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# Proposed Development of Five Acres site, Berry Hill

Pre-feasibility study

For West Dean Parish Council

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From Locality  
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## ***Introduction***

West Dean Parish Council (WDPC), in partnership with other stakeholders, is seeking to protect and enhance cultural and recreational facilities in the Forest of Dean which are currently under threat.

The site is owned by the Homes and Communities Agency (HCA) and currently the Royal Forest of Dean Campus of Gloucestershire College at Five Acres, Berry Hill, Coleford. The College is looking to relocate to a new site in Cinderford, probably from September 2015. WDPC is working with the HCA with the aim of transferring ownership to the Parish Council or other special purpose community vehicle at this time.

On campus there is a gymnasium, swimming pool, tennis courts, restaurant, self-service canteen, playing fields and a theatre in addition to a range of classrooms and workshop spaces. The leisure facilities are jointly used by the College, local secondary and primary schools and the local community, and are maintained by the Forest of Dean District Council (FDDC).

Consultation with the community has confirmed that the facilities on site are highly valued. They also offer the possibility to create further leisure, training and employment opportunities while enhancing the Forest of Dean's portfolio of tourist attractions. WDPC's vision is of a financially self-sustaining, community-owned, multi-use, educational, social, employment and tourist hub.

With support from the Community Assets and Services Grant Programme WDPC has commissioned Locality to undertake a pre-feasibility study in the form of a constructive review which will build on the outputs from the community consultation and the Enquiry by Design exercise carried out in October 2013, reviewing the options for renewing the site and highlighting key issues to be addressed as part of the full feasibility study.

The constructive review approach involves a team of contributors from different disciplines, backgrounds and experiences considering the brief and making their contributions to the report, which are collated and condensed by the team leader, in this case Jenny Pupius from The Pupius Partnership. The list of Constructive Review team members and other consultees can be found in Appendix E.

## Section 1 Background

### 1.1 About the Five Acres site

The Five Acres site covers 4.5 hectares on the outskirts of Berry Hill, a village with a population of approximately 2,500. In determining potential demand for services at Five Acres the site's central position in the popular tourist destination of the Forest of Dean and proximity to the Wye Valley Area of Outstanding Natural Beauty should not be underestimated.

Figure 1 shows the distance of the site from other settlements in the Forest and other key locations.

Distance of Five Acres from key locations

Fig 1

Town	Distance from site	Population
Coleford	2 miles	Over 10K with adjoining settlements
Cinderford	6.5 miles	Over 10K with the adjoining settlement of Ruspidge
Lydney	8.6 miles	About 9,000 without hinterland
Monmouth	6.2 miles	10,000
Chepstow	17.5 miles	12,350
Ross-on-Wye	13.8 miles	10,000
Gloucester	18.5 miles	149,000
Hereford	26 miles	53,500
Bristol	35 miles	432,500
Newport	30 miles	307,000
Cardiff	42 miles	447,000

There are 6 main buildings on the site with a total floor area of 10,668 sq m (see Fig 3). Fig 2 gives a brief summary of the buildings, their condition and current use. This is extracted from the Building Survey Report undertaken by DTZ for the Homes and Communities Agency in January 2011, a copy of which may be found at Appendix B.

The site has not been well-maintained in recent years and it will be seen that several of the buildings are in a poor state of repair, while others will need fairly extensive update and modernisation in the near future. However some of the buildings could be re-modelled, refurbished, upgraded and brought back into use. The business case for the theatre, the restaurants, the scale and scope of leisure activities, the possibilities for small business units and a hotel are discussed below.

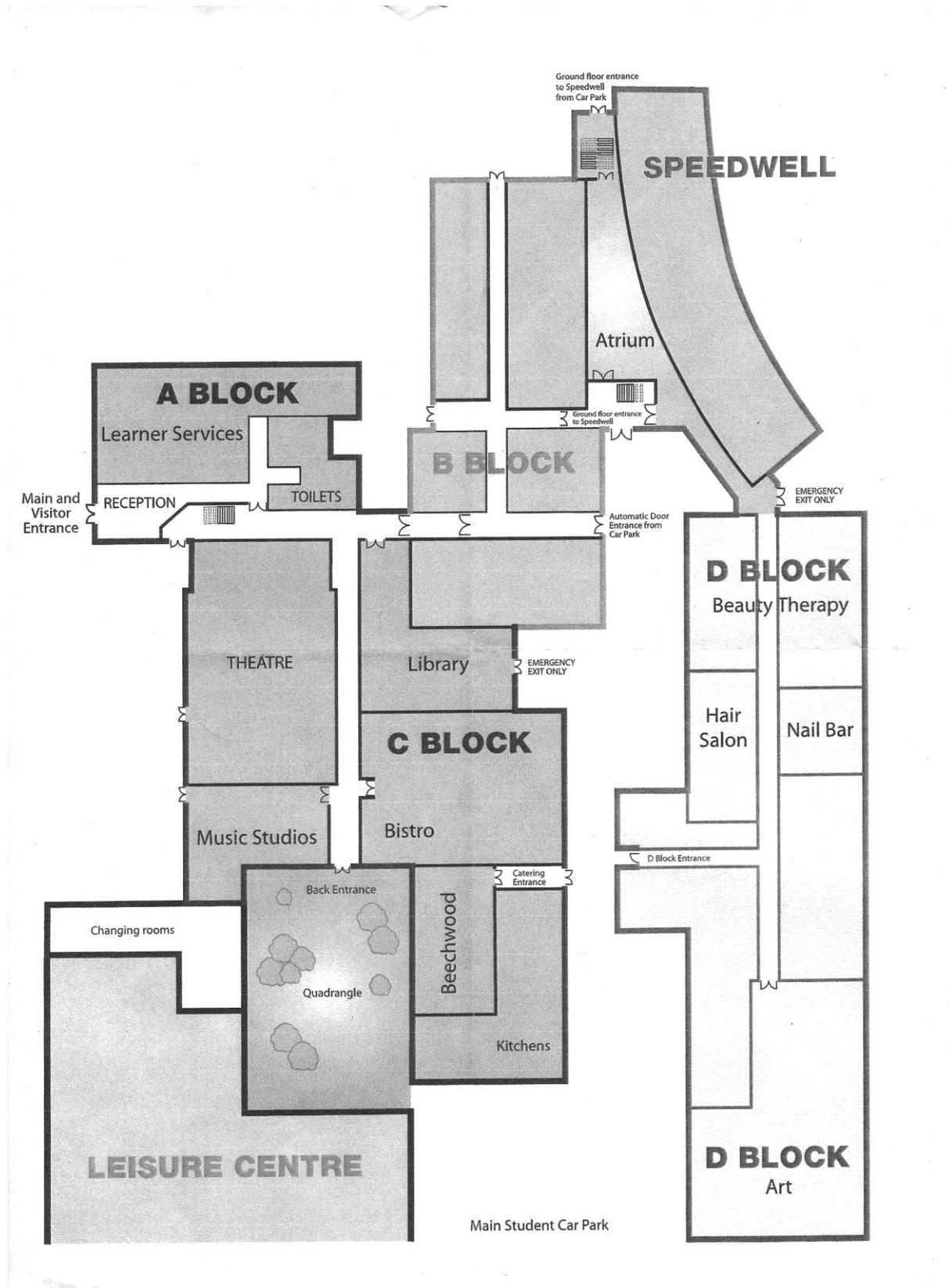
### Five Acres Buildings - summary

Fig. 2

	Number of storeys	Approx floor area sq m	Build date	Building quality / Condition	Current use
Block A	4	2036	1962	C	admin, classrooms and plant room on roof
Block B	2	778	1962	C	classrooms
Block C	2	2938	1962	C	Library, theatre, teaching kitchens, refectory, canteen
Block D	1	1568	1980	B/C	Classrooms, workshops
Leisure Centre	1 ( plus small mezzanine)	1998	1962 and 1986	D	Swimming pool, changing facilities, gym, squash courts, fitness room, main sports hall, therapy rooms
Speedwell	3	1350	2003	A	classrooms

### Key to Building Quality Categorization

- A new, recently refurbished or well-maintained with no significant wants of repair likely to be needed in the short term. Relatively modern specification.
- B generally well-maintained, but some cosmetic work and minor repairs needed. Relatively modern specification.
- C Older buildings of dated specification also with maintenance backlog. Significant repairs or significant life-cycle replacements likely to be needed in the next 10 years.
- D Neglected or dated buildings, generally of poor quality or requiring significant expenditure on essential work in the short term.



