was all done within the wider context of an economic recession and the government's policy of austerity



Just imagine what thespaceDunbar could achieve with a supportive community and a serviced site in a perfect location.

thespaceScotland CIC is currently in active discussion with Hallhill Developments Ltd on a shared ambition to create thespaceDunbar at Dunbear Park. With their ongoing positive support we aim to secure an exclusivity agreement on a serviced site as part of Phase 2 of the Dunbear Park Development. Dunbear Park is located just off the A1, close to the Railway Station and Dunbar's town centre. As it will be a large mixed use development there will be a significant and diverse footfall. This agreement will provide us with a period of time to secure capital finance and planning permission to enable the facility to be created. As it would be almost impossible to raise the finance without a specific site and an exclusivity agreement, this would provide an incredible opportunity to get a wide mix of funders on board. Having the energetic support and involvement of our community is the key to making this happen! It's down to us all.



With solid demographics,

- The core demographic figure is that over 1 million people live within a one hour drive of Dunbar.
- Dunbar can be easily accessed by car, bus and train from East Lothian, Edinburgh, the wider Lothian's and Central Scotland, Berwick, the Scottish Border areas and northeast England border areas.
- The population of East Lothian was estimated to be 103,050 in 2015 and is growing at one of the fastest rates of all 32 local authorities in Scotland.
- East Lothian has a higher proportion of older and younger people than the Scottish average.
- The number of people aged over 65 is forecast to grow by 72% between 2012 and 2037 and the number of 0-15 year olds is projected to increase by 27.5% over the same period.
- The number of young adults, aged 16-24, increased by 35.8% between the 2001 and 2011 census dates.
- Whereas this figure was only 9.2% for Scotland as a whole.
- There were an estimated 44,384 households in East Lothian in 2015.
- The number of households across East Lothian is projected to grow by 23.8% between 2015 and 2037 compared to a growth of 14.3% in Scotland.



the right team



Adrian Girling
Director



Steven Ingle
Director



Amanda Doig
Director



Sally Harris
Non-Exec Director



Gavin McManus
Non-Exec Director



Mark Burrows
Non-Exec Director



Scott Seeley
Non-Exec Director



Rowena Bill
Non-Exec Director



Ray Bill
Non-Exec Director



Lucy Daniels
Non-Exec Director



Noah Carter
Non-Exec Director



Lauren Cowie
Non-Exec Director

thespaceScotland CIC seeks to be a successful and sustainable Community Interest Company (and as such a company limited by guarantee), rooted in the community, youth powered and led by a diverse and committed group of 12 founders and directors.

For simplicity and familiarity to funders and partners, our constitution is the Model Constitution for small membership CIC's that is provided by the Office of the Regulator of Community Interest Companies (attached for information). This model constitution and our status as a limited liability company will provide a framework for our governance approach. In accordance with our constitution, thespaceScotland CIC will have a statement of community benefit and an asset lock ensuring enduring community benefit.

The directors will not receive dividend payments and beyond reasonable expenses will only be remunerated if they work as an employee as well as being a director. The directors bring a diverse mix of skills, experiences and interests to the organisation as we need to ensure that we have the depth and breadth necessary to progress our plans. The organisation's directors are based in Dunbar and across East Lothian and have a track record in supporting young people making things happen in their communities.

At this stage in our development, we have 9 non-executive directors and 3 executive directors. The executive directors have delegated authority to be responsible for day to day activity and the non-executive directors, however in overall strategy, financial responsibility and in law, all of the directors working together are both the founders and the responsible governance body for the organisation. As we progress with our plans we will expand the Directors team as well as bringing in specific skills and experience in key areas, such as large scale capital project management, legal and contractual expertise and human resource management. At this time we have the necessary and relevant mix of diverse skills to take our vision from inception to community engagement and early days of development.

committed partners,

Once we secure an Exclusivity Agreement, we will benefit from being part of a collaborative public private partnership with Hallhill Development Ltd, RDR Limited and EMA Architects who all have a track record of working in a proactive and community minded way. Hallhill Development Ltd and RDR Limited both worked with the community to develop Hallhill Healthy Living Centre that continues to play a hugely important role in the sporting, social and cultural life of Dunbar. We will also aim to work collaboratively with East Lothian Council and with many organisations in Dunbar and across East Lothian, such as Dunbar Grammar, Dunbar Youth Club, Dunbar Community Development, Dunbar Community Council and Area Partnership, The Ridge, Heavy Sounds CIC, Skateboard Scotland, Leith DIY, NB Youth Project, The Bridge Centre and many others.

