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<b>REPORT TO:</b>	<b>Finance and Management Committee</b>	<b>AGENDA ITEM: 17</b>
<b>DATE OF MEETING:</b>	<b>17<sup>th</sup> February</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>M Alflat</b>	<b>RECOMMENDED OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>S Batchelor/ M Roseburgh</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Further development at Rosliston Forestry Centre and Sharpe's Pottery Museum</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>Rosliston, Swadlincote</b>	<b>TERMS OF REFERENCE: (See Public Folders)</b>

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## **1.0 Recommendations**

- 1.1 That Committee approve further development at Rosliston Forestry Centre and Sharpe's Pottery Museum.

## **2.0 Purpose of Report**

- 2.1 To advise members of the plans to further develop Rosliston Forestry Centre in line with the Centre's Strategy and vision.
- 2.2 To advise members of proposals to support the further development of Sharpe's Pottery Museum.

## **3.0 Detail**

### **Rosliston Forestry Centre**

- 3.1 South Derbyshire District Council and the Forestry Commission jointly own Rosliston Forestry Centre, which is a key visitor attraction of 62 hectares within the National Forest. The site is managed through an executive partnership of the District Council, the Forestry Commission and the National Forest Company.
- 3.2 The site attracts 190,000 day visitors and 6,000 overnight stays per year. It has benefited recently from major improvements to its infrastructure including an improved visitor centre, the erection of six log cabins and the creation of an outdoor performance arena. These improvements combined with the existing facilities means the centre continues to attract an increasing and diverse audience. The visitor experience currently includes a wide range of leisure activities in a forest setting such as walking, cycling and fishing, play opportunities, environmental education, overnight accommodation, café/restaurant facilities, one off special events, art/craft activities and meeting facilities.
- 3.3 Key elements of the partners' strategic vision for the site additional to that already achieved are to erect business units on site using modern, sustainable materials; to

improve on the basic infrastructure of The Glade in The Forest; to reintroduce a crazy golf attraction and introduce further environmental improvements.

- 3.4 The Rosliston Forestry Centre Partnership and Business Plan was the subject of a presentation to Overview and Scrutiny Committee on September 17<sup>th</sup> 2008. At the Committee's next meeting in October 2008 several recommendations were made and accepted including a) approval of the contents of the report b) that the partners seek to maximise the potential for increasing income and reducing costs on an ongoing basis and c) the Committee supports the partnerships work to secure capital funds to deliver projects that will contribute income or reduce expenditure to the Business Plan.
- 3.5 To achieve these aims the Council acting as the lead partner for the Rosliston Executive has submitted two separate bids to DDEP for funding to support these developments.
- 3.6 The first bid is titled RFC – The Glade in The Forest. Specifically this project will further develop the 'Glade in the Forest' performance arena extending its use as a multi functional facility catering for cultural, corporate, conference and training activities. The project will provide items such as seating, marquee cover, lighting, sound system, security works and signage to provide for year round, all weather use. The opportunity to make a further application was identified at the official launch of the Glade at which the Chair of DDEP was present with DDEP being the principal funder of the basic Glade space. Other elements of the project include the provision of a 'crazy golf' facility and a small wind turbine, which as well as helping with energy costs would add to the environmental education offer and ethos at the Centre.
- 3.7 The total cost of the project as submitted to DDEP is £240,000 (£220,000 capital and £20,000 revenue). DDEP has been asked for 50% of costs i.e. £120,000. The remaining funding is made up of the following contributions Growth Point £30,000 (secured), Safer South Derbyshire £5,000 (secured), Landfill Tax £45,000 (application pending), National Forest Company £5,000 (secured), Arts Lottery £10,000 (secured), Carbon Trust £15,000 (application pending), District Council £10,000 (in kind support).
- 3.8 The key aim of this project is to further develop the centre as a principal visitor attraction within the National Forest.
- 3.9 The second bid is entitled Business Units – Rosliston Forestry Centre. Although contained within the Strategic Vision for the Centre because of its potential economic impact the development of the project was initially sponsored through the Vibrant Economy Group of the South Derbyshire Local Strategic Partnership and as such included in the Partnership's Investment Plan. As a first step, led by the Council and financially supported by DDEP and the National Forest Company consultants were employed to undertake a two-stage feasibility study examining the site conditions, market opportunities and design and cost options in relation to constructing a small number of business units at the site.
- 3.10 The Stage two study produced four alternative design layouts and proposed four possible locations within the Centre. The guiding philosophy was to develop proposals that met the aspirations of the projects promoters, in terms of both design ethos and a specification maximising the use of timber products and overall sustainability. In addition to which, the buildings would need to be sufficiently 'commercial' to attract occupiers. As for the siting of the proposed units, the suggested locations would need to be [Page 2 of 6](#) sufficient visibility to be

commercially acceptable but without over powering or detracting from the existing centre.

