



THE ISLE OF GIGHA HERITAGE TRUST



Isle of Gigha Camp and Motorhome Development Business Plan

Isle of Gigha Heritage Trust

Gigha Trading Limited

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1. Summary

In 2002, following a community buyout, the Isle of Gigha Heritage Trust (IGHT) was established to manage and develop the island of Gigha. Gigha has been continuously inhabited with the population peaking at 700 in the 18th century. However, throughout the 20th century, Gigha had several different owners which latterly significantly impacted on the island's ability to develop and plan for its future.

The 2001 census recorded the population having dropped to 110. The community buy-out then triggered a transformation on the island and the population has steadily risen to around 163 (2011, Census). IGHT generates income through three subsidiary trading companies: Gigha Trading Limited (GTL), Gigha Renewable Energy Limited (GREL) and Gigha Green Power Limited (GGPL).

The following business plan has been compiled on behalf of the Isle of Gigha Heritage Trust to explore the feasibility of developing a camping and motorhome site on the Isle of Gigha. Gigha does not currently have any official camping site or facilities for motorhomes and with increasing visitor numbers to Gigha, the island has experienced a lot of indiscriminate camping and parking. The previous existing camping provision was part of the Boathouse Restaurant which had limited facilities and was not open out with the period of the Restaurant's seasonal opening. The new lessee of the business has confirmed that he does not wish to continue the camping provision along with the restaurant due to the site not having the facilities to manage the demand.

The attraction and popularity of Gigha is such that campers and motorhomes are attracted to the island's peace and tranquillity. Indiscriminate camping is however having a negative impact on island residents and businesses by blocking access on road, to farmland and the waterside. The indiscriminate camping is also having a negative impact on day visitors to Gigha as motorhomes and tents are parked on the edge of the beaches which blocks access and is very unsightly. The creation of an official camping and motorhome site would ensure that the environmental impacts are minimised and will provide a better experience for all types of visitors and island residents.

IGHT are also looking for new opportunities to generate income to support the work of the Trust. GTL is a net contributor to the Trust finances through its work.

This Plan is for a period of 3 years and includes the capital development phase.

1.1 Plan Summary

The Plan considers the potential income and anticipated income for the project.

A realistic allowance has been included for marketing costs to meet or exceed the Visit Scotland average occupancy rates.

The following is therefore conservatively forecast:

Year	Occupancy rates	Income (£)	Expenditure (£)	Anticipated net profit (£)
Year 1	At 50% VS average occupancy rates	28,988	28,100 *	888
Year 2	At 75% VS average occupancy rates	41,081	28,100 *	12,981
Year 3	At 100% VS average occupancy rates	48,375	34,100	14,275

- * These costs exclude repairs at £6,000 pa which will not be required in Years 1 & 2 given the age of the building and that it will still be under warranty for part of this period.
- * These costs also assume a Service Level Agreement is put in place with Argyll and Bute Council for management of the replacement public toilets.

2. The Isle of Gigha Heritage Trust

The Isle of Gigha was put on the market in 2001 and the community were encouraged to purchase and own the island. To take the plan forward and the Isle of Gigha Heritage Trust was established. The Trust is managed by a Board of voluntary Directors. They are elected by the membership to develop the assets of the island and take forward plans and projects for the community. There are three subsidiary companies in place to generate income to the Trust that helps to continue to develop the island, including Gigha Trading Limited (GTL), which is wholly owned subsidiary of the Trust. The main activities of IGHT and its subsidiary companies include:

- Ownership of the majority of the island built and land including housing stock, four working farms, Gigha Hotel, Boathouse Restaurant, Gigha Post Office and Shop
- Managing moorings and pontoons, air landing strip, activity centre for bike hire, 5 self-catering accommodation units and Achamore Gardens
- Managing and maintaining 4 wind turbines

IGHT has successfully managed and developed the Isle of Gigha for the last 17 years. Since the buy-out in 2002, IGHT has:

- renovated 28 houses as part of an ongoing investment programme
- sold 11 plots for private development
- reversed the population from 98 pre-buy out to c 168
- increased the school roll from 6 pre-buyout to c 14
- developed 4 wind turbines which help fund IGHT development and regeneration on Gigha
- installed moorings and pontoon facilities
- successfully marketed its self-catering accommodation, activity centre, airstrip and Achamore Gardens

By the 20th anniversary of ownership 2022 IGHT have the following ambitions:

- creation of an official campsite and motorhome site at Ardminish
- creation of an accessible housing complex to support our elderly residents staying on Gigha and providing a better quality of life for them
- improved access to the island's path networks for visitors and residents
- finding a sustainable future for Achamore Gardens

IGHT currently has 5 full-time paid employees and 2 part-time paid employees. IGHT has 9 voluntary Directors and GTL has 4 voluntary Directors who are appointed on behalf of the island residents to make decisions on behalf of the Members.

