

In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chairman has agreed to take this item as a late item of business in order to progress the request for additional budget to undertake the refurbishment of the Sherwood Forest Art and Craft Centre.

REFURBISHMENT OF SHERWOOD FOREST ART & CRAFT CENTRE AND ASSOCIATED BUILDING

1.0 Purpose of Report

1.1 This paper seeks to provide Members with a proposal, as outlined and discussed in the March 2018 Economic Development Committee meeting relating to the refurbishment of the Sherwood Forest Art and Craft Centre. The total capital expenditure proposed is £250,000.

2.0 Background Information

2.1 Sherwood Forest Art & Craft Centre was opened in 1998 and is now in need of refurbishment.

2.2 The relocation of Sherwood Forest Visitor Centre to a site immediately adjacent to SFACC provides a unique opportunity to undertake this refurbishment. The SFACC is ideally located to benefit in terms of increased footfall opportunities which will result in approximately 455,000 passing the entrance of SFACC every year.

2.3 The financial calculations in the following Business Case are based on the latest market rents achieved at SFACC and indicate that the Council would receive an approximate 7% return on its investment. There may also be the opportunity to increase the rents of the existing studios by between 5% and 7% - whilst this is speculative nonetheless given the dramatic increase in footfall it may prove to be a feasible option..

3.0 Proposals

3.1 Details of the proposal are set out in the report to the Economic Development Committee meeting held on 28 March 2018 which is attached as an **appendix** to the report.

4.0 Equalities Implications

4.1 There are only positive implications for taking forward the refurbishment of the Sherwood Forest Art and Craft Centre.

5.0 Impact on Budget/Policy Framework

5.1 A capital budget of £250,000 will need to be included in the Capital Programme for 2018/19 which will be funded from the capital reserve or a revenue contribution to capital from the change management reserve.

6.0 Comments of Director – Resources and S151 Officer

6.1 The decision on how to finance this scheme will be taken in conjunction with the rest of the Council's capital programme. The revenue cost of borrowing is approximately £60,000 per annum per £1million of borrowing based on current PWLB rates. The revenue cost of the capital spend of £200,000 is therefore £15,000 which, if borrowed, will be funded in 2018/19 from general fund balance and included in the base budget for future years.

7.0 RECOMMENDATION

That additional capital expenditure for £250,000 for the refurbishment of the Sherwood Forest Art & Craft Centre, be approved for inclusion in the Council's Capital Programme.

Reason for Recommendation

The Centre is in need of refurbishment and as the Centre opened in 1998, the refurbishment allows for the upgrade of the Centre in order to enhance the visitor experience.

Background Papers

Nil

For further information please contact Julie Reader-Sullivan on Ext 5258

Sanjiv Kohli
Deputy Chief Executive
Director - Resources and s151 Officer

REFURBISHMENT OF SHERWOOD FOREST ART & CRAFT CENTRE AND ASSOCIATED BUILDING

1.0 Purpose of Report

1.1 This report provides an opportunity to invest capital for the refurbishment of the Sherwood Forest Art & Craft Centre (SFACC).

2.0 Background Information

2.1 Sherwood Forest Art & Craft Centre was opened in 1998 and is now in need of refurbishment.

2.2 The relocation of Sherwood Forest Visitor Centre to a site immediately adjacent to SFACC provides a unique opportunity to undertake this refurbishment. The SFACC is ideally located to benefit in terms of increased footfall opportunities which will result in approximately 455,000 passing the entrance of SFACC every year.

2.3 The financial calculations in the following Business Case are based on the latest market rents achieved at SFACC and indicate that the Council would receive an approximate 7% return on its investment. There may also be the opportunity to increase the rents of the existing studios by between 5% & 7% - whilst this is speculative nonetheless given the dramatic increase in footfall it may prove to be a feasible option.

3.0 Proposals

3.1 If the Capital spend is approved in principle other match funding opportunities will be looked at, however based on research to date, there are no other sources of funding that would be appropriate. The total capital expenditure proposed is £250,000 and details on the revenue and benefits are found in the business case at **Appendix 1** of this document. The alterations and improvements will lead to an enhanced visitor experience and will serve to increase the Council's revenue income.

4.0 Equalities Implications

4.1 There are no negative equalities implications

5.0 Impact on Budget/Policy Framework

5.1 A capital budget of £250,000 will need to be included in the Capital Programme for 2018/19 which will be funded from the capital reserve or a revenue contribution to capital from the change management reserve.

5.2 The Council currently receives income of approximately £65,600 per annum from the Centre. The estimated rent from the conversion of the storage building, at the gateway, will be around £8,320 per annum.