- 3.11 As a result of the various discussions and subsequent design development, it was concluded that Site B located on the eastern edge of the car park adjacent to the entrance to the woods, would be the optimum solution.
- 3.12 Of the four alternative designs for the proposed new units, two of the options were to a standard rectangular layout and the other two featured a more aesthetically interesting semi-circular building with 'wedge' shaped units. Although the later two options were well received, the advice received from external property advisers was that potential occupiers were more likely to be interested in occupying conventional rectangular shaped units. This being the case, Type 2 Design was selected as being the best compromise between a simple shed (Type 1) and an iconic but un-commercial and therefore uneconomic design as per (Types 3 & 4). As a result of the above selection process the Type 2 Design has now been developed to respond to the selected site in a manner that least affects the existing Centre, its layout and car parking.
- 3.13 The proposed accommodation is to consist of five units with an average size of 500sq.ft together with shared ancillary accommodation comprising two toilets, a disabled toilet, plant room and a shower for use by cyclists, which will have the added advantage of securing additional BREEAM points. All local external property experts consulted in the production of both the Stage One & Two Studies, stressed the need to offer as flexible accommodation as feasible, in order to appeal to as wide a range of occupiers as possible, given that no two users are likely to have precisely the same spatial needs. To this end, the two end units are slightly larger at 638 sq.ft each and the three central units measure 421 sq.ft. each. All of the units, particularly the central three, can be combined to produce larger units so as to meet the needs of potential occupants.
- 3.14 Whilst in no way wishing to compromise the intention to create an aesthetically pleasing scheme showcasing all that is best in modern sustainable design and timber framed construction, the Partners were mindful that the scheme still needed to be undertaken as cost effectively as possible. To this end, extensive value engineering has been undertaken to reduce costs, whilst still maintaining the integrity of the finished product. This exercise has now produced a scheme that should be viable to build for a total budget of £590,000 excluding VAT and land value, to comprise £500K in build costs and £90K for associated professional and planning fees. It is considered that current economic conditions will result in contractors submitting very competitive tender prices.
- 3.15 The cost of the project identified through the feasibility work meant that it no longer fitted into the funding parameters of the LSP Investment Plan so following discussions with DDEP a separate stand alone bid was identified as the best way forward and that course of action followed.
- 3.16 The total direct cost of the project as submitted to DDEP is therefore £590,000 (all capital). DDEP has been asked for £365,000. The remaining funding is made up of the following contributions: National Forest Company £150,000 (secured), DBERR £50,000 (application pending), Forestry Commission £15,000 (secured) Safer South Derbyshire/South Derbyshire District Council £15,000 (budgets identified).
- 3.17 It is envisaged that construction will begin in Autumn 2009, with the units opening in Spring 2010.

## Sharpe's Pottery Museum

- 3.18 South Derbyshire District Council has supported the activities of the Sharpe's Pottery Heritage & Arts Trust. This has seen the opening of Sharpe's Pottery Museum in 2003 with a major investment from the Single Regeneration Budget, the Heritage Lottery Fund and the Council into the former Sharpe's Pottery buildings in Swadlincote town centre.
- 3.19 Sharpe's has since become a registered museum and achieved Visit Britain VAQAS status (Visitor Attraction Quality Assurance Scheme is a consumer focused quality assessment service for visitor attractions). The Museum is a charity and a unique visitor facility within the area. In addition to the main exhibits from the area's pottery industry, it is home to a range of activities including an historical archive and a community arts organisation. The Museum has conference facilities and a small performance space, boasting a varied programme of concerts, lectures, exhibitions and events.
- 3.20 In 2006 Swadlincote Tourist Information Centre (TIC) was developed within the Museum, supported by DDEP with on-going revenue support from the District Council. In July 2007 the TIC was awarded Visit Britain 'Official Partner' accreditation (only 296 out of 500 Centres have achieved Official Partners status) and in the 2008 national mystery shopper programme, Swadlincote TIC achieved the highest score in the East Midlands, placing it an outstanding 8<sup>th</sup> in the national ranking.
- 3.21 The Sharpe's Pottery site forms part of the Sharpe's estate - a prominent site that forms a gateway to the town centre. The present condition of the site with a poor visual appearance and significant areas of derelict land is potentially a detractor to private investment in the town centre. However it includes a number of historic buildings and a large site that could potentially form a key part of the Cultural Quarter based upon West Street.
- 3.22 The opportunity has arisen for the Trust to acquire an interest in land adjacent to the Museum. This would secure the future of a number of important historic buildings on the site that provide the setting for the Museum, whilst also safeguarding future expansion space. This would enable inward investment, in the form of complementary attractions and the creation of new employment floorspace for related uses. It would also realise the reclamation of a brownfield site and the regeneration of the vacant/derelict buildings located therein.
- 3.23 The proposed Project would also enhance the visitor offer at the Museum, through improvement of the facilities and attractions. Restoration works would be undertaken to the former kiln to secure the structure and enhance its usage. Meanwhile, a new National Forest Gallery would be created within the Museum. These activities would support the continuing success of the Museum as a key tourist attraction in The National Forest and support the growth of a sustainable tourism economy in the area.
- 3.24 Swadlincote town centre is of growing importance as a key service and retail centre within The National Forest – an emerging visitor destination of national significance. The establishment of the Museum and the opening of the Tourist Information Centre creates the opportunity for the town centre to become a key gateway to The National Forest - with the potential to attract significantly greater numbers of visitors into the District.

