
WELLS CITY COUNCIL

THE PORTWAY ANNEXE BUSINESS PLAN DECEMBER 2020



Providing residents of the City of Wells a new sustainable community space to help them achieve their economic, health, social, environmental and education goals

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Executive Summary

The Portway Annexe is based in the heart of City on the junction of Portway and Portway Avenue. The Annexe has served the local community for generations, having formerly been a pre-school, school, adult education centre and being well used by various community groups.

Wells City Councils' first objective is to purchase the building from Somerset County Council. Wells City Council will look to obtain a Public Works Loan to purchase the property. The City Council will consider capital financial contributions towards the purchase of the Annexe from any other parties, prior to purchase.

Once purchased Wells City Councils' second objective is to turn the Annexe into a community centre to provide:

1. Meeting space and facilities for individuals, community groups and voluntary organisations.
2. The City Council's open spaces team
3. Office space for local businesses
4. Commercial hire
5. Public Sector agencies hire
6. Any other community use identified by the Council or the Community

Wells City Council's third objective would then be to work with partners. Initial Discussions have been started with a number of community organisations. If the purchase is successful, then the nature and management of the partnership would need to be legally agreed and this will be our fourth objective.

Within the initial discussions that have taken place between Wells City Council and partners it is clear that we all wish to:

- A. Respect the history of the Annexe and maximise future community usage
- B. Promote the following objectives for our residents
 - i. Health
 - ii. Social Welfare
 - iii. Education and skills
 - iv. Community wellbeing and cohesion
 - v. Employment
 - vi. Young peoples
 - vii. Sustainability and the environment
 - viii. Financial

The Wells City Councils Fifth objective would be to consult with the residents of the City on the future usage of the Annexe.

The Sixth Objective of Wells City Council would be that the Annexe becomes self-sustainable as an asset and does not rely upon, or relies on minimal ongoing, resource from the Council.

This Business Plan is an initial strategic document. It outlines the immediate objectives to secure the building and initial financial projections.

Somerset County Council have informally valued the building at £700,000. However the valuation report we have obtained values the Annexe at XXXXXXX.

As detailed in the financial sections of this plan, the Annexe is a feasible investment which could even provide a healthy return to the Council in time.

Financial estimates have been researched from a variety of local sources. However, as stated, this will not happen overnight and will need considerable work from the council and the community.

A final Business case / detailed budget will need to be drafted and agreed by the City Council once the initial objectives in this document have been achieved.

Our Vision and Mission

The vision of Wells City Council is:

“That all residents living in the City of Wells are provided with a new sustainable community space to help them achieve their economic, health, social, environmental and education goals”

In order to achieve its Vision, the Mission of Wells City Council is:

- To manage the Annexe solely, or in partnership with community and residents, and to provide a high-quality facility and the opportunity for a range of activities for Wells residents
- To restore and improve the fabric of the building and the facilities it has to offer
- To provide a range of spaces for local community groups, in order to help support and improve the services they deliver
- To develop activities at the Annexe. To work with partners to provide existing activities and to work with them to provide new activities and to increase participation
- To focus on services that provide for the disadvantaged, the vulnerable and the environment
- To work with all other public sector organisations who wish to use the Annexe
- To make the Annexe financially sustainable

The Annexe

The Annexe was originally constructed in 1900, however there were substantial additions added in 1913. The Annexe is now a Grade II Listed building.

The Annexe has been primarily used as a school since its construction, meaning that it is already divided into classrooms and office space. From the 1970's onwards it has been used for teacher training, adult education, a pre-school and by various community groups.

The property currently consists of:

- 1 assembly hall
- 5 Classrooms
- 5 Offices
- 1 ICT Room
- 1 Kitchen
- Various rest rooms
- 1 plant room

A plan of the building can be viewed as **Appendix 1**

The remainder of the site consists of:

- Car parking for 35 vehicles
- Green spaces
- Trees

A site plan is attached as **Appendix 2**

Potential Uses for Portway Annexe

Summary

Wells City Council intend to use the Portway Annexe as:

1. A base for its' Open Spaces Team
2. To obtain rental income from the car parking
3. To obtain rental income from businesses renting space
4. To obtain rental income from community groups renting space
5. For any other commercial / community use the council sees fit

This section of the report sets out the different ways in which Wells City Council can utilise the facilities at Portway Annexe. Further information on possible rents and figures can be found further in the report.

Wells City Council's Open Spaces Team

Wells City Council employs 5 permanent staff in their open spaces team and up to 3 seasonal workers.