## **1.2 About the district**

The Five Acres site is located within the Forest of Dean, a geographical, historical and cultural region in the western part of the county of Gloucestershire. The Forest forms a roughly triangular plateau bounded by the River Wye to the west and north, the River Severn to the south, and the City of Gloucester to the east and is characterised by more than 110 square kilometres (42.5 sq miles) of mixed woodland. It is one of the surviving ancient woodlands of England. Five Acres stands just outside the Wye Valley Area of Outstanding Natural Beauty (AONB).

The area has a population of 82,700 (2012) which is increasing slowly and could reach 94000 by 2033. In common with many rural areas there is a trend towards an ageing population with the younger age groups being under-represented. At present 23% of the population is under 20, and 18.2% over 65. By 2033 this will change to 18% under 20 and 33% over 65.

About half the population is concentrated in the towns of Coleford (local authority HQ), Cinderford, Lydney, Newent and the larger villages such as Newnham and Mitcheldean. Five Acres is in the village of Berry Hill (population 2500) on the outskirts of Coleford. It is 6 miles from Cinderford and 11 miles from Lydney.

The Forest of Dean District adjoins, and is heavily influenced by, both Wales and the West Midlands. Some parts are very close to the county seat of Gloucester, though others look to more to Bristol, Newport, Hereford, or the smaller towns of Ross-on-Wye, Chepstow and Monmouth.

The district is reasonably accessible. The M48 and M50 both cross the district. There are stations at Lydney and Chepstow. However the nature and quality of the local road network comes in for criticism from businesses - narrow country roads are not suitable for large delivery vehicles. Public transport is not well-developed due to the rural nature of the area and its relatively dispersed population.

As with the rest of the UK employment in the Forest has been affected by the decline in manufacturing, the movement of enterprises offshore and the advance of technology. It is an area of small businesses, some 90% of enterprises employ less than 10 people. The service sector is dominant, with 31% of all jobs being in public administration, education and health. Tourism is becoming increasingly significant.

With unemployment at 6.8% the district is significantly below the national average of 7.5% (NOMIS, 2013). Earnings are above the county and national averages. However this masks the fact that female workers both full-time and part-time earn considerably less (19% less) than the national average. There is a high level of commuting out of the Forest for work, reflecting the lack of jobs and the types of jobs available.

In terms of qualifications, for NVQ levels 1 - 3 the district is above the national average attainment, though still below for NVQ level 4 and above. The FDDC Core Strategy 2012 recognises the need to address this and also the need to develop the facilities in the area for higher education.

### **1.3 The importance of tourism**

Tourism is the fastest-growing sector in the Forest of Dean district having seen a 6.5% growth 2011 - 2012 and a massive 48% growth 2002 - 2012. The sector supports 9% of employment and contributes a total value to the local economy of £141million (2012). In 2012 the area attracted 2,547,000 day visits and 253,800 overnight stays.

Tourism is presently promoted, managed and funded through a partnership of the Forest of Dean District Council, the Forestry Commission, the Wye Valley and Forest of Dean Tourism Association and, when appropriate, the Wye Valley AONB, Monmouthshire County Council and Capital Regional Tourism. The main attraction is the scenery and outdoor activities: climbing, canoeing, cycling, walking etc. The new destination management plan currently in preparation aims to reduce seasonality by improving year-round provision. It is acknowledged there is a shortage of indoor wet weather attractions. There are “honey pot” sites such as Tintern Abbey and Ross-on-Wye, but in general the offer in the towns of the FDDC is poor with limited shopping and no indoor activities.

Between November 2013 and January 2014 the partnership undertook the largest yet visitor survey using a database of individuals who had previously shown an interest in the area and a variety of social media tools. Full reports will not be available until the end of July 2014, but a summary of headline results is included in Appendix A. Points of specific interest relating to the development of Five Acres:

- 62% of respondents would have liked the opportunity to purchase and / or consume local food
- Potential indoor / wet weather activities identified included rock climbing; leisure pool with slides, spa; soft play for young children; bowling; farmers’ market; pubs open during the day; shops; family-oriented indoor facility with a variety of interesting activities.

### **1.4 Community consultation**

The Enquiry by Design event held in October 2103, funded by the Homes and Communities Agency (HCA) and conducted by Arup, identified a preferred scenario that retained the Five Acres site for community leisure use, including a leisure pool, theatre and playing fields. Berry Hill RFC would relocate to the Berry Hill School site, with a secondary pitch provided on the Five Acres site, and the current RFC site would be developed for housing.

It has recently been announced that Berry Hill School will not move to the Lakers site, so the RFC will not relocate.

The community seeks to identify a way forward that secures a sustainable future for a community-owned site at Five Acres. The following sections of this report therefore address various income generating options that might meet their aspirations while providing opportunities for business, employment, leisure, culture and education.

## ***Section 2 Developing the Five Acres site - the options***

### **2.1 Developing the leisure offer**

#### **2.1.1 Potential demand**

The community's main priority was the retention of the playing fields, some leisure facilities and in particular the swimming pool. The existing swimming pool attracts over 10,000 visits per annum (based on five months from February to June 2014) ranging from "waterbabies" to "OAPs". The sports hall, gymnasium and fitness centre enjoy a reasonable level of use by local residents and schools.

From the Enquiry by Design event emerged the aspiration for an integrated leisure and health facility which could also attract tourists. Thus would residents' requirements be met while enhancing the Forest's tourism offer, particularly for rainy days (see section 1.3 above). This could work well if combined with the development of other interesting and challenging indoor leisure activity such as indoor climbing, pot-holing, abseiling, skateboarding - effectively bringing the outdoor activities that attract so many visitors to the FoD indoors, making Five Acres a visitor destination that generates income and employment.

Appendix G includes a case study of XC in Hemel Hempstead ([www.thexc.co.uk](http://www.thexc.co.uk)), an indoor, extreme sports centre that is proving very popular.

#### **2.1.2 Potential income and costs**

General experience suggests that swimming pools are not financially self-sustaining, and in fact can be a drain on resources, frequently requiring subsidy by the local authority. If at a private club they may be considered a necessary loss-leader as part of a package to the customer. However, there are some third sector organisations that have managed to prove that this might not always be the case. The Lenton Centre, Nottingham ([www.thelentoncentre.org.uk](http://www.thelentoncentre.org.uk)) is an excellent example that has succeeded through determination, strong management and extensive use of volunteer labour (see Appendix G).

In the case of Five Acres, as will be seen from Fig 3, of all the buildings on site the leisure centre is in the worst condition. It has been poorly maintained and is in need of significant investment. Yet it is acknowledged that investment to merely "make good" the existing facility, particularly the swimming pool, would not reflect good value for money. Modern building and safety standards and indeed user expectations have changed since its last modification in the 1980s. In addition, grant funding from, say, Sports England is unlikely to be forthcoming for lane-swimming when other comparable pools are available within a 10 - 15 miles radius at Cinderford, Lydney, Chepstow and Monmouth.

A more attractive and financially sustainable option might be the demolition of the present leisure centre and the construction of a new facility that is unique in the area with a larger leisure pool with slides and other exciting features that could be marketed as

a visitor attraction. This would have the advantage of being fit-for-purpose, energy-efficient and cost effective to run.

The Lenton Centre opened the dry side first with the aid of small grants. (Sports England currently offers grants of up to £75,000 for facilities improvements which may be helpful for Five Acres). On opening the wet side, turnover doubled with only a marginal increase in core overheads; a 'critical mass' of clients / users was reached with the potential for breaking even only with both sides in operation. Critical to the success was partnering with a swim school. Rather than set up one ourselves we partnered with an independent swim school which has grown to fill the pool time that would otherwise not be paying its way. In selecting a partner it was important that they were passionate about teaching swimming, about making it work as a business and with a compatible community heart.

### 2.1.3 Critical success factors

- Having a clear vision: being clear what kind of facility it is that best suits Five Acres. Is it a local leisure facility? Or is it a visitor attraction that will boost the economy through tourism?
- Gaining support for and commitment to that vision from key partners including the community, the local authority, the local tourism industry and the Local Enterprise Partnership.
- Identifying a (political) champion, and the appointment of someone with entrepreneurial and management skills to drive the project forward, then developing a team of skilled staff and volunteers.
- Identifying the necessary capital funding for either improvement or replacement of the facilities, and sufficient revenue funding to support operations for at least the first year - it often takes longer to reach breakeven than anticipated.
- Designing the leisure centre to minimise running costs in terms of energy, maintenance and staff/volunteer time:
  - a central reception from which all activities can be serviced
  - flexible staffing, where everyone has a number of skills: lifeguarding, gym attendant, cleaning, setting up, clearing down, reception, refreshments
  - in a leisure pool, while multiple features and slides may be very appealing, it will require many more lifeguard attendants than a simpler design.