- 3.25 The Project would involve a capital acquisition by the Trust in terms of the purchase of a long lease for a site immediately adjacent to the Museum. The site encompasses historically important buildings, vacant and derelict buildings and brownfield land. The District Council is presently supporting a major investment in the main building on the site to be acquired through its PSiCA (Partnership Schemes in Conservation Areas), which includes a new roof and exterior works including pointing and removal of paint from walls and the renewal/replacement of windows in the traditional style.
- 3.26 In April 2009 a Project Manager employed by the Trust would take up a new post on a two year fixed term contract (Apr 09-Mar 11). They would oversee the implementation of the Project. Their role would be to lead the development of the Trust and its activities, focusing upon the implementation of the Project. This would include leading the implementation of physical improvements to the attractions and facilities of the Museum, improving the organisational structures and processes that will sustain and enhance the quality of service to visitors, and developing the proposals for the transformation of the acquired site. By March 2011, the Project envisages the realisation of:
- Restoration works focusing on the historic kiln hovel including re-pointing, removal/replacement of render, additional ventilation and rebuilding of the cap. The kiln has potential for greater use as a gallery, exhibition, and performance space. This is presently constrained because its open nature means that it is not usable during wet weather. The Museum also suffers with high utility bills. These restoration works would protect and enhance the core of the historic pottery buildings and increase the range and number of activities for which the kiln space can be used.
  - Creation of a new National Forest Gallery within the Museum, potentially including a new attraction telling the 'Story of The National Forest'. This could bring alive one of the Country's most ambitious environmental initiatives, exploring the origins and development of the Forest. Works could include minor internal alterations to the space, interpretation panels, furniture, audio-visual equipment and preparation of materials. This new feature would broaden the visitor appeal of the Museum and integrate it more closely with The National Forest destination.
- 3.27 The Project Manager would also act as a catalyst, taking forward the restoration work and further development of the Museum and related activities, through the development of proposals for the acquired site. They would also contribute to the realisation of the potential of Sharpe's as a key site within the Cultural Quarter.
- 3.28 An application for the majority of the funding required for the Project has been submitted to DDEP. The National Forest Company has offered a grant towards the creation of the new gallery. Supporting funding applications have been submitted to the Landfill Tax scheme, the Community Partnership Scheme and the Swadlincote Conservation Area Grant Scheme.

#### **4.0 Financial Implications**

##### **Rosliston Forestry Centre**

- 4.1 Both projects are largely financed through external investment as outlined above with the small Council investment either being made in kind or through existing budgets.

- 4.2 The new buildings will be taxed. The reasons for this are 1) that the buildings will be used to generate VAT exempt income after construction which means any VAT reclaimed on construction costs will count towards the Council's partial exemption position and 2) the estimated capital costs are potentially sufficient to cause the Council to exceed its 5% limit in either 2009/10 or 2010/11.
- 4.3 The main implication in opting to tax is that exempt income from renting / leasing would become standard rated i.e. VAT would be added onto charges. This shouldn't be a problem for a VAT registered business renting the units as they will be able to recover the VAT on their VAT return. However, if a business is not VAT registered the VAT will in effect be an extra cost to them compared to a VAT registered business. Therefore as far as non-VAT registered businesses are concerned the units may appear to be more expensive than comparable units in the area where the comparable units are charged at a VAT exempt rate. That said the difference and impact of this is not considered to be material in terms of viability of the units.

### **Sharpe's Pottery Museum**

- 4.4 The Council would be the accountable body for the DDEP application, if successful, but would not contribute financially to the Project, other than possibly through existing grant schemes. Applications have been submitted by Sharpe's Pottery Heritage & Arts Trust to the Community Partnership Scheme and Swadlincote Conservation Area Grant Scheme, which is jointly funded by the Council, English Heritage and Derbyshire County Council.

## **5.0 Corporate Implications**

### **Rosliston Forestry Centre**

- 5.1 The new assets will be managed mainly through the existing partnership arrangements with property services assisting with the letting etc of the units.

### **Sharpe's Pottery Museum**

- 5.2 The Project is designed to enable Sharpe's to become more robust as an organisation, with greater opportunities for income generation in the future.

## **6.0 Community Implications**

- 6.1 The proposed developments represent an excellent opportunity to further enhance Rosliston Forestry Centre and Sharpe's Pottery Museum for the benefit of both the local community and visitors from further a field.

## **7.0 Background Papers**

### **Rosliston Forestry Centre**

- 7.1 Rosliston Forestry Centre Reports to September and October 2008 Overview and Scrutiny Committees.
- 7.2 Rosliston Business Units Feasibility Study and Addendum (Room F109)
- 7.3 Applications to DDEP (Room F109)

### **Sharpe's Pottery Museum**

- 7.4 Application to DDEP