The team are currently located at the Cemetery, however they have outgrown their office accommodation and need space to secure their grounds maintenance vehicles and equipment.

It is envisaged that the Open Spaces Team will take up 2 office spaces immediately with the need for more in the future and space for storage of some equipment.

The alternatives are that the open spaces team remains in its current, but outgrown, accommodation or the Council look to rent commercial premises to house them.

The team provides essential open spaces maintenance to the City, which includes:

- Maintenance, safety checks and grass cutting of the 15-acre site at Wells cemetery
- Wells in bloom operations, including planting and watering
- Hedge maintenance along the Wells relief road and Lovers Walk area
- Verge maintenance
- Daily check and clearing of High street water gully's.
- Specific areas requested under delegated authority from Somerset Highways.
- Safety checks and maintenance at Wells skate park.
- Operation of the Speed Indicator device.
- Christmas light display in the City.

- Cleaning of Wells public toilets.

In the event of a Unitary Authority being created, the Open Spaces teams' duties will likely only increase and this will require more staff to be taken on.

Furthermore, any new functions the Council take responsibility for (with or without Unitarisation) such as WRGT, the Market Place, Parks and Playgrounds - will also involve the need for more office space.

We are a growing Council with only limited office space at the Town Hall and Cemetery.

Rental Income from Car Parking

There is certainly an opportunity for the Council to create income by leasing car parking space. The Portway Annexe Car Park is conveniently located within walking distance of the High Street and this might be desirable to businesses who cannot offer parking to their employees or individuals looking for parking space.

The Annexe has:

- 35 car parking spaces
- A hardstanding area

Car parking will need to be set aside for:

1. Staff
2. Visitors
3. Tenants

However, this will still leave a number of space which the Council could utilise by leasing them to individuals or businesses in order to obtain a revenue income.

Rental Income from Businesses

A number of years ago the Mendip Hub, based in Southover closed. The hub provided desk space for individuals and businesses to rent in an open floor plan / small office setting.

The Annexe already has 5 classrooms and a hall.

Each classroom could provide 10 desks for a business or individuals to rent or they could be sub divided into 4 private small offices / pods

Rental Income from Community Groups

Wells City Councillors and Project Factory CIC have actively engaged with the Wells Community.

To date Wells City Council has been contacted by the following supporters / potential users of the Annexe:

- Somerset Skills & Learning
- Somerset County Council (Wells Health Visitors)
- Mendip District Council
- The Connect Centre
- Wells Community Network
- Wells Heritage Partners
- Mendip Health Connections
- Local Clinical Commissioning Group
- Somerset Community Foundation
- Spark Somerset
- Sustainable Wells
- Wells Climate Action Network
- The Little Theatre
- Edventure Frome
- YMCA
- The Lawrence Centre
- Wells Dementia Action Alliance
- Wells Memory Cafe
- Community Choirs
- Women of Wells
- Mendip Community Credit Union
- Society of Disabled Artists
- Heads UP
- Local Residents Groups
- Local Sports Group
- The Project Factory
- Benevolent Lodge
- Royal British Legion
- Prospects

If we are successful in purchasing the Annexe, further information and room rental rates need to be forwarded to these groups.

In addition, the Project Factory CIC have compiled a spreadsheet of individual responses they received. This demonstrated responses from 170 individuals and groups. A copy of this

spreadsheet has been provided to Wells City Council. For data protection purposes a copy has not been attached to this business plan, however it can be seen by councilor's on request.

Other Commercial/ Community Uses the Council sees fit

The Chair of the Council's open spaces committee was asked to comment on the potential uses for the Portway Annexe and responded.

The City Centre has to better cater for the needs of the residents of Wells. Currently, tourists and retired residents are well catered for. What is lacking is a community space for parents of babies and pre-school children to meet in an informal setting so that they can find support and avoid isolation and loneliness. Portway Annexe provides this opportunity. Wells City Centre lacks a space for such parents to meet.

We urgently need space for teenagers to meet in a safe environment. The Elim centre does have some provision but it is not enough. Portway Annexe could be used to create such a facility.

Competitor Analysis

There are a number of areas in Wells which already offer these types of services.

The following properties/ organisations currently rent out rooms for the community to rent/use:

- Elim Connect Centre
- Seager Hall
- St Thomas Church Hall
- Wells Children's Centre
- The Bishops Barn (if Wells City Council take over the ownership)
- Wells Town Hall

The following entities currently offer rental space for businesses:

- Wells Enterprise Centre
- Underwood Business Park
- Keward Business Park
- Cathedral Business Park (if built)

The following entities provide car parking in the City:

- Mendip District Council (off street car parking)
- Somerset County Council (on street car park)
- Private car parks at Priors Road, the Regal and the Fountain

Note

Only Mendip District Council provides season tickets for some of their car parks.