### 2.1.4 Leisure and health

The Enquiry by Design process also revealed that the community would like to see some locally - based healthcare provision at Five Acres. As stated in section 1.2 above, the population is aging, so local access to therapies that allow people to remain active, or regain mobility after a medical episode or surgical intervention will become increasingly important.

NHS Gloucestershire Clinical Commissioning Group has indicated there are currently no plans for any new health related building in the district. The chair of the NHS Forest of Dean Locality group has confirmed that the group is about to embark on some mapping work with the Medical Division of the British Army to see what services both statutory and

voluntary are currently available in the Forest. Some work is also to be done to determine what health care provision is available to older people.

The Locality Development Plan for 2013 - 2015 identifies as its key priorities:

- Reducing obesity
- Reducing the harm caused by alcohol
- Improving mental health
- Improving health and well-being
- Tackling health inequalities.

It is possible that in due course if a gap is identified, services could be delivered at Five Acres. However if specific therapy facilities are to be required in the leisure complex it would be helpful if these are incorporated into the design at an early stage.

### **2.1.5 Conclusion**

The leisure facilities at Five Acres require significant investment whether the ambition is for a local resource or a major tourism attraction. Consideration should be given to developing a partnership at an early stage with an organisation such as the Aspire Trust that has the experience, track record and community ethos to deliver a successful project. The full feasibility study could explore acceptable terms of engagement.

## **2.2 Creating a hotel**

### **2.2.1 Potential demand**

If the Forest of Dean's new destination management strategy (section 1.2 above) is to succeed in its aim of increasing the number of overnight visitors, then there is also a need to provide a wider range of overnight accommodation than currently exists. According to *Visit Cotswolds*, the destination management organisation that covers all of Gloucestershire, there is a shortage of budget-priced accommodation throughout the area.

Forest Holidays is increasing the capacity of its site near Berry Hill to 120 cabins, but this is very much at the luxury end of the market. There are a number of small private hotels and B&Bs in the vicinity, though these are generally priced at >£55 per night. It is possible to book a private room at the YHA at Goodrich from £39 per night. Camping is popular, though tourism officers suggest that a Travel Lodge-style hotel providing good quality, budget-priced accommodation suitable for families and groups (at say £30 - £50 per night per room) would be a welcome addition.

FDDC has included provision for a hotel development in its plans for Cinderford, but has indicated it would be happy to consider Five Acres as an alternative. The site is accessible and close to the key attractions of the AONB.

### **2.2.2 Potential income**

Of the buildings on the Five Acres site, Block A or the Speedwell would be the most suitable for conversion. Each would require extensive remodelling of the internal space. At a minimum there would be additional plumbing for en suite bedrooms, acoustic linings to walls and floors. Speedwell would require the installation of a lift. As a much older building, Block A would require significant refurbishment and upgrade.

In each most of the ground floor area might be taken by reception, lounge, breakfast area, storage, kitchen, utilities area with the remainder of the building as bedrooms. Assuming a floor area of 25 sq m per bedroom (including en suite facilities), this might allow 30 - 35 bedrooms in Speedwell, 40 - 45 in Block A.

Assuming an average rate of £35 per room per night, and 30% occupancy over the year, this would yield a potential annual income of £115,000 in Speedwell and £153,000 in Block A which could build over time with the growth in visitor numbers to other activities at Five Acres and effective marketing that promotes the site as a year-round destination and a venue for conferences and social events. With 50% occupancy income would be £191,000 and £255,000 respectively.

However conversion costs could be of the order of £1.9million for Speedwell and £3.6million for Block A (excluding fees, external works etc, see section 8). A new-build might be a more cost-effective, long-term prospect. As a purpose-built structure the design would meet requirements in the appropriate number and layout of bedrooms and public space; the building would be easier to manage, energy efficient and low maintenance.

Consideration might also be given to seeking a development partnership with an existing hotel operator, or collaboration with Forest Holidays.

### **2.2.3 Critical success factors**

- A robust marketing plan and effective promotional campaigns that link with the Forest of Dean's tourism promotions are essential to build the number of overnight stays and also use of Five Acres as a conference and event venue.
- A strong management committee or board with appropriate business skills and an understanding of the hospitality industry working with a small professional staff team.
- The delivery of a quality visitor experience, exceeding customers' expectations. This relates to the standard of facilities available, cleanliness, maintenance etc and also to service - the whole customer experience from first contact by phone or through the website to checkout and invoicing.

### **2.2.4 Conclusion**

This early research suggests a market opportunity exists for a hotel on the Five Acres site. This would enhance the tourism accommodation offer in the Forest while creating employment, training and work placement opportunities for residents.

A key factor will be the availability of capital and whether this comes in the form of a grant or a loan. The business plan will need to test what level of income is sufficient to cover running costs and service a loan while still creating a surplus, and the implications of this for the size of operation required.

## **2.3 Catering training facility and restaurant**

### **2.3.1 The business model**

The College buildings currently include 2 large, very well-equipped teaching kitchens and 2 restaurants: one bistro-style and one fitted out for fine dining. In addition there is a students' canteen and associated kitchen.

While recognising a degree of rationalisation may be necessary, and bearing in mind that the College will need to be persuaded to leave some of the equipment in situ, this has given rise to the aspiration to develop a restaurant at Five Acres adopting a Jamie Oliver-style model that offers apprenticeships to local young people while creating a social enterprise and generating an income stream.

The Jamie Oliver Foundation has been approached but has indicated they are not at the moment prepared to consider opening on any other sites - but that this should not preclude the local Five Acres group attempting to adopt a similar model, and JOF would be prepared to offer advice and guidance.

Jamie's model is expensive. His expenses include costly London head offices and celebrity chefs as mentors and coaches. Each of his restaurants takes 18 apprentices a year at a cost of £30,000 per person. The operation remains viable only through extensive fund-raising.

However, there are third sector organisations which have had success with similar models. Locality member The Shoreditch Trust in east London ([www.shoreditchtrust.org.uk](http://www.shoreditchtrust.org.uk)) operates Blue Marble Training which runs a training programme that seeks to support and nurture young people and adults to develop a long and fulfilling career in food and hospitality working with those most marginalised from the labour market and who might not ordinarily get the chance to develop a career in the catering industry. They run the acclaimed Waterhouse Restaurant.

### **2.3.2 Potential demand**

There are two products on offer here with two different markets: students for the training facility and clients for the restaurant.

#### *2.3.2.1 Students*

The total population within a 10-miles radius of Five Acres is just 50,000 (approx.), which raises the question as to whether there will be sufficient numbers of students interested in registering for a catering programme each year, particularly if the College continues to offer catering from its new location in Cinderford.

A syllabus that is very different from that of the College would be advantageous and could attract students from a much wider geographical area: a Five Acres catering training programme will need to develop a unique offer.

Links to the local Healthy Eating campaigns undertaken by the NHS and nutritional education in schools could offer further opportunities.

### *2.3.2.2 Restaurant clientele*

Again with a population of just 50,000 within a 10-miles radius it could be difficult to generate sufficient demand, especially if current restaurant and bistro clients retain their loyalty to the College and choose to dine at Cinderford. However numbers could be boosted by tourists. The 2014 visitor Survey (appendix A) indicates that visitors would welcome a greater variety of catering outlets and more opportunity to sample local specialities. Should other plans for Five Acres come to fruition (the theatre, conferencing, hotel, business units) this will help stimulate demand.

### **2.3.3 Potential costs**

It is assumed that the aim will be to retain the ground floor kitchen to serve the restaurant and the bistro. There may be some negotiation with the College as to what equipment is left; there may be a requirement to purchase new or supplementary equipment; some existing kitchen facilities may require modification. Certainly some changes will need to be made if the approach to the restaurant and bistro is to be appealing and readily accessible from the road.

At Shoreditch where the Waterhouse Restaurant caters for 75 covers, the bespoke open-plan kitchen enables 8 trainee workstations to be fully visible at any one time. Their high spec modern design included eco-features such as fresh air cooling, solar panels, bidet toilet, waste macerator and “Shoreditch industrial” finishes. The capital investment was £500,000. They also required £75,000 working capital for the first year of operation.

Shoreditch are of the view that the restaurant/ catering provision needs to be run and invested in as a training centre so potential funding sources can include apprenticeships, accredited courses, economic development funds. This will support staff development and training, pastoral support, course materials (see Appendix G).