3. Project Background

The Isle of Gigha has a serious accommodation shortage which has a knock-on effect on the island's tourist season. At present, the Isle of Gigha has one hotel, three established bed and breakfasts and eight self-catering accommodation units. IGHT would like to develop an official campsite situated adjacent to the Gigha ferry terminal to minimise the indiscriminate camping that happens on island. Gigha has no facilities for camping or motorhomes, and with the introduction of Transport Scotland's Road Equivalent Tariff scheme, the number of this type of visitors is forecast to continue to increase.

Therefore, the Trust proposes to develop a high quality, low impact, zero emissions campsite on a site in its ownership by the ferry pier at Ardmish. The project has the following aims:

- To address the environmental and economic issues being caused by increased number of motorhomes visiting Gigha, including: litter; human mess; parking on sensitive laybys; blocking road access for emergency services, local businesses, residents and day visitors to top attractions
- To address the issues of unauthorised camping on Gigha, including litter, human waste, blocking access and impacts on cattle/sheep
- To offer modern, well maintained and designed facilities at the ferry point to encourage more visitors to stay on Gigha overnight in a regulated and controlled manner minimising impact on the island
- To reduce the number of cars that visit the island through advertisement and promotion of the site location
- To offer a well-designed, accessible and visible facility at the Gigha ferry port (replacing the outdated Argyll and Bute Council portacabin waiting room and toilets)
- By offering facilities, being able to prohibit motorhomes and car-borne wild campers using the narrow single-track road on the island
- Provide upgraded toilet and shower facilities for the public

IGHT has received photographic evidence of vehicles blocking access to popular beaches and island residents erecting signs in an attempt to stop indiscriminate camping.



In addition to addressing these aims, the completion of this project will have the following benefits to residents, Gigha's visitors, and its wider community:

- Development of the campsite would enable IGHT to further strengthen its financial position by generating sustainable income.
- The campsite will improve visitors experience by removing indiscriminate parking, camping and allowing access to Gigha's beaches at all times.
- More visitors will be encouraged to stay overnight and use the island's hotel and Boathouse restaurant, as well as the shop, gallery and visit Achamore Gardens. This will encourage higher spend on island.

- Offers a wider range of accommodation options and support a sustainable approach towards tourism on the island.
- The site identified is owned by IGHT and is within close proximity to the ferry. Its development for this use will prevent unnecessary use of the island's single-track roads.
- The development will tidy up the area that all visitors see when they arrive. The "welcome to Gigha" is currently blighted by an untidy car park and outdated public toilets.
- The site location further fits into Gigha's wider strategy to reduce car borne visitors to the island by making it very accessible and within short distance from the ferry slip.
- Upgraded public toilets and shower facilities that will better accommodate visitors and residents
- The chemical waste facility will minimise the adverse effects on the local and natural environment by providing a quality service for both visitors and community residents.

3.1 The Campsite Development

A site has been identified at Ardmish pier. The site is within IGHT ownership and it is the first site visitors come to when embarking from the ferry. The site comprises:

- An open low-lying field with a range of landscape features (small hillocks and rock outcrops) with beach access and views over the Sound of Gigha
- Direct access onto the island road

The site and car park are shown on the location plan. The site and planning permission (18/02685/PP) can accommodate the following:

- Facilities building - comprising WCs, showers, kitchen area, office/reception area, games room and outside shower/ cooking
- 30 camping pitches
- 6 electric hook-up motorhome pitches
- 4 non-electric hook-up motorhome pitches
- 5 glamping pod sites
- 14 car parking spaces plus 2 accessible car parking spaces
- Access paths and dog walking trail
- Access to beach (Drumyeonmore bay)
- Chemical waste facility

The Oban based architect, Shauna Cameron, designed an initial scheme which has secured planning consent. Plans of the site and the facility are available on Argyll and Bute Councils website with the planning reference: 18/02685/PP. Building Warrant and SEPA consents will be sought early 2020.