Financial – Purchase Costs

The Value of the Annexe

When Somerset County Council were initially contacted about the Annexe, they stated that they had received a report from its valuers, Cooper & Tanner that the site (building and land) was valued in the region of £600,000.

In conversations between our valuer and Somerset County Council, they have subsequently indicated that they had revised their valuation of the building to £700,000.

Wells City Council commissioned a valuation report from Killens.

Killens have reported that:

1. The Annexe can be valued at XXXXXXXX (para 14.1).
2. The rental value of the Annexe is £50,000 per annum (para 14.3).
3. There are additional costs we need to take into account if purchasing including, stamp duty and legal costs (para 14.4).
4. The Covenants on the property, have limited bearing on the valuation (para 9.11.4)
5. The building is in need of updating (para 9.7).

Financing the Purchase

The Town Clerk has made enquiries in relation to obtaining a Public Works Loan to purchase the Annexe.

We can borrow £500,000 in any one year using this lending facility.

The implications of borrowing this sum are:

- The loan would be repaid over a 25 year period
- An annual repayment of approximately £23,850 a year (on a loan of £500,000), this varies depending on the daily interest rate, which as of today is 1.56%
- The annual repayment would increase for any sum borrowed over £500,00.
- This would add 4.2% on last years precept
- This would cost £10.74 a year to each Band D property

If the sum of £500,000 was not acceptable to Somerset County Council we could negotiate to pay a higher fee, however as we can only borrow a maximum of £500,000 from the Public Loan Works Board in any one year. We would have to negotiate a multi-year payment scheme and obtain a further loan next year.

Our Options

Our options in relation to purchasing the Annexe are:

- **Option 1**

Wells City Council agrees not to purchase the Portway Annexe

- **Option 2**

Start negotiations at XXXXXXXX for the purchase of the Annexe and appeal to Somerset County Council to accept a lower valuation so that the building can be kept for the use of the Community.

- **Option 3**

Negotiate up to XXXXXXXXX and request payment over two financial years.

- **Option 4**

Negotiate up to another amount, as agreed by the City Council and request payment over two financial years.

Financial – Running Costs

Running Costs and Income

We are aware that the former Tenants Somerset Skills and Learning were:

- Paying Somerset County Council £15,000 Per Annum in rent (a cost we as owners would not incur)
- Paying running costs of £15,000 Per Annum
- Taking £4000 pcm in room hire
- Room utilisation 25% in a six day week
- Rents for the classrooms were £50 per half day

Future Estimates

In relation to ongoing running costs current estimates are per annum:

- Gas £6000 to £7000
- Electricity £4000 to £5000
- Water £500 to £1000
- Rates £16250
- Insurance £2000
- Broadband £500 to £750
- General Repairs TBC
- Boiler Maintenance TBC
- Fire / H&S TBC

Renovations

In order to achieve our community / business and open space goals, there will need to be some

- Painting / decoration
- New infrastructure
- Equipment

The City Council will need to set aside funds to pay for these items.

The report of Killens identifies that the building is in need of updating.

The building appears (although we have not obtained a full structural survey) sound and should not require any major works. However, we would of course be liable for these sums, if any were to occur. The Council could obtain a full structural survey of the building if it has any concerns. This will come at a cost of perhaps some £3000.

Planning permission

If we were to use the building for any other purpose than an education centre we would have to apply to Mendip District Council for a change of use.

Financial – Income Generation

Savings Associated with relocating the Open Spaces Team

As raised previously, the Open Spaces Team are outgrowing their current home at the cemetery and, with Unitary discussions underway, it seems likely that the team will only need to expand in the future. This would require them to leave their current home and seek a new premises.

If the Open Spaces team were to relocate to new premises they would need:

- Office space
- Work space
- Equipment storage
- Parking

the costs of this could be in the region of £1200 to £1800 per month. This would be an annual cost to the council of £14,400 to £21,600.

This sum could be saved if the Open Spaces Team could be housed in a property owned by the City Council, thereby saving the need to lease other premises.

Business Hub Financial Details

As discussed above, there is ample room in the building to offer office space to businesses and individuals. This is assisted by the fact that the building has already been separated into classrooms which are ideal for desk space.