### **2.3.4 Critical success factors**

- Collaborative working, development and joint promotions with the other activities at Five Acres, especially the theatre, hotel, leisure facilities.
- Maintaining a flow of business throughout the year, so devising and implementing an effective and on-going marketing campaign is essential.
- A strong management team that brings together the skills to run a training facility and a catering outlet, including a Head Chef who is also a Trainer/ Teacher.

### **2.3.5 Conclusion**

The complexities associated with delivering a programme of this kind are vast. Substantial working capital is required for the first few years. Trainees need to be able to deliver to a high standard if prices are at market levels and customers are to be retained; and also if they are to meet the requirements for accreditation (for example with City and Guilds).

Consideration needs to be given to the design and appearance of the whole site as much as to the restaurant area, and there are specific additional requirements with respect to Health & Safety legislation, food hygiene and building maintenance and management.

As part of the full feasibility study it will be necessary to:

- Devise a marketing plan for the restaurant that fully investigates potential demand
- Investigate demand for traineeships and identify possible sources of funding such as apprenticeships
- Produce appropriate ergonomic designs for the kitchen
- Suggest designs for the restaurant and the site that will entice visitors.

## **2.4 Revitalising the theatre**

Buildings on the Five Acres include a 450-seat theatre constructed in 1965. It is the second largest auditorium in the county of Gloucestershire. It has hosted professional artists and local performers as well as providing a platform for workshops, community groups and the Royal Forest of Dean Campus Theatre Company. In addition it has been used as a live music venue though in recent years it has been poorly maintained and is currently closed.

### **2.4.1 Potential**

There would appear to be some potential to develop the theatre. Though there is a relatively small audience of people within walking distance (just 2500), some 39,000 live within 10 miles and of course there are the 2.5 million visitors to the Forest of Dean who may be persuaded to turn a day visit to an overnight stay. The development of accommodation on Five Acres may be helpful in this context (see section 4).

The nearest theatre, the Savoy at Monmouth, is only 7 miles away. This is now run by a Trust that is dedicated to the restoration and preservation of the building which houses specific performances, such as one-off comedy nights and live link-up sessions to film and other external venues. There is a limited youth programme.

A partnership with the Savoy should be explored which would bring mutual benefit: complementary programming, joint marketing, shared expertise and volunteers. It may be the basis for a Forest of Dean Theatre and Arts Centre providing local access to high quality art such as touring theatre, quality live music, dance, children's theatre, participative arts workshops for the community, independent film and live streaming of events from national venues.

The Five Acres theatre could also be used by the community for their own cultural purposes such as amateur dramatics, local youth theatres, drama schools, dance groups. There are two schools on site, Berry Hill Primary and Lakers Secondary. A well-equipped, flexible theatre space could be extremely popular and useful within the community if rates are affordable and good technical support is made available.

In addition hiring spaces to these users would generate income as well as potential customers for an artistic programme. High quality art does not need to be inaccessible. If the artistic programme is selected carefully and community engagement staff work with specific community groups, there is a good chance that an audience can be built up over time.

A theatre on this site could also link to the local rural arts touring scheme (Arts in Rural Gloucestershire) which might provide assistance in artistic programming - especially during the early days of operation.

### **2.4.2 Potential income and running costs**

Based on the experiences of other Locality members that run small theatres, it can be assumed that a programme of high quality artistic activity may generate only a very small surplus and would probably need to be supported by project funding during the early years of operation - at least until a strong audience base is established.

After twenty years of operation the income mix of Kirkgate Arts in Cumbria ([www.thekirkgate.com](http://www.thekirkgate.com)) is currently 60%/40% grant aid / earned income. By modernising the Centre building, the organisation aims to reverse this to 60% earned income, 40% grant aid within the next 3 years. They recommend that income earned from bar sales and room hire should ideally cover venue overheads (utilities, insurance, maintenance etc). Kirkgate employs 7 paid staff and a team of 120 enthusiastic volunteers.

The MATA Regal Theatre Company in Minehead ([www.theregaltheatre.co.uk](http://www.theregaltheatre.co.uk)) is operated by a team of over 200 volunteers. There are no paid staff. In 2013 their income of £102,000 came mainly from ticket sales, refreshments and venue hire. They sustained a £17,000 loss, mainly due to exceptional expenditure on repairs. In their words “this is not a great way to do it, you need at least 3- 5 paid staff”. That is, additional costs of at least £100,000 per annum for wages and salaries. The view of their Chair is that to allow adequate staffing, the building of a reserve fund to cover repairs and improvements plus putting on an interesting and attractive programming requires a turnover of £300,000 per annum. At 50% houses and an average ticket price of £10, that needs 133 performance nights, though this might be supported by income from bar and catering sales and hire of the venue for other purposes. Professional touring companies work on differing percentage based or straight appearance fees and all need to be negotiated individually.

### **2.4.3 Critical success factors**

Creative spaces need creative thinking and robust financial planning in equal measure. This would mean designing the space around flexible use for a range of performance art forms and workshops including dance, drama, music, visual arts and digital media.

Creating the right artistic programme that is attractive to a wide range of local people, as well as to tourists is a key factor, as is establishing strong partnerships with local community groups and schools in order to build a broad audience.

The appointment of an effective, enthusiastic management committee or board with a skill set that includes considerable theatre knowledge plus business experience together with the ability to provide strong leadership working with a small core team of experienced professional staff with the right mix of artistic flair, experience and operational skills plus the ability to engage the community is crucial, as is securing the commitment of volunteers.

There should be sufficient funding to cover operations for the start-up period of at least the first 2 - 3 years.

### **2.4.4 Possible sources of finance**

- Arts Council - Grants for the Arts  
This programme will fund the product - ie the art (theatre performances, contemporary dance, digital arts, participative workshops etc) providing the emphasis is on quality. They will fund a project over 2-3 years, including project management (but not core staffing). They will not fund live rock/folk music, comedy, film. The Arts Council will expect to see a really good understanding of the potential audience - who they are and how access to the arts will be facilitated

and this may require specialist audience research. They will expect very specific reference to the kinds of performances to be shown, why and for whom.

- **Big Lottery Fund - Reaching Communities**  
The BLF will fund a project that focusses on increasing community well-being and cohesion. They will expect the venue to be providing a wide range of activities for the community (which could be arts based). Provision of volunteer opportunities counts for a lot. They will need to see a very clear, evidenced need for the project - with an illustration of why the community needs support (in the case of Kirkgate Arts it was to aid long term recovery from severe flooding). These grants are two-stage and will take approximately 1 year to secure.
- **Other local / national trusts and foundations**  
There are many such organisations that will support the development of strong communities. The Kirkgate Centre, Cumbria has benefited from a number of grants over the last 10 years (many of which were short term and have now closed) because they have been able to focus on the benefits of a community arts venue / hub to the town and area - not just on the arts programme itself. A theatre at Five Acres may need to apply on a project by project basis, depending on the nature of the activity in need of funding and the priorities of the funder.
- **Education / employment initiatives such as Creative Skills Apprenticeships**

#### **2.4.5 Conclusion**

The Kirkgate Centre in Cockermouth and MATA in Minehead are excellent examples that demonstrate that small community-run theatres can succeed.

A number of issues for further investigation emerge:

- The feasibility study would need to carry out a detailed analysis of the design of the theatre, its facilities and its suitability for modern theatre use. It is located in the heart of the Five Acres buildings. It needs to be opened up to make it visible and recognisable from the road, and to improve access to the backstage area which is currently limited.
- In addition the building currently has a rather utilitarian feel. It needs to lose its “college” feel if it is to be warm, welcoming and attractive to new customers and visitors.
- The potential to develop other performance space (outdoors?) on the site should be investigated.
- Mapping of needs and provision to assess what appetite there is locally for high quality art, possibly with reference to work carried out by Creative Gloucestershire. What “niche” might Five Acres occupy?

## **2.5 Supporting enterprise growth**

### **2.5.1 Potential**

The FDDC Core Strategy 2012 identifies the need for more quality business accommodation in the Forest. Much of the available workspace is relatively old and unsuited to the needs of modern business. In particular there is relatively little managed workspace or serviced offices suitable for business start-ups or micro businesses. The more modern centres that offer quality accommodation with good broadband reception, access to other services and flexible lease terms appear to have high occupancy. For example:

- The business hub at Vantage Park, Mitcheldean is a huge site accommodating businesses of all shapes and sizes offering units from small start-up single-person offices to large industrial warehousing 200,000 sq ft plus.
- Base Point at Chepstow also offers a range of units: offices, small manufacturing units, warehousing. It has become a popular hub because it also offers a comprehensive range of support services: secretarial, hot-desking, meeting space, telephone answering.
- Singleton Court in Monmouth with modern flexible units is looking to create more small offices in response to increased demand.