Phase 1 will include the following:

- Toilets (2-3 female/2-3 male + accessible wc) – including public use
- Showers (including an accessible shower room)
- Wash-up
- Laundry/drying
- Covered area for cooking
- Outside shower for 'sand'
- Office/reception area
- 15 camping pitches
- 6 electric hook-up motor home pitches

- 4 non-electric hook-up motor home pitches

Funding has been secured for this phase

Phase 2 will consider the following:

- Extended office/exhibition/reception
- Games room/ internal dry area for gathering
- Further camping and motor home pitches
- Glamping pods
- Store – indoor and outdoor (for small quad bike/grass cutters etc)

Funding for this stage has still to be secured.

3.2 Project Programme

Date	Priority Task	Other tasks
15-19 Oct 2018	IGHT revisit scheme and brief for discussion and finalisation of Brief on 19 Oct.	Investigate QS, Engineer & Environmental Consultant appointments
22 Oct 2018	Asset Transfer Request official application	Submitted and passed first stage
22 Oct – 2 Nov 2018	SCA develops scheme for comment	Done
30 Oct 2018	Rural Tourism Infrastructure Fund expression of interest deadline	Submitted and passed first stage
5 - 16 Nov 2018	IGHT Board/public consultation	IGHT investigate/apply for water & electrical connections for cost purposes; SCA informal discussions with planner.
19 – 23 Nov 2018	SCA finalise design IGHT approve	Initial cost estimate from QS based on sqm rates and initial specification.
26-30 Nov 2018	Submit planning	Submitted
3-14 Dec 2018	A&BC CVU unit registration period	Submitted
17 Dec 2018	Forwarded to local planner	Submitted

25 Jan 2019	LEADER final application deadline	Submitted
25 Jan 2019	RTIF final application deadline	Submitted
4 Apr 2019	RTIF round 2 decision	Received subject to conditions
16 May 2019	A&BC Asset Transfer Request Outcome	Received
19 July 2019	Detailed costs from Architect and QS	Received
26 July 2019	Design Team tender submission deadline	Received
29 July 2019	Open tenders received	Received
Sept 2019	Funders final deadlines	Submitted
Dec 2019	Sign Grant Agreements	Submitted
Dec 2019	Appoint Design Team	Submitted
Jan 2020	Refine design proposals by Architect	
Jan 2020	Preparation of Building Warrant application	
Mar 2020	Construction contract out to tender	
Apr 2020	Start on site	
Dec 2020	Finish on site	

The following capital build programme is anticipated:

Assuming Spring 2021 opening	
Confirm funding	Oct 19
Appoint Design Team	Dec 19
Out to tender to contractors	Mar 20
Start on site	Apr 20
Start marketing	Apr 20
Finish on site	Oct 20
Site open	Mar 21

4. Capital costs

The following costs have been identified to develop the project. These costs have been detailed by Shauna Cameron Architect and CRGP Quantity Surveyor.

PROJECT EXPENSES	PROJECT COSTS (£)
Planning Fees	1,388
Design Costs (fixed fees & licenses) This includes professional fees from the design team as noted below: - Architect (The lead consultant will act as Project Manager for the individual consultancies) - Quantity Surveyor - Structural Engineer - Environmental Consultant – investigation & design of sewage system, SEPA registration fee & Licences - Energy Consultant - SBEM calculation – heat loss/fuel cost calculation – required by Building Standards.	35,000 (subject to tender)
Construction & Landscaping To include land drainage site preparation and external services (£62,995) To include plumbing and electrical installation (£41,110) To include 20% preliminaries To include 5% contingencies	305,306 (subject to tender)
Other (Please Specify) Warrant Lodging fee - £2,000 SEPA application - £1,261	3,261
TOTAL EXPENDITURE	£344,955

All costs are **exclusive** of VAT. The project will be run by IGHT's subsidiary trading company Gigha Trading Limited (GTL) who are VAT registered (789 5852 49) therefore the VAT will be recoverable on a monthly basis.

