Invergordon Town Hall

Development-Phase Business Plan

1. Executive Summary

Invergordon Town Hall is a strategically important civic asset serving Invergordon and the wider Easter Ross area. This business plan demonstrates a credible and sustainable operating future, re-establishing the Town Hall as ***Easter Ross's shared civic room***: a flexible, multi-use public building supporting everyday cultural, social, and civic activity, local employment, town-centre vitality, and long-term community benefit. The model is deliberately scaled to the realities of a small-town context, prioritising resilience and stewardship over growth.

A Modular, Risk-Managed Operating Model

The operating model is modular by design, separating civic and commercial activity while allowing them to reinforce one another in practice. The building will host two distinct but complementary operations, stewarded by **Invergordon Development Trust (IDT)** as asset owner and long-term custodian:

- **A civic cinema, events and gathering space**, incorporating a flexible auditorium and bar/foyer, operated by an independent civic social enterprise.
- **A bake-led daytime bakery–café with limited evening food service on selected nights**, operated by another independent social enterprise leasing space within the building.

Each operation is designed to be financially viable in its own right. Cultural and civic provision is not dependent on food-trade profits, and the commercial tenant is not exposed to the financial risk of running a public venue. This separation protects public investment while allowing shared footfall and audience experience to strengthen both uses.

Civic Cinema and Events Operation

The civic auditorium and bar/foyer are conceived as a flexible, level-floor venue with retractable seating for up to 200 people, allowing rapid reconfiguration between cinema, live performance, standing events, and open-floor civic use.

On conservative assumptions, the civic operation:

- generates approximately **£239,000 per annum** in earned income
- covers all operating costs
- pays **Living Wage** roles
- produces a modest annual surplus of around **£32,000**
- does **not** rely on subsidy or cross-subsidy from the café

Cinema provides a predictable income backbone, while live events, hires, daytime activity, and limited visitor-linked cultural sessions diversify risk and maximise use of the building throughout the year. This represents civic viability, rather than commercial maximisation, appropriate to the role of the asset.

Independent Eatery as Trading Tenant

The eatery is designed as a small-town-appropriate, resilient bake-led operation, focused on daytime bakery–café trade with a takeaway-led lunchtime offer, complemented by limited evening food service on selected nights in peak periods.

Feasibility-stage projections indicate:

- **Core annual turnover** of approximately **£355,000 (net of VAT)**
- disciplined cost control with a blended food and drink cost of around **28%**
- a **stabilised operating surplus of £30,000–£40,000**, with event-linked trade treated as additional upside rather than a dependency

This supports Living Wage employment and creates capacity for a modest base rent in early years, rising through a stepped or performance-linked arrangement once trading stabilises, subject to final operator appointment and lease terms. The eatery activates the High Street frontage throughout the day and contributes to the sustainability of the building without being relied upon to subsidise civic activity.

Long-Term Stewardship

IDT's approach is based on *long-term stewardship rather than growth-driven expansion*. Sustainability is achieved through conservative pricing, gentle index-linking, accumulation of modest reserves, and periodic reinvestment. Governance arrangements enable regular review and incremental adjustment, avoiding crisis-driven intervention.

2. The Asset and Civic Need

Invergordon Town Hall is a prominent B-listed civic building, constructed in 1871 with a rear extension added in 1934, occupying a central and highly visible position on Invergordon High Street. The building comprises approximately 585m² of internal floor area, including a former cinema/hall, ancillary rooms, offices, storage, and a fitted kitchen.

While the structure provides a strong foundation, incremental alterations over many decades have left the internal layout inefficient and poorly aligned with contemporary use. The building is also outdated in terms of accessibility, services, and energy performance, requiring careful reconfiguration and modernisation to function effectively as modern civic infrastructure while respecting its historic fabric.

The Importance of Flexibility

In small-town and rural contexts, demand for cultural, social, and civic activity is real but uneven. No single activity can sustain a building of this size year-round. Financial and operational viability therefore depends on flexibility of space and programme.