It is estimated that there are some 3000 micro-businesses operating in the Forest, mainly people working from home. According to one adviser, “the biggest problem is finding them, followed by getting them to accept advice and guidance - and they need it.”

Currently there is little business support available. The Local Enterprise Partnership (LEP) and the University of Gloucester jointly support a Business Hub at Vantage Park which is financed mainly through the Higher Education Funding Council England (HEFCE). It is felt that the focus is on high growth start-ups and university spin-outs, with the type of support offered considerably above the level required by most Forest small businesses that would benefit from basic marketing, basic finance, record keeping etc.

Many of these Forest businesses employ manual skills, using equipment that is based on their own home premises. It may be that they are essentially lifestyle businesses, possibly part-time activities that form part of a portfolio of work for the proprietor. This model of working is not uncommon in rural areas and nonetheless makes a substantial contribution to the local economy. A business hub in an appropriate location, run by a suitably qualified adviser could bring these businesses together creating the opportunities to inter-trade, share experiences, learn and grow at a rate they find comfortable.

The Five Acres site could host such a community-based business hub. Services and facilities could include drop-in hot-desking or co-working, virtual office, small meeting space, hi-speed broadband and specialisms such as access to 3D printing.

The aim should be to attract a membership of around 100 businesses each paying a flat fee of about £50 per month for a membership package which might include unlimited hot-desking and use of broadband; a set amount of meeting room use per month; a set amount of printer time per month; attendance at networking events and business seminars; access to the business adviser.

Typical members would be start-up businesses, “location independent” workers requiring a touchdown point, IT / knowledge workers, those businesses outgrowing the kitchen table but not yet able to commit to the cost of a rented office. All of whom will have the practical benefits of a business address, office facilities, business advice and guidance, and possibly most importantly, the benefit of peer support from other small businesses.

The *Forest Means Business* initiative set up by Gloucestershire First which ran from 2010 - 2013 worked to support micro - businesses, addressing the difficulties and isolation associated with setting up your own business, looking at issues such as funding opportunities, apprenticeships, best practice, costs reduction and waste management. A bid is currently being prepared for inclusion in the 2014 - 2020 EU programme. Interest has been expressed in the development of incubator space, managed workspace, a rural business hub and small business units. It has been suggested that an approach from social enterprise would be particularly welcome, though any development would need to be complementary to the proposed development of the Cinderford Northern Quarter, and of course to evidence demand.

### **2.5.2 Space required**

Block D at Five Acres could be adapted to a variety of business units that could comprise:

- The rural business hub at 2000 - 2500 sq ft. The aim should be to attract a membership of 100 businesses each paying a flat fee of about £50 per month which would give access to, for example, unlimited hot-desking and use of broadband; a set amount of meeting room use per month; set amount of printer time per month.
- Micro-business units 100 sq ft - 250 sq ft suitable for 1 - 4 people.
- Larger units up to 500 sq ft for larger businesses, or those requiring more operating space
- Ground floor units with external access up to 1000 sq ft for retail units.
- One large meeting room 500 sq ft; 2 - 3 smaller meeting rooms 100 - 200 sq ft.
- Some units, for crafts, could include drainage, water supply and (possibly) 3-phase electricity. Consideration must be given to ease of access for deliveries.
- Exhibition / gallery space where local businesses can display their crafts and products.

### **2.5.3 Target business sectors**

- Artists and craft workers currently operating from home
- IT / knowledge workers
- “location independent” workers requiring a touchdown point
- Training providers: notably those using the facilities in the Wye Valley and / or the new improved on-site leisure facilities for personal development and leadership programmes
- Retailers: outdoor equipment and clothing, specialist local foods, crafts
- Alternative health practitioners: allied to the facilities in the health / leisure complex
- Beauty therapists: complementing the leisure / spa offer for locals and holiday-makers

Forest locations offering small business accommodation

Fig. 4

Location	Distance from Five Acres	Facilities	Indicative rents
Vantage Point, Mitcheldean	10 miles	Extensive modern business park. Small fully serviced offices from 100 sq ft, to large industrial units over 200,000 sq ft. Central services including restaurant. Some spaces all sizes.	Small offices: all inclusive, easy in/out
Coleford Community Enterprise Centre, the Main Place	2 miles	Community facility with large hall, meeting rooms and some small offices (150 sq ft) available to rent by the half day.	£15 / half day
Cinderford Business Centre, Hollyhill	6 miles	Modern high quality workshops 750 - 2000 sq ft.	
Singleton Court, Monmouth	7.5 miles	Large centre with very flexible units capable of adjusting to units of varying size. Looking to re-model space to provide more space for micro-businesses 150 - 200 sq ft as unable to meet current demand.  Rents all inclusive; easy in /out leases.	200sq ft office £350 - £400 per month all inclusive
Apex, Monmouth	7.5 miles	Office units from 90 sq ft. All inclusive. Easy in / out. Several vacancies.	120 sq ft @ £240 per month
Base point, Chepstow	17 miles	From 2-3 person offices upwards. Fully serviced. Short, fixed or long term lease.	From £60 per week all inclusive. Meeting rooms from £10 per hr.

#### 2.5.4 Potential costs and income

It is generally accepted that to create a financially viable business centre operated on an “all inclusive” rental basis requires 10,000 sq ft of lettable space. Indicative rents at other business centres in the district are approximately £20 per sq ft, to include business rates, utilities, broadband, reception services. Full occupancy is usually assumed to be 75%. So that when the 10,000 sq ft business centre is fully occupied the gross income would be £150,000 per annum.

Block D is over 16000 sq ft (1568 sq m) which would allow for the development of some display or exhibition space that could be used by tenants and other local arts and crafts people to demonstrate their work. The architect’s designs could incorporate a degree of flexibility to allow for alternative use of space and reflect changing needs. At feasibility stage a more exhaustive study should test potential demand.

An alternative would be to use the Speedwell Block (14,445 sq ft, 1350 sq m) devoting the ground floor space to retail. Feedback from visitors to the Forest, and the Berry Hill area in particular, has demonstrated some disappointment at the limited local shopping. Visitors would like the opportunity to purchase local specialist food products, arts & crafts. Also mentioned were shops selling outdoor equipment and clothing - in keeping with the area’s focus on outdoor activities.

As with the hotel costs the capital costs of conversion may be the deciding criterion. The cost of refurbishing and upgrading Block D to acceptable modern standards would be about £1.9 million (see section 8). A new purpose-built business centre approximately the same size could cost just over £2m.

#### 2.5.5 Critical success factors

- Attracting sufficient businesses as tenants and members to achieve the critical mass of business that creates more business - a buzzy, busy, stimulating environment.
- The availability of a business adviser or coach on site for consultations, and to facilitate learning seminars and networking events. Could be provided through a partnership with the College or an organisation such as GEL, Gloucester Enterprises Ltd ([www.glosterenterprise.co.uk](http://www.glosterenterprise.co.uk)).
- Business units that are modern, attractive places to work with reliable high speed broadband.
- Competitive rents.

#### 2.5.6 Conclusion

There is certainly sufficient evidence to suggest that a small business hub at Five Acres would be an asset to the local business community.

As a next step, further investigation should be undertaken to determine more precisely the nature of the market: the characteristics of potential tenants and potential members of the business hub; the services and style of accommodation that would benefit them most.

The exact location of the business hub and the timing for its development need to be considered in the context of the plan for the whole of the Five Acres site.

## **2.6 Woodland Enterprise**

Although outside the scope of the original brief, the constructive review team noticed that a tract of woodland of some approximately 3.2 hectares runs down the eastern side of the college site. It is felt that this has the possibility to add value to the site in terms of the range of potential activities that would complement the outdoor offering presented by the wider Forest of Dean and Wye Valley AONB. It would sit happily alongside some of the health, education and indoor leisure pursuits (indoor climbing walls etc) that may be located within the re-developed site, and be a resource for an additional social enterprise.

### **2.6.1 Potential**

The small acreage prohibits medium to large activity. However, there are some opportunities.

Art in the Woods - an art walk could be created through the wood. This would need to be a different offer from the Sculpture Trail at the Forestry Commission Beechenhurst Lodge, perhaps featuring artwork created in the wood that may then be for sale to the public. This may have linkages to other parts of the Five Acres site such as for retail or workspace.

Woodland Training Hub - The woodland could become a training hub involving green wood working, and the production of arts and crafts. One of the earliest businesses for Hill Holt Wood (see Appendix G) was developed under the Environmental Task Force (ETF) as part of the New Deal programme, which was very successful in moving people into work as well as carrying out significant environmental work. Contracts with the Probation Service or the Department of Work and Pensions providing courses themed around bush craft and woodland skills are an innovative way to engage and restore both woodland and client. Green wood working is a particularly good activity that engages and is popular with the community.