5.3 The Council's Asset Management service believe that, with the new refurbished centre and the significant increase in footfall, the income could be increased by £17,700, a ROI of 7%:

| | |
|--|-----------------------|
| Additional Studio Adjacent to New Rear Entrance | 5,645 |
| Additional Lettable Space Studios 8 (café) & Studio 13 | 1,845 |
| Atrium Centre Kiosk | 990 |
| Storage Lockers | 900 |
| Forest Corner Annex Conversion | <u>8,320</u> |
| Total Potential Additional Income | <u>£17,700</u> |

In addition, it is estimated that due to the increased footfall resulting from the relocation of the visitor centre of the Park, the rents for the existing Studios could feasibly be increased by 3% to 7%.

6.0 Comments of Director

6.1 In 2017 around 455,000 people visited Sherwood Forest Country Park which immediately adjoins the Centre and a consortium led by the RSPB are developing a new Visitor Centre for the Country Park which will be very close to the Art & Craft Centre. There is therefore a unique opportunity for the District Council to increase visitor numbers to the Art & Craft Centre by providing an up-to-date good quality environment which will improve our visitor's experience, however there has to be an urgency in carrying out the refurbishment in order to take full advantage of the opening of the new visitor centre at the country park. This will provide economic benefits through more repeat visits and positive referrals which will allow the Council to benefit by maximising its rental income and increasing the Capital Value of its asset.

7.0 RECOMMENDATIONS that:

- (a) the proposal to invest £250,000 for the refurbishment of the Sherwood Forest Art & Craft Centre and associated building be approved; and**
- (b) the Policy & Finance Committee be recommended to approve the capital expenditure.**

Reason for Recommendations

The Centre is in need of refurbishment and as the Centre opened in 1998, the refurbishment allows for the upgrade of the Centre in order to enhance the visitor experience.

Background Papers

Nil

For further information please contact Julie Reader-Sullivan on Ext 5258

Sanjiv Kohli
Deputy Chief Executive
Director – Resources/s151 Officer

**NEWARK & SHERWOOD DISTRICT COUNCIL
CAPITAL PROJECT APPRAISAL FORM**

| | |
|-------------------------|--|
| PORTFOLIO | Asset Management |
| DIRECTORATE | Resources |
| BUSINESS MANAGER | Julie Reader-Sullivan |
| PROJECT OFFICER | David G Best |
| PROJECT TITLE | Refurbishment Sherwood Forest Art & Craft Centre & associated building |

1. DESCRIPTION OF PROJECT

The proposed project involves the improvement & refurbishment of the Councils highly successful and well regarded Art & Craft Centre (SFACC) and an associated building which is currently underused. There is some urgency to this project in that the new Sherwood Forest Visitor Centre (managed by the RSPB) opens in summer 2018 and this will attract a substantial volume of visitors to the new location which is adjacent to the SFACC.

Previously the car park for the old Sherwood Forest Visitor Centre was located approx. 1.0 mile from SFACC whereas the route from the new car park to the new Visitor Centre directly passes the entrance doors of SFACC. In 2014, the number of visitors to Sherwood Forest Visitor Centre was 371,315 as this rises by around 7% per year this would give an estimated foot fall directly pasting SFACC in 2018 of some 455,000 visitors. It is inevitable many of these people will take the opportunity to browse round SFACC & make use of its facilities.

The new Visitor Centre has small restaurant and information centre but no retail opportunities and in the height of the Tourist Season, the café, with 100 covers, is unlikely to service demand and therefore the opportunity increases for the café within the SFACC. These factors mean that higher footfall will pass the doors of SFACC and the centre will become far more visible. This creates a major opportunity to promote the SFACC and the businesses within it. Therefore enhancing the service and facilities the council provides and in turn maximising income opportunities for the council. At present the work is ongoing for the new Sherwood Forest Visitor Centre which is by the nature of the work, creating some disruption. It is therefore pragmatic to undertake the works for SFACC before August 2018 to minimise disruption to the area over the longer term and to ensure the opportunity is optimised for the next Tourism season 2018.

2. DEMONSTRATION OF NEED (include supporting information with this appraisal)

The Council developed Sherwood Forest Art & Craft Centre in partnership with a number of funding bodies and it was officially opened in April 1998 by Paddy Tipping M.P. From the 2014 STEAM Data (Tourism) the economic impact of tourism for Newark and Sherwood was £237.69 million with visitors to Newark and Sherwood being 4.04 million and as already stated, visitors to Sherwood Forest Country Park being 371,315 at that date. MP Mark Spencer has taken a personal interest in the centre.

