Annexe 1

Scope for RFC Options Appraisal

The current position for the management of Rosliston Forestry Centre is:-

Small family company which has managed the centre and the site for almost 20 years.

The Objectives for the future of the site are:-

To develop a modern attractive visitor offer that will:

•Operate daily throughout the year, currently 7.30 a.m. to 5.00p.m;

•As a minimum support and accommodate current visitor numbers;

•Demonstrate that any capital investment in new/ improved facilities has a minimum lifespan of 10 years;

•Ensure continuing value for money, whilst maintaining free public access to Rosliston Forestry Centre;

•Effectively support all-ability visitor access across the site, in consultation with partners;

•Effectively support the management of visitor impact on the centre in general;

•Provide appropriate interpretation/visitor information, working with the partners;

•Show environmental good practice in respect of the operation of the facilities

A long list of 9 Options was drawn up in the first instance, with Options 1-5 disregarded by the Executive as not being viable propositions because they did not meet the partners agreed objectives for the site.

The shortlisted options were put through the Options Appraisal process, showing the pros and cons of each one, it's financial viability and then measured against the partners' objectives and vision for the future

Option 1 – To do Nothing

In this case it is not an option that can be considered as the centre would not have any direct management in place and no staff employed.

Option 2 - To sell Rosliston Forestry Centre

RFC was purchased in 1993 for £350,000 and became the first community woodland in the National Forest. 25 years later there is potential opportunity to sell the site. This is being put forward as an option, though it is one that both partners SDDC & FC do not wish to progress any further than it being raised.

Option 3 – SDDC to sell/handover its share to FC

FC would then take on the management of the whole site, neither partner organisation is in favour of this option.

Option 4 - FC sell/handover its share to SDDC

SDDC would then take on the sole ownership of the whole site; neither partner organisation is in favour of this option. This could mean that the woodland management would also be handed over which would be even more burdensome for SDDC

Option 5 – Partnership employs a caretaker to live on site and open it daily

This would be an interim position if no suitable management company is forthcoming from the procurement process. The partners would have to employ the current staff to continue running the site and to appoint an interim manager to take on overall site management.

Option 6 – The whole site (Excluding the Glade) is leased to another company with management fee payable to partners.

This option would exclude the Glade as it has already been leased by FC to Saffron from 1st April 2018. The rest of the centre could be leased to another management company which would take on the responsibility for the remaining tenants and work closely with Saffron and the partners. It would be a comprise with 2 management companies on the site and would mean more involvement from both partners as the Glade lease would remain with Forestry Commission, whilst the rest of the lease would be under the auspice of SDDC as the lead partner in the procurement process. It would enable the main company to retain the income from the tenants, cabins, car park etc. The risk would be reduced to the partners but not the extent of the whole site being under one management company with responsibility for all the tenants.

A management fee from the main centre management contract would be less but the majority of the income would still remain with the centre. The partners would still receive the agreed levels of income from Saffron.

Option 7 – the whole site including the Glade is leased to a management company with a management fee payable to partners and the company and they take on total responsibility for the commercial delivery and tenants.

This option is the most favourable for the partners; it would reduce the risk to both partners and hand the site over completely to one management company who would then become the new agent /landlord for the existing tenants. They would take over the responsibility for the whole centre and management of the tenants and their leases.

The wood land management would still remain with the Forestry Commission

Option 8 – The site is split into 2 more lots – the Cabins and the Visitor Centre/Car park

Following the lease of the Glade to Saffron, the remainder of the centre could be divided into two lots. This could mean that there would be up to 3 different management companies on the site, with no one being in overall control. The tenants would still fall under the partners. This could cause major complications and require more input from the partners to act as the overall management of the site. Neither of the partners currently has the capacity for this and it would be an extra cost to employ someone to work with the 2 or 3 companies. This could be equivalent to Option 6 if the same company takes on both the cabins and the visitor centre.

Option 9 – Site split into multiple lots i.e. Cabins; Café & Reception; Outdoor Activity Areas; Retail.

This option would be least one acceptable to the partners; it would require careful management on their part working with a number of companies. The risk would be that no one company would in control of the whole centre and it would become untenable. There is also the possibility that not every lot would be taken up as it would be deemed to be unprofitable to take on. A dedicated person would be required by the partners to oversee the management and work with all the companies to keep the site operational. More of a caretaker role for one company.

The Executive examined the options and decided the highlighted options, 6 & 7, are the most representative for the partners to move forward on to determine the viability and sustainability to define the main one to take forward following the Options Appraisal. The Forestry Commission will maintain ownership and management of the woodland.