A level-floor auditorium with retractable seating allows the Town Hall to function as a cinema, performance venue, standing or cabaret space, and open-floor civic room for meetings, ceremonies, dances, and celebrations. This adaptability spreads risk, increases utilisation, and enables the building to respond to changing community needs over time.

The Town Hall is not intended as a destination venue competing with city-centre facilities, but as accessible civic infrastructure: space that communities use regularly and identify with over time.

3. Operating Model

Asset Stewardship: Invergordon Development Trust

IDT will hold and steward the Town Hall in community ownership. Its role is to:

- protect the asset for long-term public benefit
- set governance and public-benefit requirements
- lease space to operating entities under clear contractual terms
- monitor performance and risk

IDT will not operate day-to-day activities, focusing instead on stewardship and oversight.

Civic Cinema, Events and Gathering Space

The auditorium and bar/foyer will be operated by an **independent social enterprise**, responsible for cinema programming, live events, daytime learning activity, civic use, private hire, and event-linked bar service. The operation is financially viable on a standalone basis and does not rely on subsidy or food-trade cross-subsidy.

Independent Eatery Tenant

The eatery operates as an **independently trading social enterprise**, leasing defined areas of the building. It manages its own staffing, procurement, and operating risk, pays rent under a stepped or performance-linked arrangement, and is not responsible for the costs or risks of running a civic venue.

There is **no pooling of income or risk** between the two operating businesses.

4. Civic Auditorium and Bar — Summary Business Case

The civic auditorium and bar form the heart of the Town Hall's public function. Operated by an independent civic social enterprise, the space delivers regular, accessible cultural and civic activity for Invergordon and the wider Easter Ross area.

On conservative assumptions, the operation:

- generates approximately **£239,000** in annual income
- pays Living Wage roles
- covers all operating costs
- produces a modest surplus of approximately **£32,000**

The bar operates only in conjunction with events and screenings, supporting audience experience rather than functioning as a destination bar. This represents **civic viability**, appropriate to the scale and role of the asset.

A detailed provisional business plan for the civic auditorium and bar is provided in Appendix A.

5. Eatery — Summary Business Case

The eatery operates as an independent bakery–café within the Town Hall, providing an everyday food offer for local residents and supporting Town Hall activity through event-linked trade, while remaining commercially viable in its own right.

The operating model prioritises simplicity, cost control, and staff sustainability. Core projections show:

- **Annual turnover of approximately £355,000 (net of VAT)**
- blended food and drink costs of around **28%**
- a stabilised surplus of **£30,000–£40,000**, with event-linked trade treated as additional upside

The eatery supports Living Wage employment and contributes to the sustainability of the building through a **stepped or performance-linked rent**, without being relied upon to subsidise civic activity.

A detailed provisional business plan for the eatery is provided in Appendix B.

6. Whole-Building Financial Position

Taken together, the combined model demonstrates that:

- the **civic auditorium and bar** are viable on a standalone basis
- the **eatery** is commercially robust and capable of paying rent
- the building can operate sustainably without ongoing revenue subsidy

Modest surpluses are retained as operating reserves, smoothing variability and supporting reinvestment. Sustainability is achieved through diversified use, conservative assumptions, and disciplined cost control — not continual growth or maximisation.

7. Risk Management

Risk management for the Invergordon Town Hall project is embedded primarily in structural and operational design, rather than reliance on contingency funding or optimistic assumptions. The operating model has been deliberately shaped to avoid common failure modes associated with community asset transfers and regeneration projects.

Structural and Governance Risk

Risk: Over-integration of activities leading to systemic failure if one element underperforms.
Mitigation:
The operating model separates ownership, civic operation, and commercial activity into distinct but coordinated roles:

- Invergordon Development Trust (IDT) retains asset stewardship.
- An independent civic social enterprise operates the auditorium and bar.
- The eatery operates as an independent, rent-paying trading entity.