These would provide a work space for either individuals or small businesses who are not ready to move into their own premises, but need a place to work. This could really benefit those who are self-employed, by offering a communal work area where they can interact with others.

From a search of the current offering in the local area (Bristol, Frome Highbridge and Wells), desks and office space can be offered to businesses or locals on a daily or monthly basis.

In the following areas a desk can be rented for:

1. Frome (desk) £200 per month
2. Bristol (desk) £150 per month

In the following areas there is currently being offered office space for:

3. Wells (a small office) £269 per month
4. Frome (a work pod) £400 per month
5. Frome (a small office) £500 per month
6. Highbridge (small office) £298 per month
7. Bristol (a work pod) £300 per month

Therefore, Wells City Council could offer from Portway Annexe:

- A desk space at £125 per month
- A small office at £225 per month

Based on letting 10 desks and 4 offices the:

Monthly income could be:

- 10 desks at £125 = £1250
- 4 offices at £225 = £900
- A total monthly income = £2150

Annual income could be:

- 10 desks at £125 p/m = £15,000
- 4 offices at £225 p/m = £10,800
- Total annual income = £25,800

This would provide income for Wells City Council, as well as providing a space to support Wells Businesses.

Community Use Rental

Classrooms

Based on £50 rental per half day and a 25 % utilisation figure then we could receive £7800 rental per each classroom annually

- £7800 x 6 (5 Classrooms and 1 IT room) = £46,800 Per annum

- £7800 x 4 (3 classrooms and 1 IT room, as 2 classrooms used for business hub) = £31,200 per annum

Offices Smaller Meetings Rooms

Based on a £10 rental per half day and a 25% utilisation figure then we could obtain receive £1560 rental per each office.

- £1560 x 2 offices (retaining one for site management and two for open spaces) £3120 Per Annum

Car Park Rental

At present the only car park in Wells that Mendip District Council will allow the purchase of a season Ticket in is the Tucker Street Car Park

A current Season Ticket in Tucker Street car park costs

- £208 for 6 months
- £372 for 12 months

In the circumstances we could charge between £250 to £325 per car parking space for 12 months.

If the Council were to offer

- 10 spaces for car parking at an annual fee of £250 each, we would receive £2500 of income Per annum
- 20 spaces for car parking at an annual fee of £250 each, we would receive £5000 of income per annum
- 10 spaces for car parking at an annual fee of £325 each, we would receive £3250 of income Per annum
- 20 spaces for car parking at an annual fee of £325 each, we would receive £6500 of income per annum

Staff

It is envisaged that there no additional staff costs would be required for management, booking or maintenance at Portway Annexe as we can utilise the existing Wells City Council staff. The current staffing structure in place at the City Council allows for a considerable staff saving to be made in the running costs of the Annexe for an initial period.

However in the future we may need separate caretaking / cleaning facilities. Commercial lets would also pay more for serviced office space.

Financial Summary

Potential Income/ Expenditure/ Surplus

Example 1

6 Classrooms for community use	£46,800	
Office / Smaller meeting rooms	£3210	
Car Parking (20 spaces)	£6500	
Total Potential Income		£56,400
Less loan repayments	£23,850	
Less running costs	£15,000	
Less Total Expenditure		(£38850)
Potential Surplus		£17,550

Example 2

4 Classrooms for community use	£31,200	
Business hub	£25,800	
Office / Smaller meeting rooms	£3120	
Car Parking (20 spaces)	£6500	

Total Potential Income		£66,620
Less loan repayments	£23,850	
Less running costs	£15,000	
Less Total Expenditure		(£38850)
Potential Surplus		£27,770

Potential Savings

In addition to the figures above, as previously mentioned, the annual saving of not finding new premises for the open spaces team is a sum of between **£14,400 to £21,600**. This would be on top of the figures quoted above.

Promoting the Portway Annexe

Introduction

Whilst under the ownership of Somerset County Council and the control of Somerset Skills and Learning the building was not substantially renovated and marketed.

An active publicity and marketing campaign is required to make:

- The residents
- Community Groups
- Businesses

aware that the Portway Annexe is open for business and for community use.

The marketing campaign needs to be continual until all community and business space is filled.

Letters

The residents and community response has been very positive. However, as soon as we take ownership of the Annexe we need to write letters to these groups, update them on our plans/ provide further information, advise them of the space available for rent and ask them to consider making bookings.

Consultation Event

Despite being a central building, there are lots of residents who have not recently, or never, been in Portway Annexe.

We need to open the building up to the public for an open day to announce our plans and allow them to look around the site.