This is a unique opportunity to enhance this asset and raise the Tourism profile for the district. The links with Tourism are already identified and clearly this also links with Inward Investment

opportunities as the Economic Growth team often work with businesses looking to relocate/expand and always want to understand the wider issues around the district offer to employees.

The Centre is one of the largest in the country comprising a total of sixteen Studios and a Café. There are eleven Studios set round a glazed atrium with a further external courtyard of five Studios. The café has 64 covers with a further 12 covers outdoors.

Based on empirical evidence it has been calculated that the Centre attracts in excess of 65,000 visitors a year. Regular events are held which attract considerable numbers of additional visitors. The Centre is also the venue for several craft groups and the annual Mansfield^{Plus} Open Wood Carving Competition has been staged at the Centre on a number of occasions. In addition special activities are provided for School Groups which often stay at the adjacent Youth Hostel which is also owned by the District Council. The refurbishment of the SFACC will also enhance the Council's Youth Hostel, through the provision of a revitalised café and craft centre within very easy walking distance.

The Centre is the base for some highly talented professional craft workers who have provided work for some prestigious national bodies such as Lambeth Palace. Asset Management has always viewed art & crafts in their widest sense so there is a mix of traditional and modern crafts which include a silversmith, sculptor, artist, coppersmith, pen maker, and a chocolate maker with a distillery.

The Council has regularly maintained the Centre carrying out any necessary repairs and redecorating at regular intervals nonetheless after nineteen years the Centre is now in need of a major face lift and upgrade which if the bid is successful could be ready for the Centres 20th Anniversary in 2018.

Near the Centre is a building which has been used for storage and the Council's architect has developed an outstanding design to provide a gateway building for Sherwood Forest as it sits directly on the route from the new car parks to the new Sherwood Forest Visitor Centre and Planning Consent has been approved. It is proposed that this building will act as an annex to the Art & Craft Centre and is expected to generate an additional income of c£8,000 per annum. Already much interest has been expressed in this building.

In 2017 around 455,000 people visited Sherwood Forest Country Park which immediately adjoins the Centre and a consortium led by the RSPB are developing a new Visitor Centre for the Country Park which will be very close to the Art & Craft Centre. There is therefore a unique opportunity for the District Council to increase visitor numbers to the Art & Craft Centre by providing an up-to-date good quality environment which will improve our visitor's experience. This will provide economic benefits through more repeat visits and positive referrals which will allow the Council to benefit by maximising its rental income and increasing the Capital Value of its asset.

If the bid is approved the main work will involve the following:

1. Creation of an annex to the centre from the former storage building
2. Partly enclose and cover the outer courtyard with a Victorian style canopy and walkways

3. Creation of a central ice cream/soda/drinks hub in the Atrium to alleviate queuing in the café and form a central focus for the Centre
4. Realign the entrance to the Centre from the rear car park so visitors no longer enter the attraction past the public toilets this will also allow the creation of an additional craft studio
5. Creation of new Victorian style conveniences designed to be easily cleanable and including additional lettable storage space to the rear
6. Alterations to the kitchen (studio 8) & studio 13 to increase the lettable floor space
7. Additional parking spaces will be created
8. Improved lighting will be provided inside and out and other fittings will be provided or replaced such as display cases, seating, flooring, bins etc.
9. Redecoration internally and externally
10. Replacement of the three remaining Crittall metal windows with high performance double glazed wooden windows to match those already replaced
11. Enhance security with the provision of CCTV to the public areas
12. Additional/Replacement heat exchanger to provide better and more energy efficient heating/cooling to the main Atrium

3a. DETAIL HOW THE PROJECT MEETS COUNCIL AND NATIONAL STRATEGIES (include details of any statutory obligations)

Sherwood Forest Art & Craft Centre was initially created to build on the success of the former Church Farm Craft Workshops by providing additional Studio space. It is one of the largest Centres of its type in the Country and is adjacent to arguably the most important and internationally renowned Tourist Attraction in the District if not Nottinghamshire.

The Studios currently provide employment for some thirty-six people and the alterations will create opportunities for two new full-time craft businesses and in addition employment opportunities for at least two further staff (4 jobs in total).

There will be approximately £17,700 per annum of additional rental income to the Council which represents a 7% return on investment.

The Council currently receives an income of approximately £65,600 p.a.x. from the Centre and it is anticipated that due to the increased footfall that the rents for the existing Studios could also be increased. Whilst this is speculative it would not be an unreasonable assumption that the overall rental figure rental income figure could be increased by between 5% & 7% potentially increasing the overall income from the Centre following the facelift to around £87,900 per annum.