This modular structure ensures that underperformance in one area does not jeopardise the whole building and allows individual components to be adjusted or replaced without destabilising the asset.

Financial Risk

Risk: Over-optimistic income assumptions or hidden cross-subsidy masking structural deficits.
Mitigation:
Financial modelling is intentionally conservative and feasibility-stage appropriate:

- Core operations are viable without reliance on upside scenarios.
- Event-linked and secondary income streams are treated explicitly as additional upside, not dependencies.
- Rent assumptions are modest in early years and increase only once trading stabilises.
- No activity relies on subsidy for day-to-day operation.

This ensures transparency and prevents risk being implicitly transferred between activities.

Market and Demand Risk

Risk: Variable or insufficient demand in a small-town context.
Mitigation:
The model prioritises **flexibility over fixed intensity**:

- Mixed-use spaces allow programming to scale up or down.
- The eatery operates limited opening days aligned to demand.
- Civic programming can adapt to audience behaviour without undermining core viability.

This allows the building to respond to real patterns of use rather than forcing constant activity.

Staffing and Delivery Risk

Risk: Difficulty recruiting or retaining staff, or over-reliance on specialist roles.
Mitigation:
Staffing models are deliberately lean and based on multi-skilled roles, paid at Living Wage or above. Operations are designed around repeatable processes rather than specialist or fragile skillsets, and the model avoids reliance on volunteer labour for core delivery.

Operational Complexity Risk

Risk: Excessive complexity increasing costs and management burden.
Mitigation:
The project explicitly avoids unnecessary complexity, including:

- overly elaborate service models
- seven-day trading assumptions
- tightly coupled operational dependencies

Simplicity and repeatability are prioritised across all activities, reducing execution risk and easing future operator transitions if required.

Regulatory and VAT Risk

Risk: Uncertainty around VAT treatment affecting capital or operational cashflow.
Mitigation:
VAT treatment of capital works, rental arrangements, and trading activity will be confirmed during the development phase with specialist professional advice. This is a recognised risk area in community asset projects and will be addressed early to ensure appropriate structuring and value for money.

Long-Term Stewardship Risk

Risk: Gradual erosion of civic purpose in favour of short-term commercial pressures.
Mitigation:
Governance arrangements prioritise civic use as the primary function of the building, with commercial activity explicitly positioned as supporting infrastructure rather than a dominant driver. This aligns financial sustainability with long-term community benefit and Common Good responsibilities.

Summary

The project's risk management approach is based on designing out fragility rather than assuming perfect delivery. By separating functions, using conservative assumptions, retaining flexibility, and avoiding unnecessary complexity, the model is resilient to underperformance, change, and uncertainty while remaining capable of adaptation over time.

8. Conclusion

This business plan demonstrates that Invergordon Town Hall has a realistic, well-governed, and sustainable operating future. By combining a flexible civic auditorium and bar with an independently operated eatery, the model achieves resilience through modularity and risk separation. Each component is viable in its own right, protecting public investment while delivering lasting civic, cultural, and economic value.

Appendix A

Civic Auditorium & Bar — Feasibility Business Plan (Summary)

Purpose

This appendix sets out a feasibility-stage operating and financial model for the civic auditorium and bar/foyer within Invergordon Town Hall. It demonstrates that the civic operation can function as a financially viable, standalone public venue, appropriate to a small-town context and without reliance on subsidy or cross-subsidy from food and beverage trade.

All figures relate solely to operation of the auditorium and bar/foyer and are presented at **development-stage level**, subject to refinement following detailed design and operator appointment.

Operating Model

The civic operation is conceived as a **multi-use cinema, events, and gathering space**, serving Invergordon and the wider Easter Ross area. The model prioritises flexibility, predictability, and risk-spreading, rather than reliance on any single activity.

Key characteristics:

- cinema as a regular programme backbone
- live events and performances
- daytime learning, schools, and civic activity
- private and community hire
- event-linked bar service

The operation is designed to support everyday civic use, not to function as a destination venue.