These project capital costs will be met by grant funding from the following funders:

Funder (Secured)	Amount Granted (£)
RTIF	171,000
HIE	135,000
IGHT in kind/own fundraising	38,955
	344,955

5. Market

The tourism market in Scotland is constantly evolving with new trends merging each year. In 2017, VisitScotland reported roughly 3.21 million international visitors and 11.66 million British visitors to Scotland.

On the West Coast of Scotland, Gigha is a part of the inner-Hebrides along with 12 other islands. Increasingly, visitors are travelling with motorhomes and campervans using Travel Scotland's RET Scheme to visit the small islands for reduced fares. In 2017, there were 14,062 new motorhome registrations and 55,449 pre-owned motorhome registrations (DVLA, 2018).

84% of visitors come to Argyll for the scenery and landscape. Gigha can capitalise well on this. Whilst visiting, 79% undertake site seeing, 61% walk and 57% visit beaches. All of this should be emphasised in the campsite marketing programme.

5.1 Need – Target Market

The Isle of Gigha services the tourism market and includes both recurrent and new visitors who are either local or from overseas. Holidaymakers visit Gigha in periods of up to two weeks and at present, stay in either the Gigha Hotel, self-catering accommodation, B&B's or wild camp. Caravans have never been permitted onto the island therefore camping is the only other option.

The key market segments are described below:

Young Couples: ages 21 to 39, young couples without children looking for high-energy activities (camping, hiking, walking, cycling, water sports hire)

Older Couples: Aged 40+, older couples without children looking for relaxation breaks. They seek quieter activities (fishing, light hiking, walking, nature watching, heritage trails)

Families: Couples or individuals with children. They require a mix of relaxation and high-energy activities.

5.2 Supply

There are currently 6 official campsites on the mainland Kintyre peninsula. In order of distance to Gigha, those include: Muasdale, Killegreur, Machrihanish, Southend, Peninver and Carradale.

The two main campsites within closest proximity to the Isle of Gigha are Muasdale and Killegreur.

- Muasdale – This site has one small 'touring park' on the beachside of Muasdale with eight pitches (six grass and two hard standing), one chalet and two self-catering units.
- Killegreur - This site has a 'touring park' for camping, caravans and motorhomes. They also offer caravan hire. The site is open April-October and offers toilet, shower and dish washing facilities.

Gigha's unique selling point ("USP") is the islands idyllic location and its quality of facilities. The site identified for the campsite offers lots of privacy through natural sloping hills and natural landscape features with good views across the Kintyre peninsula. The site is also within close proximity to the ferry, making it incredibly accessible. Site users do not need to bring their cars (and pay the costs of car ferry travel) as the site is less than five-minute walk from the ferry.

Gigha already has the competitive advantage over neighbouring sites as high numbers of visitors continuously try to book short breaks on Gigha during peak periods. However, due to a shortage of accommodation, Gigha cannot accommodate this numbers of visitors. Gigha will also capitalise on its

accessibility to the mainland and low cost of access. Gigha will also focus on providing a site for motorhomes and campervans on a sheltered site off the roadside in the natural landscape. This is one of the sites strengths over neighbouring campsites who are situated in plain sight on the side of the main A83 road.

5.3 Demand

The Scottish Accommodation Barometer Report (2018) revealed an increase of 14.53% in July 2018 when comparing touring and camping pitches with July 2017 figures. Transport Scotland’s Road Equivalent Tariff Scheme (“RET”) was introduced to Gigha as a pilot scheme in 2014. This scheme involves reducing the ferry fares on the basis of the cost of travelling an equivalent distance by road, with the aim of promoting remote island economies by reducing the cost of ferry travel. This has worked successfully for Gigha and has steadily increased visitor numbers since piloting. For example, from June 2015 to June 2018, campervan and motorhome figures have increased by 52%. Similarly, from July 2015 to July 2018, foot passenger figures have increased by 31.3%. (Caledonian MacBrayne passenger figures below). It is noted that passenger figures include Gigha residents, but the majority of the growth can be attributed to visitors as the number of residents has been fairly static during this time.