Woodland Wellbeing - A major theme for the government is wellbeing. Physical activity in the woodland could complement and sit alongside physical leisure offerings within the leisure centre to meet wellbeing criteria. This could include helping people with experience of mental distress get involved in local environmental projects that improve mental and physical health and wellbeing, such as:

- Visiting the outdoors to reduce stress and interact with people
- Learning outdoor skills like fire lighting, building shelters, outdoor cooking, rope working, woodland management.
- Creative sessions like photography, artwork, willow weaving, green woodworking, wood sculpture.
- Appreciating nature: identifying flora and fauna.

There is also potential for working in partnership with the local schools to provide an enrichment programme for children with learning difficulties, ADHD or Autism.

### **2.6.2 Potential Income streams and Expenditure**

Potential income streams would be dependent on local market opportunity and competition. Health related income would be about providing a service and would depend on the attitude of the council to personal budgets and also that of any mental health provider. £25-£48 per person per day is the typical going rate in Lincolnshire. Providing healthy walk ways/ green gym requires minimum expenditure.

### **2.6.3 Skills needed**

- Bushcraft and green woodworking require individuals with the practical skills and the ability to inspire and teach.
- Health - from the experience at Hill Holt Wood, this is more about patience and a caring attitude with some practical woodland based skills rather than an Occupational Therapy approach or similar.
- A dedicated, inspiring team of rangers who can connect with the various activities around the wood is an advantage, and it could be worth exploring linkages with the Forestry Commission.

### **2.6.4 Critical success factors**

Effective and sustained community engagement.

Bush craft and green woodworking usually dependent on a single key individual within the local community.

### **2.6.5 Possible sources of finance**

- Approaches to the local Health Trust, any private hospitals or other hospitals. These often have foundations deriving from donations from grateful families that may be available for projects such as this. In all cases, the core facilities are already on site, so there is not a need for significant capital investment.
- Macmillan are commissioning for restoring health after cancer and favour eco-therapy
- Small grants maybe available from the Forestry Commission.
- The re-located college may be interested in commissioning a service to deliver BTEC/NVQ qualifications in Land Based Studies.
- Heritage Lottery
- Direct contracts with local schools

### **2.6.6 Conclusion**

It is our view that an environmental social enterprise would be of benefit to the development and create great added value to the site. It could become a 'living wood'

with activities created to develop both people and woodland, leading to sustainable woodland. It could help link Five Acres with the five main health and wellbeing themes.

The Feasibility Study would need to include:

- Discussion with established environmental social enterprises to examine partnership opportunities.
- Discussion with health providers (Primary Care Trust, Mental Health Trust and Clinical Commissioning Group about their interest in green health and whether they would 'buy-in' to the concept).
- Examination of any restrictions on the woodland, such as protected status, covenants, and any health & safety issues that may arise from previous uses of the area covered by the woodland.

## **Section 3 Building costs**

### **3.1 Assumptions**

It must be stressed that at this stage costs are indicative only, based on figures taken from the RICS Building Cost Information Service. The following should be noted:

- in the absence of detailed floor plans, costs are based on an approximation of floor area of the buildings
- costs take into account the age and condition of buildings other than Speedwell which is in good condition
- costs are *indicative* and dependent on upgrades required to meet current building standards
- changes to mains services may be required to suit new demands
- scope of external works may require further upgrades to meet new demands regarding security lighting and services
- costs for the leisure centre will increase depending on scale and quality of the internal fit out
- no allowance has been made for dealing with asbestos
- VAT has been included at 20%.

### **3.2 Options for refurbishing and remodelling existing buildings**

Two specific options have been considered (see below) though there are obviously a number of permutations. The final configuration of buildings and external features will emerge following the detailed surveys and design work undertaken as part of the full feasibility study.

**Option 1**      Speedwell converted to hotel  
                    Block C refurbished  
                    Block D converted to business units  
                    Blocks A and B demolished  
                    Leisure centre refurbished

**Option 2**      Speedwell converted to business units  
                    Block A converted to hotel  
                    Block C refurbished  
                    Blocks B and D demolished  
                    Leisure centre demolished  
                    New leisure centre constructed

Fig 5 shows a summary of the costs. A full schedule may be found in Appendix D.

## Indicative build costs

Fig 5

Option 1	Refurbishment cost £
Speedwell converted to hotel	1,890,000
Block C refurbished	4,407,000
Block D converted to business units	1,881,600
Blocks A and B demolished	185,000
Leisure centre refurbished	2,074,800
External works; making good following demolitions	1,255,000
Fees; preliminaries	3,151,500
VAT	2,969,000
<b>Total costs</b>	<b>17,814,000</b>

Option 2	Refurbishment cost £
Speedwell converted to business units	1,350,000
Block C refurbished	4,407,000
Block A converted to hotel	3,664,800
Blocks B and D demolished	138,000
Leisure centre demolished and new one constructed	3,609,300
External works; making good following demolitions	1,621,000
Fees; preliminaries	3,990,100
VAT	3,756,040
<b>Total costs</b>	<b>22,536,240</b>

### **3.3 A third option - site clearance and new build**

It may be seen that refurbishment of these older buildings is expensive. In terms of value for money the most cost effective option would be to demolish all the buildings, clear the site and then start construction on new specifically designed facilities that meet the community's needs and demands while also offering potential as visitor attractions (see fig 6).

Indicative build costs (2)

Fig 6

Option 3	Demolition and rebuild cost £
Demolition and site clearance	650,000
Speedwell converted to business units, or new build of approx. 1000 sq m	1,350,000
Purpose-built budget hotel of similar size to a converted Block A (2036 sq m)	2,900,000
New theatre, similar size (some improved facility, though final cost depends on fit out)	4,000,000
New restaurant (75 covers), catering kitchen (final cost depends on fit out)	2,500,000
New leisure centre, similar size, small pool	3,450,000
External works; drainage and services; making good following demolitions	1,074,500
Fees; preliminaries	3,132,000
VAT	3,811,300
<b>Total costs</b>	<b>22,867,800</b>

To totally demolish all the buildings and clear the site would cost in the region of £650,000. Cost for a business centre of similar size to Block D (1568 sq m) would be approximately £2million, though designs for a new-build would probably be closer to 1000 sq m in floor area at a cost of £1.3million.

Likewise, a purpose-built budget hotel of similar size to a converted Block A (2036 sq m) could cost £2.9million.

With the site cleared, work could begin on whatever new buildings were seen as a priority, and for which funding is most readily available.

### **3.4 Partnering and partnerships**

Adopting a partnering approach to procurement, that is identifying a preferred construction partner at an early stage and working with them throughout the development process, rather than following a traditional procurement route can result in greater efficiency and savings in costs and time.

Alternatively partnerships with a leisure centre operator and a hotel developer could serve to ease the financial and management burdens.

This could be of particular benefit for the leisure centre as new facilities are likely to be significantly more extensive than at present to draw a wider local user base and serve as a visitor attraction. It should be noted that the figures quoted above (Fig 5 option 2) of £3.6million are for a fairly basic facility. The Harvey Haddon Sports Complex in

Nottingham ([www.nottinghamcity.gov.uk/hhsc](http://www.nottinghamcity.gov.uk/hhsc)) is being developed at a cost of £13.5million. Facilities will include:

- 50 metre swimming pool with adjustable pool floor that splits into two 25 metre pools enabling more public swimming access especially during the day
- Two multi-use activity studios for fitness movement and dance
- Large fitness room/gym
- New male and female dry changing rooms
- New pool changing village with baby, disabled, and group/school changing areas
- Pool viewing and spectator seating
- Health suite - sauna, steam room and Jacuzzi
- Refurbished sports hall
- Vending area and cafeteria facilities
- Improved access and facilities for disabled people, including a 'Changing Places' toilet

### **3.5 Conclusion**

If financial costs are the only consideration, Option 3 is likely to be the optimum solution: buildings will be new, fit-for-purpose, low maintenance and energy efficient; the whole site can be designed so each element has the right visual profile and appropriate access.

However, there is also the potential social cost and the wider economic benefit to be factored in to the equation.

There is cost to the community in terms of loss of amenity. If Option 3 is pursued, how long will it be before they see some use of the site? Will it be possible for access to the outdoor areas and sports pitches to be maintained? Will the community's interest in the site be sustained, or will energies be expended elsewhere? Will there be an appetite to start a community theatre from scratch, or develop a café / restaurant backed by a training kitchen? On the other hand, if there is not this level of interest and support, should these options be pursued anyway?