Non-Negotiable Spatial Assumptions

The model assumes a **level-floor auditorium** with retractable or demountable seating.

Core requirements:

- maximum seated capacity: approx. **200**
- rapid conversion between:
    - cinema
    - live performance
    - standing / cabaret
    - open-floor civic use

Without this flexibility, the civic and financial viability of the space cannot be achieved.

The bar/foyer:

- is located between entrance and auditorium
- opens only when events or screenings take place
- is designed to support audience experience, not operate as a destination bar

Catchment and Role

The Town Hall serves a catchment including Invergordon, Alness, Dingwall, Tain, and surrounding rural communities, with an estimated population of **20,000–25,000**.

Its civic role is to function as **Easter Ross's shared civic room**

Hosting:

- cinema screenings
- performances and gigs
- meetings, ceremonies, and celebrations
- schools and learning programmes
- conferences, AGMs, and private hire

This civic framing is central to both community value and financial sustainability.

Programme Logic

The programme mix deliberately spreads financial and operational risk.

Core strands include:

- regular cinema screenings
- live events (music, theatre, comedy, talks)
- daytime learning and schools activity
- civic meetings and gatherings
- private and community hire
- limited visitor-linked cultural sessions (treated as upside, not dependency)

No single strand is relied upon to sustain the operation.

Operating Pattern

Evenings

- cinema as a regular mainstay (typically 2–3 nights per week)
- live events interspersed
- bar open pre-event, interval, and post-event

Daytime

- schools screenings and workshops
- talks, learning activity, and rehearsals
- meetings and hires

The building is intended to be active throughout the day, not only in the evenings.

While the on-site eatery may provide catering for certain hires by agreement, **no catering income or cost is assumed** within this model.

Staffing Model

Staffing is designed to be lean, flexible, and Living Wage.

Indicative core staffing:

- Venue & Programme Manager: **1.0 FTE**
- Technical / Duty Manager: **0.8 FTE**
- Admin / Box Office: **0.4 FTE**

Total core staffing: 2.2 FTE

Casual staff are used for:

- front-of-house
- bar service during events

This approach keeps fixed costs low while allowing delivery flexibility.

Income Streams (Conservative Case)

Income assumptions are deliberately conservative.

Cinema & Ticketed Events (Net)

- 80 programmed evenings per year
- average attendance: 100
- net retained per event: £1,200

Annual income: £96,000

Daytime & Evening Hire

- community hire: £10,000
- private / commercial hire: £20,000
- conferences / AGMs: £15,000

Total hire income: £45,000

Visitor-Linked Cultural Activity (Upside)

- Cruise-linked sessions treated as additional upside, not core dependency

Indicative income: **£72,000**

Bar / Foyer (Event-Linked)

- bar open only during events
- average spend: £5
- 65% uptake

Annual income: £26,000

Total Annual Income

£239,000

Operating Costs

Staffing

- core staff: £90,000
- casual staff: £17,000

Total staffing: £107,000

Programme and Venue Costs

- film hire / artist fees: £45,000
- utilities: £18,000
- marketing: £10,000
- insurance and licences: £7,000
- repairs and consumables: £8,000

Total operating costs: £88,000

Bar Direct Costs

- drinks stock and wastage: **£11,900**

Financial Summary (Standalone)

Item	£
Total income	239,000
Staffing	(107,000)
Operating costs	(88,000)

Item	£
Bar direct costs	(11,900)
Operating surplus	**32,100**

Viability Statement

On conservative assumptions, the civic auditorium and bar:

- cover all operating costs
- pay Living Wage roles
- generate a modest surplus
- do not rely on ongoing subsidy or food-trade cross-subsidy

This represents civic viability, appropriate to the role of the building.

Status

This is a **feasibility-stage business plan**, prepared to:

- demonstrate operational viability
- inform redevelopment and design decisions
- support asset transfer and funding applications

Figures will be refined following detailed design, specification of seating systems, and appointment of an operator.