and of course, an ambitious and inspiring idea.

thespaceDunbar will be a vibrant and sustainable youth and community hub providing facilities, opportunities and spaces for young people, adults, children and families. Promoting active, social and creative lives will help to build strong and diverse communities around shared interests and passions.

thespaceDunbar will host core action sports, social and educational facilities. Skateboarding, BMXing and climbing are all growing in popularity and participation and are official events at the Olympic games. A cafe and social space will be at the heart of the facility, fueling and hydrating the participants. There will be a wide mix of other facilities and activities in order to form a broad, viable and profitable business venture with a social heart. This will be a place for the whole community, multi-generational, bringing people together, diverse and dynamic, powered by the energy of youth.

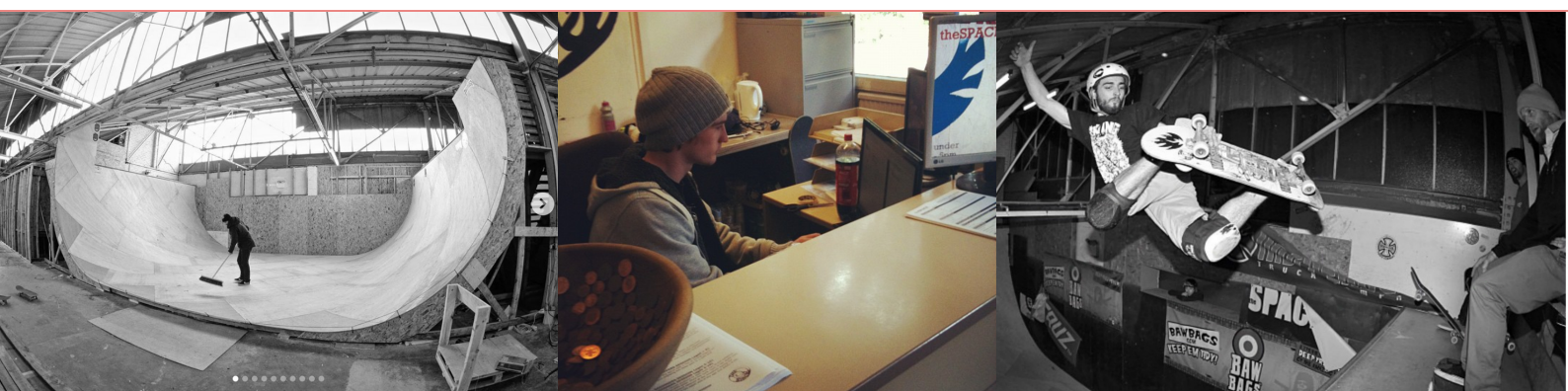
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It will be sustainable in terms of revenue generation through trading with profits being reinvested in supporting young people and ensuring the facility remains cutting edge and future-proofed for changing and sometimes unexpected times. We will aim to create a building and place that is environmentally sound, accessible to all and with a design quality and material finish that reflects our ambition.

Please let us know what you think and how you feel about our proposals!



And given our weather, we need it.

The average annual temperature for East Lothian is 11° degrees and there is about 390 mm of rain in a year. It is dry for 128 days a year (so it is WET for 237). A huge gap in the market exists for an indoor multi-activity and multi-generational community enterprise.

This proposal is happening at a socially important time.

2020 and 2021 have been tough years all round. This is on top of a long recession and a decade of austerity. Many people were having a tough time of it before Covid struck. Over the next few years, it is vital for the community of Dunbar to continue to strengthen and deepen its support networks and opportunities. We want to be a part of that, offering a chance to unite around a big shared goal, something for the whole community, with youth at its heart.

We can also learn much from what has been achieved elsewhere.

Other communities have responded in similar ways. Transition Extreme in Aberdeen and XC in Hemel Hempstead are good case studies of similar ventures that have created incredible venues and fairly solid business models.

theSpace Dunbar would seek to be fully sustainable through trading and to not depend on funding to cover core operational costs. As such our business and social model will be broader than the case studies presented here and will involve creating various income streams that will ensure its ongoing viability and strength. The case studies here are almost fully focused on young people as a distinct group, whereas we want to create a youth powered space that can be home to children, young people, families and all members of the community. It will be youth leading the way for the whole community.