Additionally there is the possibility that the owners (HCA) and other developers may find the prospect of a brownfield site too seductive, so it may be considered prudent for phase 1 of any re-development to follow immediately on demolition, to set the future use and direction of the site.

Careful, sympathetic designs that allow a phased development involving partial demolition, continuous use of some areas with the opportunity for income generation may be a more attractive solution, provided the re-development process was not allowed to stall, leaving an awkward half developed site. Precisely what form this might take will depend on the robustness of business plans for the preferred activities, the availability of funding and effective development partnerships.

## ***Section 4 Legal structure for a new organisation***

### **4.1 Community Anchor Organisations**

The organisation set up to own and manage the Five Acres site will be a community anchor organisation, its primary purpose to improve the quality of life for residents of Berry Hill and the surrounding area. Community anchor organisations are community-run organisations that:

- pursue aims which contribute to the regeneration of a community, and therefore are concerned with the economic, social and environmental and cultural needs of their community.
- are independent but seek to work in partnership with other private, public and voluntary sector organisations.
- are owned and managed by the local community.
- aim to generate income through trading activity that enables them to move away from dependency on grant support. All trading surpluses are principally reinvested in the organisation or community.

Because the new community anchor organisation at Five Acres will own land and buildings, employ staff and (probably) enter into other contracts it needs to acquire a legal structure, or incorporate, to help protect the individuals involved from personal liability and give the organisation an identity, continuity, credibility and a means of establishing common objectives.

### **4.2 Choosing the right structure**

The structure that is right for the organisation needs to be able to:

- **reflect** the principles and values of the organisation (e.g. if it wants to involve all the people who live and work in an area it may want an open membership base that reflects this).
- **allow** the organisation to actually do what it wants to do (i.e. if you want to undertake profit making enterprises, registering as a charity may not permit this unless you also have a non-charitable subsidiary).
- **enable** the organisation to appoint staff and enter into contracts.
- **protect** the members and board members of the organisation (i.e. if the organisation is going to develop new buildings for community use, it will want people to be protected against personal liability where building contracts go pear-shaped or staff make a claim in an Employment Tribunal).
- **enable** the organisation to build the partnerships it wants (i.e. it can actively involve different partners in the management of the organisation).
- **allow** the organisation to raise the funds it will require from all the different sources available (e.g. charitable trusts, public sector grants, loan funds etc).

Locality publishes an excellent guide called “Choosing a Legal Structure” to help community groups through this process. It can be downloaded from the website <http://locality.org.uk/wp-content/uploads/Choosing-a-Legal-Structure.pdf>.

There are a number of possible legal structures:

- Company limited by guarantee
- Company limited by guarantee with charitable status
- Company Limited by Shares
- Community Interest Company
- Industrial and Provident Society
- Trust
- Charitable Incorporated Organisation

More detailed information on all these structures may be found in Appendix C. The three most relevant for a Five Acres NewCo are:

### **4.3 Company Limited by Guarantee**

This is the most popular form of legal structure for a community anchor organisation in the UK, and would be our recommendation for the new Five Acres company. The advantages and disadvantages of the CLG and charitable status are listed in Fig.5.

### **4.4 Company Limited by Shares**

This is a structure that is designed to suit a case where financial returns are to be given to its members through trading or other income generating activities. The members are shareholders. The main difference between this structure and a company limited by guarantee is that membership brings with it a property right in the form of shares in addition to the right to participate in the decision-making process. Companies limited by guarantee commonly use the Company Limited by Shares structure when they choose to have a wholly owned subsidiary company, that is the parent organisation owns all the shares.

### **4.5 Community Interest Company (CIC)**

This can be either a company limited by guarantee or a company limited by shares. The name of a CIC always ends with the words “Community Interest Company” or “CIC” - rather than “Limited” - so it is instantly recognisable. The CIC model was developed specifically for social enterprises, and is intended to cover a situation where an organisation carries on trading activities, but is intended to operate for the benefit of the community - so it is closely aligned to the ethos that underlies community anchor organisations. The problem, though, is that a CIC cannot have charitable status, even if its objects are charitable. That is a very significant drawback.

	<b>Advantages</b>	<b>Disadvantages</b>
Company limited by guarantee	<ul style="list-style-type: none"> <li>• The company is a clear <b>legal entity</b> separate from the people involved in it. It can therefore employ staff and enter into contracts to provide services or buy land and buildings. This also provides continuity as any legal relationship is with the company and would not be affected even if the whole board were to resign</li> <li>• The Articles of Association specify that the company must be subject to the <b>democratic control</b> of its members. The membership can then be defined to suit the geographical area or group required.</li> <li>• <b>Limited Liability for members and directors</b></li> <li>• <b>Credibility.</b> Funders and partners are familiar with this structure and generally recognise it as a stable and well-organised organisational structure.</li> </ul>	<ul style="list-style-type: none"> <li>• There are formal and ongoing <b>procedures</b> (e.g. filing annual returns, notification of changes of directors etc).</li> <li>• Along with the procedures there are various <b>statutory requirements</b> in company law regarding the running of meetings and making decisions. Many of these will be set out in the Articles of Association</li> <li>• Directors may require <b>training</b> to equip them for their roles and responsibilities in the company.</li> <li>• <b>Company Structure</b> can appear intimidating for those considering becoming involved or putting themselves forward as a director despite the fact that it is a protective measure.</li> <li>• There are <b>costs</b> associated with setting up and running the company.</li> </ul>
Charitable status	<ul style="list-style-type: none"> <li>• <b>Tax relief on</b> surpluses and interest on sums held on deposit.</li> <li>• Ability <b>to raise funds from charitable foundations</b> that can only support charitable bodies.</li> <li>• <b>Ability to claim Gift Aid</b> on company donations </li> <li>• <b>Automatic 80% rates relief</b> and up to a discretionary 100% rates relief.</li> <li>• Small number of <b>VAT concessions</b></li> <li>• Exemption from Stamp Duty Land Tax on most property transactions.</li> <li>• <b>Credibility</b> with the community, partners and funders.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Limitations</b> on what the organisation can do. Activities will be limited to those that further the charitable purposes – however non-charitable activities can be carried on by subsidiary companies set up and owned by the organisation. A subsidiary company will typically take the form of a company limited by shares. The shares would be wholly owned by the parent organisation.</li> </ul>

Company Limited by guarantee and charitable status: advantages and disadvantages

Fig. 5

## **4.6 Recommendations**

We would recommend that the Steering Group works towards incorporating as a Company Limited by Guarantee at the earliest opportunity. Registering as a charity or converting to Community Interest Company or Charitable Incorporated Organisation could be left until a later stage when the business plan becomes clearer.

The new company (NewCo / Five Acres Development Company) will be in a position to manage the feasibility study, appoint a Project Manager and take on the lease for the Five Acres site. It would also be a recognised vehicle to submit capital bids, contract with delivery partners and tender to deliver other community services.

In appointing board members of the new company it will be important to ensure a range of skills and experience such as finance and business skills, property management, leisure management, community involvement and representation, partnership development and links with statutory bodies.

Other enterprising initiatives (such as the restaurant, the business centre, the hotel) may be initiated by NewCo, but might work towards being incorporated as either CICs or Companies Limited by Shares which would be wholly owned subsidiaries of the Development Company.

In the case of the theatre, the possibility of forming a Community Benefit Society and launching a Community Shares Issue as a means of raising funds should be explored (see Section 10 below). Support could be attracted from arts lovers everywhere in addition to the local community.

## **Section 5**            **Possible sources of finance**

With a development of this size and complexity there is going to be no single source of funding. The various elements of the project may attract grant finance from different sources, which may need to be matched or topped up with soft loans or commercial borrowing. In this section of the report we identify some of the funds that might benefit the Five Acres programme. It will be noted that generally the sums are relatively small - rarely more than £250,000 and are very largely revenue funds for developing programmes and activities as opposed to capital projects.

### **5.1 Larger capital sums**

Sports England, for example, does make larger grants for multi-sport facilities (see section 3.4 above, with respect to the Harvey Haddon Sports Complex in Nottingham), though these are usually made to local authorities where the new facility is an element in the sports and leisure strategy for the district.

Discussions with tourism officers and the destination management organisations, and indeed the Forest of Dean District Council's Core Strategy 2014 indicate that the growth of tourism is an economic priority. The need for more budget-priced overnight accommodation has been identified as has a gap in the provision of indoor attractions.