Conclusion

The civic auditorium and bar at Invergordon Town Hall can operate as a financially viable, flexible public venue, scaled appropriately to the needs of Easter Ross. With a level-floor auditorium, lean staffing, and diversified programme, the operation provides stable civic infrastructure rather than commercial maximisation, supporting the long-term sustainability of the building.

Appendix B

Bakery - Café — Feasibility Business Plan (Summary)

Purpose

This appendix sets out a feasibility-stage operating and financial model for an eatery located within Invergordon Town Hall. It demonstrates that the eatery can operate as a financially viable, self-sustaining civic food operation, appropriate to a small-town context and without reliance on subsidy.

All figures relate solely to trading within the Town Hall and are presented net of VAT, in line with standard feasibility practice.

Operating Model

The eatery is designed as a bake-led, production-focused food operation, combining:

- a **daytime bakery–café** with a strong takeaway-led lunchtime offer; and
- a **limited evening food service** on selected nights.

The model avoids common rural hospitality risks by prioritising:

- limited opening days
- narrow, repeatable menus
- counter service only
- batch production and off-peak preparation

The eatery is operationally independent and does not rely on other activities within the building for base viability.

Opening Pattern

The eatery is not open seven days a week.

- **Open:** Wednesday–Saturday
- **Closed:** Sunday–Tuesday

Service	Pattern
Daytime bakery–café	Wed–Sat, approx. 9am–4pm
Evening service	Fri & Sat in peak periods; reduced off-season

This pattern concentrates trade, supports staffing sustainability, and reflects proven small-town operating models.

Production and Cost Control

Food production is structured around off-peak preparation and on-demand bake-off, enabling rapid service during peak periods while minimising waste.

The operating model supports a blended food and drink cost of approximately 28%, considered realistic for a bakery- and batch-led operation using high-quality ingredients.

Event-Linked Food (Feasibility Assumption)

The Town Hall programme includes approximately 80 evening events per year, with average attendance of 100 people per event.

The eatery will be capable of offering fast pre-show food on a proportion of event nights, designed for rapid service and batch production. This opportunity is modelled conservatively as additional upside, not as a dependency.

Feasibility assumptions:

- Events per year: 80
- Average attendance: 100
- Base capture rate: 25%
- Target capture rate (upside): 40%
- Average spend: £9.00 (base), £9.50 (target)

Indicative contribution:

- Base case: ~**£7,000** per annum
- Target case: ~**£15,000** per annum

Associated food and marginal staffing costs are explicitly allowed for.

Staffing

Staffing is based on multi-skilled roles, allowing flexibility between production and service.

- Indicative staffing: **5.5–6.0 FTE**
- Paid at or above Living Wage

This reflects the reduced opening pattern and production-led approach.

Rent and Contribution Model

The eatery is expected to contribute to the sustainability of the Town Hall through a stepped or performance-linked rent arrangement.

- Early years: modest base rent
- Stabilised trading: stepped or performance-linked increase

Rent is included within overhead assumptions.

VAT Position

Financial projections are presented net of VAT. The VAT treatment of capital works, rental arrangements, and trading activity will be confirmed during the development phase with specialist advice. Early clarification of VAT recovery and liability will be a priority.

Financial Summary (Mid-Case)

Item	£ per annum
Turnover (core eatery)	355,000
Food & drink (28%)	(100,000)
Staffing	(186,000)
Overheads (incl. base rent provision)	(45,000)
Operating surplus (core)	**24,000**

Additional upside (not required for viability):

- Event-linked food (base): +~£7,000
- Event-linked food (target): +~£15,000

This supports a **stabilised surplus in the range of £30,000–£40,000**, without increasing opening days or staffing levels.

Conclusion

This feasibility-stage model demonstrates that the Town Hall eatery can operate as a viable, self-sustaining civic food operation, designed around realistic demand, disciplined costs, and integration with the building's programme. It provides a sound basis for progression to detailed development and professional validation.