Passenger Figures	2015	2016	2017	2018
April	2732	2622	2915	2852
May	3252	3516	3949	4573
June	3503	4029	3660	4540
July	4447	4194	5132	5841
August	4547	4796	5356	5178
September	3046	2829	3200	

Landed CV/MH	2015	2016	2017	2018
April	47	47	31	40
May	49	37	54	62
June	44	40	37	67
July	49	48	43	41
August	52	37	57	43
September	43	44	69	

Gigha currently has no facilities for camping or motorhomes, and with Transport Scotland’s RET scheme, the number of this type of visitors has increased and is forecast to continue to increase. VisitScotland (2017) state: “Digital search trends have suggested that ‘wild camping’ is a popular aspiration for consumers. How this can be delivered and commoditised is an opportunity and a challenge for the tourism industry in Scotland.”

With reference to the CalMac passenger figures detailed above, the number of this type of visitor to Gigha has steadily increased since 2015. The number of campervans and motorhomes increase by 10.2% in 2018 when compared with 2017’s figures.

This increase is currently causing a significant amount of indiscriminate and problem camping at various points across the island. For example, indiscriminate camping has blocked access of small boat

launching for both fisherman and at the Activity Centre. This also has a negative impact on family's day-tripping to visit beaches due to tents and campervans being pitched across the edge of the beach. Motorhome and campervans are parking in sensitive laybys and disrupting resident traffic on the islands only single-track road. Currently, there are no restrictions for motorhome and campervans and they park at both north and south ends of the island. On different occasions during the 2018 and 2019 season, this has blocked access for the emergency services, business owners and residents, making their daily commute difficult.

This highlights the demand for official camping facilities on Gigha to prevent the unnecessary indiscriminate camping which has a detrimental effect on island residents and day-trippers.

5.4 Pricing

The pricing structure has been set following research into other sites across South Kintyre and taking in to account the range of facilities that will be available at the Gigha site. After comparing prices with campsites both within the Kintyre area and of locations similar to Gigha, the following prices have been decided:

	Off-Season	Compared w/ Port Mhor (Islay)	Peak-Season	Compared w/ Loch Ranza (Arran)	Additional Charges (?)
Tent pitch	£10.00 (£15.00 if car too)	£8.00 (based on 2 sharing) £9-14.00 Family pitch	£16.00 (£20.00 if car too)	1 man tent £9.00 4-5 man tent £24.00 p/n	% discount on 5 - 7 nights stay
Motorhome / Campervan	£18.50 – NON EHU £22.50 – EHU (based on 2 sharing)	£8-14.00 (awning extension add. £2.00)	£25.00 NON EHU £30.00 EHU	£21.00 NON EHU £24.00 EHU (based on 2 sharing)	Awning Extension - £4.00 (depending on space available)

	Total possible camping sales	Total possible motorhome sales
Main season	£49,410	£48,275
April to Sept	183 nights x 15 pitches x average of £18	183 nights x 10 pitches x average of £26.38
Out with main season	£34,125	£35,490
Oct to March	182 nights x 15 pitches x average of £12.50	182 nights x 10 pitches x average of £19.50
	£83,535	£83,765

After comparing both Port Mor and Loch Ranza campsites, the price list for Gigha was compiled.

5.5 Promotion

84% of visitors come to Argyll for the scenery and landscape. Gigha can capitalise well on this. Whilst visiting, 79% undertake site seeing, 61% walk and 57% visit beaches. All of this should be emphasised in the campsite marketing programme. In Argyll, 11% of visitors camp, compared to 6% for the whole of Scotland, and a further 8% arrive in touring caravans and motor homes. A well located, landscaped site with good access to short walks, beaches and easy sightseeing will therefore attract these visitors.

Gigha Trading Limited (“GTL”), the established trading arm of the Isle of Gigha Heritage Trust, will be initially managing the campsite alongside its self-catering and activity centre businesses. GTL will however look for opportunities to develop private businesses on the island by offering the possibility of a partnership or franchising.

The marketing of the campsite will focus on the site’s unique and natural position. The campsite will not be seen from the roadside, which is a benefit to both visitors and island residents. It will not be unsightly and will be hidden amongst the natural sloping hillocks. This will also create a ‘wild-camping’ feel to this site which gives campers personal space and privacy. The marketing will also focus on the campsite’s strategic location. It is within close proximity to the ferry, and also within walking distance to bike hire, destination restaurant, island shop and post office, craft workshops and the Gigha Hotel.