One of the priorities for GFirst, the Local Enterprise Partnership (LEP), is supporting enterprise growth by improving infrastructure, so a good quality business hub with access to high speed broadband and state-of-the-art facilities such as 3D printers is likely to be well received. Additionally the brief of the LEP's creative industries Business Advisory Group specifically includes theatre ([www.gfirstlep.com/gfirst-LEP/About-Us/Sector-Groups](http://www.gfirstlep.com/gfirst-LEP/About-Us/Sector-Groups)).

The key to unlocking larger amounts of funding may therefore be to gain support for the redevelopment of Five Acres as an economic regeneration initiative, bringing much needed support for the growth of tourism, enterprise and culture and acting as an economic driver for this area of rural Gloucestershire.

Early conversations should be initiated that will gain political support at local, county and regional level and build a robust partnership committed to securing a strong future for Five Acres.

### **5.2 Other possible sources of funding**

#### **5.2.1 The Community Investment Fund**

Launched in February 2014, the fund is owned and managed by Social and Sustainable Capital (SASC). It is part financed by the Social Investment Business Foundation and Big Society Capital and provides loans and equity to community based social enterprises and charities in England.

The Fund invests between £250,000 and £1m in community based, locally led social enterprises and charities, which are providing essential support and services to improve the well-being of local residents, developing the local economy and creating positive social change for all individuals in the community. The Fund aims to improve the quality of

life of local individuals, particularly those who are vulnerable and disadvantaged, and to enhance community engagement and cohesion by empowering people to develop locally-determined solutions to challenges and opportunities.

<http://www.sibgroup.org.uk/community-investment-fund/>.

### **5.2.2 Big Potential**

This is a BIG Lottery Fund grant fund that will deliver approximately £10m of grant funding over 3 years to eligible community organisations with the aim of improving their sustainability, capacity and scale in order that they may deliver greater social impact.

The programme aims to raise awareness of the social investment market and support VCSEs who want to prepare themselves for social investment.

Eligible VCSE organisations will be able to access specialist one to one support from the Big Potential programme partners before making an application for grants between £25,000 and £75,000 to undertake more in-depth investment readiness work with one of Big Potential's approved providers. <http://www.sibgroup.org.uk/bigpotential>.

### **5.2.3 Power to Change**

Another Big Lottery initiative that opens later this year will make £150million available to support community-led enterprise. [www.locality.org.uk/projects/power-change](http://www.locality.org.uk/projects/power-change).

### **5.2.4 Sports England**

Sports England has a number of funding streams that support the development and improvement of facilities. For large scale capital projects the approach is probably best made direct, rather than through the website. An ability to demonstrate partnership with the local authority will be beneficial. [www.sportengland.org/funding](http://www.sportengland.org/funding).

## **5.5 Arts Council England**

The Arts Council gives grants to support the engagement of people in arts activities and help artists carry out their work. Grants of up to £100,000 are available, which can include capital. [www.artscouncil.org.uk](http://www.artscouncil.org.uk)

## **5.6 EU monies**

Gfirst's EU Structural and Investment Funds Strategy was submitted to Government at the end of January 2014. The Strategy forms the European Funding part of the economic plans for Gloucestershire and will contribute approx. £35.7 million to enhance the economy and environment of Gloucestershire between 2014 and 2020. A bid could be made to develop the business hub and support a business adviser.

## **5.7 Reaching Communities**

Five Acres does not fall into the category of the most deprived super output areas. However it is a rural community and as such will be recognised as in need of support in certain areas. The Reaching Communities fund may be helpful in providing the resources

to start up a particular initiative such as specific programmes for young people or the elderly. Grants are available from £10,000 upwards and funding can last for up to 5 years. There is no upper limit for total project costs. Projects should complement or fill gaps in local strategies where appropriate. Communities should be involved throughout the life of the project. This is primarily a revenue programme, but RC can contribute up to £100,000 towards capital costs.

### **5.8 The Football Foundation**

This fund aims to improve facilities for football and other sport in local communities that will sustain or increase participation amongst children and adults. The types of facilities that they support include:

- grass pitches drainage/improvements
- pavilions, clubhouses and changing rooms
- artificial turf pitches and multi-use games areas
- fixed floodlights for artificial pitches.

The maximum grant available from the Foundation for each facilities project is £500,000. Where possible, the Foundation will expect the applicant to secure 50% of the total eligible project costs. Applicants must demonstrate a financial need for grant aid and contribute all of their available money to the project. Process could take up to 30 weeks depending on complexity of project and size of grant requested.

### **5.9 Biffa Award**

Five Acres lies within the eligible distance from a Biffa landfill site. The Biffa Main Award supports projects that provide or improve community spaces, cultural facilities, biodiversity and places for outdoor recreation. The total project costs must be less than £200,000, so an application to Biffa could be made to support, say, the provision of an adventure play area, or a specific aspect of the renovation of the theatre.

<http://www.biffa-award.org/>.

### **5.10 Community Shares Issue**

This type of investment has been used to finance a host of community-based ventures.

[www.communityshares.org.uk](http://www.communityshares.org.uk)

### **5.11 Crowdfunding**

Crowdfunding is an alternative means of funding that quite literally harnesses the power of the crowd to benefit a project. It might be useful in, say, raising capital for the theatre, as is likely to have considerable appeal to arts lovers. [www.crowdfunder.co.uk](http://www.crowdfunder.co.uk)

## ***Section 6 The Way Ahead - next steps***

### **6.1 Potential viability**

The scale of development at Five Acres is likely to be determined by the level of capital funding available. This in turn may be determined by the strength of the local partnership and whether the site is seen as an economic driver for regeneration of the Forest of Dean economy through tourism, or simply a local leisure facility.

This initial research has examined specific options: the leisure centre, a hotel, the theatre, catering training and the restaurant, business units. Given the right injection of finance so that the project would not be required to service significant debt, and with effective marketing, it would appear there is potential for each business. Overheads may be minimised by a central management structure with a Facilities team looking after the whole site. While there will be a number of specialist posts required, certain services could be shared such as reception and bookings, cleaning, general maintenance.

Undoubtedly the clustering of activities on the site will help create a destination for local residents and visitors, stimulating demand for each service and in due course generating other attractions: for example, more retail in the business units; development of outdoor as well as indoor play areas; outdoor as well as indoor performances.

A severe limitation is the current outward appearance of the site which is rather institutional and inhospitable. Certain key areas (theatre, restaurant) are invisible from the road and therefore appear inaccessible. Obviously this could be remedied if there is a total rebuild. However if this is not possible some attention must be given to frontage in any redesign even if only cosmetic.

### **6.2 Questions for the feasibility study**

The full feasibility study will comprise a series of reports each of which will focus on a specific aspect of the proposed development.

In this study, as each potential business option has been investigated a number of fairly specific questions emerged to be addressed as part of the full feasibility study, and these have been listed in the appropriate sections. In addition the following issues apply to the development plan for the whole Five Acres project:

- Work with architects and surveyors to generate concept designs and outline costs for a new build of the complete development but with phased construction; and also to consider what might and might not be feasible using some of the existing buildings.
- The level of political commitment to the development of Five Acres as an economic regeneration initiative needs to be confirmed, also the potential funds that might be available.
- More detailed research and business planning is necessary to prove demand and test financial viability for each business proposal.

- The terms of engagement with potential development partners such as the Aspire Trust for the leisure centre should be considered and approaches made as this might facilitate both the design and financing of any changes.
- Likewise the potential for partnership with a hotel developer should be explored.
- A project timeline to be established.
- The theatre in particular will need a lot of commitment from the local community as patrons and as volunteers. In appraising demand the feasibility study should assess the level of local interest and support. A champion should be identified to drive the project forward.

### **6.3 Next steps**

- Seek sources of funding for the various feasibility study reports. The **immediate** submission of an application to the Social Investment Business for Community Assets & Services feasibility grant (up to £100,000) should be urgently considered. Although in theory the grants are available to March 2015, we believe the funding window is likely to shut to new applications in September 2014, due to the usual timeframe to turnaround applications (typically two months), and the need to deliver the feasibility report within 6 months of being awarded the grant. Other sources will also need to be approached.
- Establish The Five Acres Development Company (or whatever name is considered preferable) with key partners signed up as directors.
- Get political buy-in to the concept of Five Acres redevelopment as an economic driver.
- The creation of an umbrella brand to give the redevelopment a focus behind which the community can rally, such as “Forest Heart - the community-owned leisure destination”.
- Appoint a Project Manager.
- Commission an architect, possibly through staging a design contest, to generate concept designs and outline costs.
- Initiate conversations with larger funders such as Sports England, Big Lottery, Social Investment Business.
- Consider applications for small grants to make immediate impact eg outdoor play area, skate park, all weather pitch, garden and seating area for older people.