3b. DETAIL HOW THE PROJECT MEETS LINKS TO THE COUNCIL'S KEY PRIORITIES AND 'EXCELLENCE' AGENDA

The proposed alterations and improvements will enhance the quality of the attraction and ensure that it continues to provide good quality all weather facilities to our customers and their visitors thereby extending the visitor season.

While ensuring that the studios provide value for money for our customers the improvements will help maintain and increase income for the Council to support other revenue expenditure. In terms of Council priorities, this fits with the Economic Growth and Tourism priorities.

3d. DESCRIBE THE IMPACT OF THIS PROJECT ON OTHER COUNCIL SERVICES

None, except a positive impact for Economic Growth and Tourism

3e. DESCRIBE ANY OUTPUTS (QUALITY) AND OUTCOMES (EFFECTS) THE PROJECT WILL DELIVER IN THE SHORT/LONG TERM

The alterations and improvements will lead to an enhanced visitor experience and will serve to increase the Council's revenue income. The improvements will enhance the reputation of the Centre and by association that of the Council

3f. DETAIL ANY ALTERNATIVE STRATEGIES FOR MEETING THIS NEED

The alternative is to do nothing which could lead to a spiral of decline resulting in a loss of income and reputation for the District Council.

Some provision in the Repair & Renewal budget for the centre has been made which was primarily for the refurbishment of the toilets in 2017. This would not be required if this bid is approved.

4. OTHER INFORMATION

4a. HEALTH & SAFETY ISSUES

By providing a canopy to the outer courtyard the potential for injuries resulting from adverse weather particularly during the winter months will be significantly reduced

4b. CRIME & DISORDER ISSUES

The partial enclosure of the outer courtyard and the provision of CCTV to public areas will deter vandalism and anti-social behaviour.

4c. PLANNING IMPLICATIONS

The property is in the Conservation Area and Planning Consent will be required for some of the work. Planning Consent has already been obtained for the conversion of the former storage building.

4d. LISTED BUILDING IMPLICATIONS

None

4e. RISKS ASSOCIATED WITH PLANNING/LEGAL ISSUES & FINANCIAL/PARTNERSHIP UNCERTAINTIES

As the Art & Craft Centre is in a Conservation Area the Victorian canopy and new toilets will require consent however as these will be in period style it is hoped there will be no objections
The proposed internal alterations will only require Building Regulations approval

The existing tenants will be consulted on the development

4f. HAVE ALTERNATIVE PROCUREMENT STRATEGIES SUCH AS JOINT PROCUREMENTS BEEN EXPLORED?

It was considered whether the scheme to convert the storage building could be entrusted to a commercial tenant in return for the grant of a rent free period equivalent to the cost of the works.

However it makes commercial sense for the Council to undertake the work and benefit from an enhanced rent as payback for this part of the scheme would be a maximum of 5 years.

5. RESOURCE REQUIREMENTS

5a. LAND/BUILDINGS CURRENTLY IN COUNCIL OWNERSHIP

None - existing Council owned premises

5b. ESTIMATED CAPITAL COSTS (best estimates should be given which can be firmed up when details scoping has been completed)

Total cost is estimated at £250,000 and it is considered that the scheme can be delivered within that figure. The estimated cost is based on professional knowledge of the costs required for similar works and was provided by the Council's Asset Surveyor.

5c. REVENUE IMPLICATIONS (this should include costs associated with implementation, ongoing revenue costs and ongoing savings)

Potential saving to Repairs & Renewals budget of c£30,000 by 2019.

There would also be an additional income from the annex, the additional studio & alterations to the Kitchen, & Studio 13 this would total c£17,700 p.a.x. which represents a 7% return on investment.

Void periods would be reduced as there is expected to be a higher demand for studios consequently there would be the potential to increase Studio rentals by 5% & 7%

6. FUNDING

6a. EXTERNAL FINANCE

Opportunities for external funding will be explored should the Capital Bid be approved in principle

6b. EXISTING INTERNAL FINANCE

No existing budget provision is available

6c. FINANCE REQUIRED FROM UNALLOCATED CAPITAL PROGRAMME RESOURCES

This project is not in the current budget allocation and therefore requires approval

7. ANTICIPATED START AND END DATES FOR PROJECT ONCE APPROVED

If the works commence in April 2018, the works could still be largely completed by July 2018 prior to commencement of main tourism season and this would tie in with the new Sherwood Forest Visitor Centre opening in Summer 2018.

FORM COMPLETED BY: David G Best & Julie Reader-Sullivan

DATE: 15 February 2018

SIGNATURE OF SPONSORING DIRECTOR: _____