Option 5 – Partnership employs a caretaker to live on site and open it daily

Pros	Cons
The site would be open daily.	No management in place – only caretaker – may keep on 3 ACD staff to clean and maintain.
Free to access.	Log Cabins not viable proposition as no one to manage them or take the bookings.
Car parking still available.	Bare minimum facilities i.e. toilets open.
Toilets would be open.	Indoor Play areas would be closed.
Visitors would still be able access café.	Site would be more vulnerable to vandalism.
GAIF would still be able use the centre.	SDDC & FC would be more involved in the daily running of the site.
The events on the Glade would be unaffected as the area is managed by Saffron.	Parking charges would be reduced or removed completely.
The tenants would be able to access their premises and continue their business as the caretaker would unlock the buildings.	FC & SDDC's reputations could be damaged and open to criticism.
	This would affect Saffron's wedding bookings if the log cabins were not available.
	The partners would be liable for all the costs on the site, including NNDR on the cabins even though they would not be in use.
	Very little cover if there is an emergency on site or complaints.

Option 6 – The whole centre (Excluding the Glade) is leased to another company with management fee payable to partners payable to partners and the company take on total responsibility for the commercial delivery and tenants.

Pros	Cons
The whole commercial centre, **excluding the Glade**, is leased to one management company or consortium. Two companies to work with the partners and the existing tenants.	Partners would not have day to day control of the centre or its tenants; this would be in the hands of the new management company.
Reduced risk for the partners, management company takes all the responsibility for the commercial delivery on the site, apart from the weddings.	Partners would be at arm's length, communication channels with new company would have to be initiated.
Management company takes on all the remaining tenants' leases and act as their agent, they manage lease renewals, disputes etc.	Loss of governance over tenants and the centre.
Partners receive management fee, which covers the costs of maintenance.	Incentive offer to management company to take on the site could be higher than anticipated.
Partners would only need to keep a watching brief on the commercial aspect of the centre.	Partners would only receive set income allowance, regardless of management company's income.
FC retains woodland management.	Partners do not have day to day involvement in the site development.
Partners not liable for business rate payments.	KPIs not adhered to.
Partners would have to manage two contractors, less responsibility for overall site but may have to act as mediator between the 2 main leaseholders.	May not have input as to new tenants on the site.
Have formal meetings with both management companies.	Management company – manages the site at arm's length with minimal staff on site.
Revitalise the site – coming in with fresh ideas and long term contract.	Come up with ideas that are not in line with partners ideals.
Management meetings would be more infrequent.	

Option 7 – the whole site including the Glade is leased to a management company with a management fee payable to partners and the company take on total responsibility for the commercial delivery and tenants.

Pros	Cons
The whole site is leased to one management company or consortium. Only one contractor for the partners to deal with.	Partners would not have control of the centre or its tenants.
Reduced risk for the partners, management company takes all the responsibility for the commercial delivery on the site.	Partners would be at arm's length.
Management company takes on all the tenants leases and act as their agent on behalf of the partners, they manage lease renewals, disputes etc.	Loss of governance over tenants and the centre.

Partners receive management fee.	Incentive offer to management company to take on the site could be higher than anticipated.
Partners would only need to keep a watching brief on the commercial aspect of the centre.	Partners could only receive set income allowance, regardless of management company's income.
FC retains the woodland management.	Partners do not have day to day involvement in the site development.
Partners would not liable for business rate payments.	KPIs not adhered to.
Easier for partners to manage one contract, lessen responsibility.	May not have input as to new tenants on the site.
Have formal meetings with one management company.	Management company – manages the site at arm's length with minimal staff on site.
Revitalise the site – coming in with fresh ideas and long term contract.	Come up with ideas that are not in line with partners ideals.

Option 8 – The site is split into 2 more lots, excluding the Glade – the Cabins and the Visitor Centre/Car Park

Pros	**Cons**
The site would be leased out and maybe one company would take on both lots – therefore only 2 companies on the site.	There could be up to to 3 management companies on site working together, alongside the current tenants in the café, offices and Enterprise units.
FC/SDDC would still retain income.	FC & SDDC would require more input into working with the different management companies and tenants.
GAIF and EEP would be able to remain on site and continue to use the centre for their activities.	Higher risk if one company pulls out of the contract, due to not being able to work with each other. Finding replacement could be difficult.
All the commercial aspects of the centre would be leased to companies.	The lack of financial viability of each smaller element would be an issue for the partners. There would be difficulty in finding a company to take on small financial income stream that is not commercially viable as a stand-alone business.
	The partners' financial support for the centre could increase on current levels.
	The cabins would be a stand-alone business and may not work with the wedding company for use of the cabins.