Advertising in local newspapers has previously been successful for the Isle of Gigha and has attracted higher number of bookings during the down season. Mainstream advertising will be through the improvement of the IGHT and GTL websites. At present, GTL is umbrellaed under www.gigha.org.uk which includes all local businesses on island, as well as relevant information about the 2002 community buy out. This leaves GTL at a disadvantage as it does not hold its own website to accommodate rental bookings for it’s trading activities. GTL would therefore like to establish a separate website designed purely for the campsite. This would include information about the campsite location and its facilities with an additional bolt-on for reservations. Costs are included in the table below.

The Camping and Caravanning Club have an online database where you can browse member campsites across the UK and reserve your pitch. This is the main site used by motorhome users to book their camping holiday. The Gigha campsite should use this website to build its reputation and attract visitors. The biennial fee for the Camping and Caravanning club includes advertising, an annual site visit and assessment, help and guidance and branded signage/advertising.

The main channel manager used for GTL at the moment is FreetoBook, which is advertised through the main island website, www.gigha.org.uk. Both booking.com and AirB&B will be introduced to help boost reservations. Both channel managers are being used by other island businesses with success, and therefore joining both Booking.com and Air B&B will improve GTL’s appearance in organic web searches and in turn, may increase visitor bookings.

The Gigha campsite will also register as a Visitor Information Partner (“VIP”) with VisitScotland to provide information to visitors and island residents. Becoming a VIP will also give staff at the campsite access to training materials which will help boost their skills and their knowledge of the local area.

GTL will do this through the use of:

- Establishing a new website for booking/reservations for the campsite
- Advertising in the local newspaper and social media channels

- Introduce an 'add-on' to the already established booking site to accommodate online bookings for the campsite
- Create accounts for two new channel managers: booking.com and Air B&B
- Leaflets available to local residents and businesses

What	When	Costs Year 1	Year 2	Year 3
Camping and caravanning club, certified site membership	Before launching	(Biennial) £165.00 +VAT		£165.00 +VAT
Booking.com Channel Manager	Set-up before launching & continued	£500.00	£500.00	£500.00
FreetoBook				
Air B&B		£500.00	£500.00	£500.00
Creation of new, separate website	Before launching & continued	£2500.00		
Facebook		£0.00		
Newspaper Advertising	After launching			
Printed Literature				
WiFi Installation	Before launching & continued	One off connection cost £120.00. £38.00 p/m Total: £576.00	£456.00	£456.00

These costs are included under Marketing in the cashflow forecast. An annual sum of £4,500 has been included to cover these and ongoing marketing and social media costs.

6. Measuring Success

We will measure success of the campsite development by the following:

- Increasing the profitability of the campsite as it develops and financial return to GTL
- Increasing numbers of this visitor type to Gigha
- Increasing satisfaction of their stay on Gigha by this visitor type
- Reduction in numbers of motorhomes on the island roads
- Reduction in numbers of incidents of indiscriminate and problem motorhome parking and wild camping
- Increased economic impact on other tourism businesses on Gigha

We will measure this through:

- Booking numbers at the campsite
- GTL income
- Developing a guest marketing database to encourage return visits, advertise promotions and gain feedback on visitor experience
- Annual visitor surveys either through Survey Monkey or paper
- Reduction in numbers of complaints about indiscriminate or problem parking, camping and driving
- Survey of the tourism businesses on Gigha to identify any change in their numbers

The average length of stay in Argyll is 4 nights for domestic tourists spending an average of £69 per day in the local economy. This spend will impact on the hotel, shop, restaurant, gallery, gardens and activity centre on Gigha. Opportunities for joint promotion and ensuring other Gigha businesses can share the economic growth generated by the development will be critical.

7. Financial return to IGHT/GTL

A detailed income and expenditure model have been developed which considers average occupancy rates for this type of accommodation (as prepared by Visit Scotland). It also considers income projections based on local site comparisons and assumes a conservative estimate as to the costs of site management.