CASE STUDY: Transition Extreme Aberdeen

TE opened in 2007 as a youth based extreme sports centre that attracts over 80,000 visits a year and provides year round indoor & outdoor facilities including; rock climbing, a high ropes course, skatepark, martial arts facilities, creative arts zone and cafe/community facilities. TE is a charity and a company limited by guarantee and raised significant capital funding (public/trusts) to create the purpose built facility.

TE supports and assists children and young people to make positive life transitions and as a leading Aberdeen-based youth charity and social enterprise, they provide a wide range of innovative sports, creative arts, diversionary, employability, educational and enterprise activities. (from their website)

Their annual turnover is between £800,000 and £1,000,000 and roughly 15%-20% of that is through revenue funding and business sponsorship and their expenditure seems under control, providing a reasonably sustainable model for a community based social enterprise.



CASE STUDY: XC

“Dacorum Sports Trust is an innovative, community-focused charity committed to making a positive impact on the health and wellbeing of our community. Any surplus that is made is reinvested in the facilities and the local community. We have been a charitable trust since 2004 and have been at the forefront of sport and leisure in Dacorum. We run Little Hay Golf Complex, Our Gym – a low-cost gym in the Maylands industrial area of Hemel Hempstead, and XC, an extreme sports centre in Jarman Park, Hemel Hempstead.

XC cost £5.25m to build, £5m was from the government’s ‘MyPlace’ programme and the remaining £250k has been invested by Dacorum Sports Trust. All the facilities have been geared towards the youth of today with an aim that XC will be a ‘one stop shop’ for teenagers. Alongside XC’s impressive extreme sports skate park, 14m climbing wall, indoor caving system, bouldering and high ropes, the XC also features a youth-focused health centre with counselling rooms, a music recording studio, and internet cafe”.
(from their website)

XC has an estimated turnover of around £1.5 - £1.7 million. It is a good example of how significant trading income and reserves can be generated by a social enterprise (the Dacorum Sports Trust has a number of facilities).



Together, we can make the imaginable possible,

The main limitation is our imagination. The big picture and the everyday detail will be brought together to realise this bold vision that is shaped and driven by our community.

the possible doable,

We will work openly and collaboratively to create a buzzing network of communities and people with a common goal. Together, forge and form thespaceDunbar, as a vibrant, creative, and enterprising place. We will be fully sustainable, defiantly independent and hopeful and open in our outlook.

The table below gives a rough idea of the stages and a potential financial model.

Design

Community Engagement

To create a final brief for thespaceDunbar

Capital

Capital Investment Strategy (to be finalised)

10%-35% Loan Capital (e.g. Social Investment Scotland / Triodos)

60%-85% Large Grant Capital (Large Funders and Trusts)

5% Small Grants and Community Fundraising

For example, if £4,000,000 is sought, we would require:

- Between £400,000 and £1,400,000 Loan
- Between £2,400,000 and £3,400,000 Large Grants
- £200,000 Small Grants and Community Fundraising

The final budget target will follow the agreed brief and design.

Construction Test/ Train

We will need to generate funding for professional fees. We would also seek funding for the test and train stage before opening. For this we will develop relationships with funding bodies that can be maintained during operations to support our learning and support work. The construction phase would itself be a learning and training opportunity that would carry into operations.

Operations Revenue Generation Strategy

- Generate 100% of operational business revenue from trading
- Operational expenditure to be 80% - 90% of trading revenue
- Generate significant long-term contracts, fees and funding to provide additional revenue to the more formal, specialised and structured educational and support aspects of our work
- After Tax Profits invested in:
 - Reserves (say 40%)
 - Social and Educational Programmes (say 60%) alongside the necessary additional Social and Educational funding, fees and contractual income

Given the revenue capacity of the case studies shown and looking at the facilities planned for thespaceDunbar, thespaceDunbar would aim to generate annual revenue somewhere in between Transmission Extreme and XC, at around £1,000,000.

- Operational Expenditure at 80% of TR would be £800,000 and 90% of TR would be £900,000.
- Pre-tax Profit would be £200,000 / £100,000
- After Corporation Tax (20%) roughly £96,000 / £48,000 would be put into Educational Programmes and roughly £64,000 / £32,000 into Reserves.
- theSpace Dunbar would benefit from having a peppercorn rent and hopefully subsidised on-site electricity generation
- The business model will be structured to produce a surplus while having strong community values and being a living wage plus employer.





and the doable done.

That is down to us all.

We need to free and harness
the power and the passion of youth.

They need it.

We all need it.

Let's do it.