It is recognised that it will take marketing activity and time for occupancy rates to grow and as can be seen from **Appendix 1**, a prudent approach has been taken to occupancy rates and forecasting income at:

Year 1 = 50%

Year 2 = 75%

Year 3 = 100%

Assuming the site meets the full Visit Scotland average occupancy rate in year 3 – the site will make an annual profit of £14,275

The following assumptions have been made in the Business Plan:

Income

- * The site is closed from November to February inclusive. A small number (10pcm) of only motorhomes use the site without facilities
- * Occupancy rates are based on the Visit Scotland's Argyll average
- * There is a different price for users with and without cars. These are split at 50/50 for the site
- * Service-level agreement with Argyll and Bute Council for running/cleaning costs of public toilet provision

Expenditure

- * Management and operational staff manage the site and undertake maintenance
- * A further sum of £100 per week is allowed for grass cutting during the season
- * Business rates payable are the same as the Lochranza site on Arran which is similar in terms of size and facility
- * Marketing budget of £4,500 pa
- * The site is taken within the IGHT block insurance policy
- * An allowance of £9,200 pa is made for repairs and maintenance sundries from Year 1

8. Other Management Options

As one of IGHT charitable aims is to support island economic growth, the option of leasing or franchising the campsite should be considered. There are a number of different routes this could take:

- * An individual or island business is paid a management and maintenance rate to run the site, with all income and expenditure being dealt with by GTL. These costs could be lower than the management and maintenance costs included in the Plan, with any balance being shared between GTL and the individual/ business
- * An individual or island business is leased the site on an open book basis – where all costs and income are known. A percentage of turnover is agreed as a rent payment to GTL
- * The site is leased at an open market rent with the individual or business managing all aspects of the site's management, maintenance and development. This would be for a minimum term of 5 years with the lease being assignable.

It is proposed that, unless a local business or individual comes forward before the site is open, with a realistic business proposal that reflects the IGHT and individual's investment, then GTL run the site in the first instance.

This will establish an initial set of accounts for the campsite and make it a much more valuable and viable business proposition to market to a business or individual who may want to run it from Year 2 onwards.

9. Project Risks and Mitigation

This is a significant investment for funders and for IGHT in terms of time and reputation. Poorly delivered and run, it will have a major detrimental impact on the Gigha 'offer' and visitor experience. The following risks have been considered as part of the project development process:

Risk	Likelihood of occurrence	Impact of occurrence	Ways to mitigate
All capital development funding is not secured	Medium	High – project will not proceed	Early discussions with all funders. Submitting early expression of interest. Understanding of funders requirements/eligibility.
Do not get planning consent	Low	High – project will not proceed in the current form	Pre application discussions revealed no major issues. Ongoing discussions with Planners during submission process. Appointment of highly qualified and experienced Architect to guide us through the process. Good community awareness of the project. Project has flexibility to amend elements to meet any planning concerns.
Do not get other consents	Low	High	Appointment of highly qualified and experienced Architect to guide us through the process. Project has flexibility to amend elements to meet any licensing concerns.
Cannot find a suitable contractor	Low	High	Advertisement through Invitation to Tender process to secure early interest. Appointment of well-connected Architect with good knowledge of local contracting businesses.
Construction costs overrun	Medium	High	Need appropriately skilled and experienced Architect to manage project. Award contract on a fixed price basis. Ensure flexibility in design and contract to enable variations if costs overrun.

Construction time period overruns and opening date not met	Medium	Medium	Need appropriately skilled and experienced Architect to manage project. Award contract with penalty clauses for overruns.
Site fails to attract sufficient visitor numbers and income projections not met	Low	Medium	Initial income projections assume a slow start (50% of average occupancy rates). Generous marketing budget allowed to properly market the campsite to existing and new Gigha visitors.
Visitor experience poor	Low	Medium	Effective and detailed training required for all staff managing and maintaining the site. If site leased/ franchised, strict conditions in the Agreement over quality of service and management.
Anticipated economic return to rest of island businesses not delivered	Low	Medium	Ensure discussions take place between Business Development Manager and island businesses to identify how campsite can add value to existing businesses/ opportunities for cross promotions/ joint marketing etc.
Failure to find suitable manager/ lessee	Medium	Low	Site can stay in GTL management. Design a long lead period and good marketing of the opportunity off island, if a suitable island business/ individual does not come forward.

This Business Plan was produced by the Isle of Gigha Heritage Trust/Gigha Trading Limited.

This Business Plan has met the conditions of funders and all investment has been secured. This Business Plan is available for information only.

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