An open day could also be combined with a community consultation event upon future uses for the building. This would consult with the local community on what they want the building to be used for.

We could easily staff this ourselves with Councillors or Staff on hand to answer resident's questions. We would need to create boards showing our plans, create a feedback form/ email

address for residents to complete and then analyse and publish the feedback we receive. This could be used to help show us how the community envisage the building being used.

It is a building that very well known, but not many people have entered into it over the last few years. Therefore, an open / consultation day should generate significant interest.

Media

We can use existing social media and paid media platforms to advertise the availability of the annex.

The Management of Portway Annexe

If the City Council were to take ownership of the Annexe, it is recommended that a Committee is formed to assist staff in:

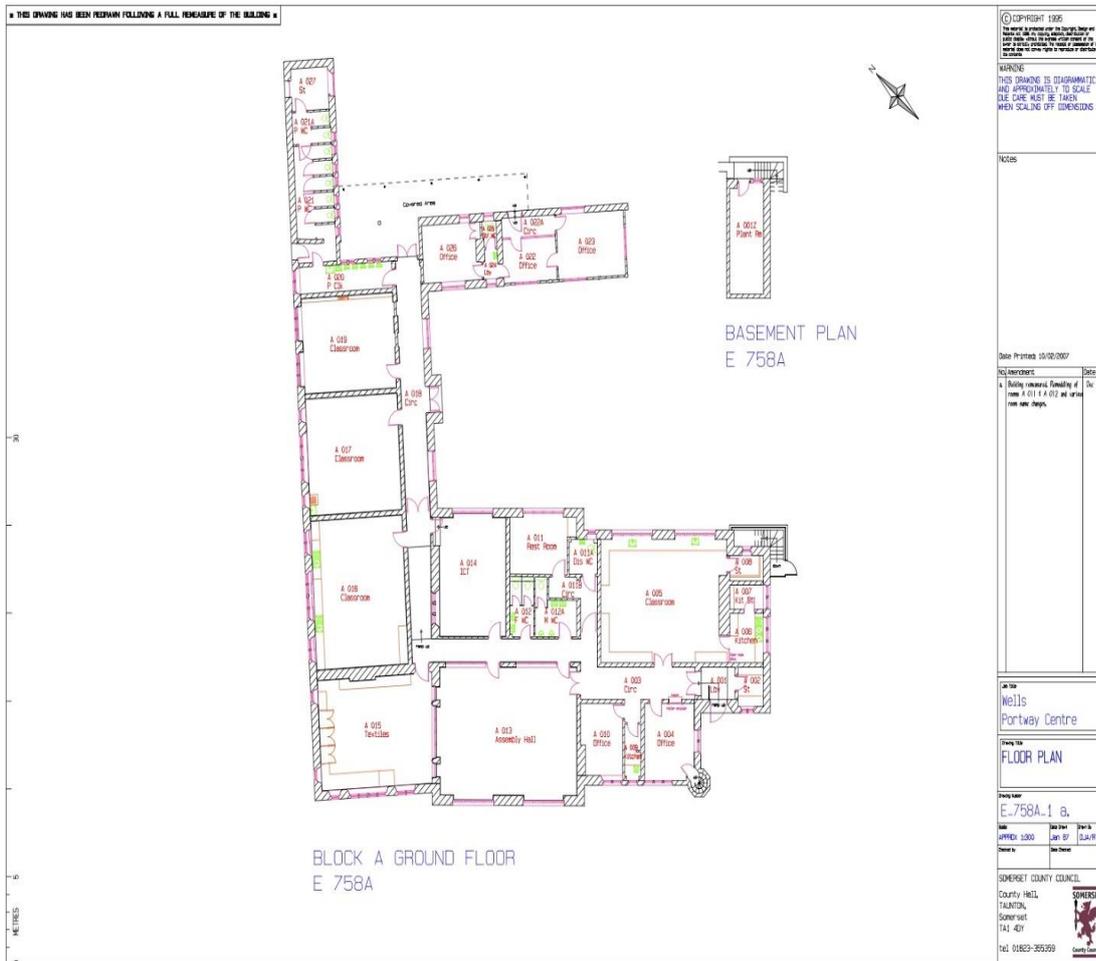
- Preparing a detailed budget
- Consultations
- Finalising the vision and use of the Annex
- Renovations
- Marketing
- Fundraising

Given the weight of public support it is recommended that the City Council grants a number of spaces on this committee to representatives of community groups and residents.

Given that the City Council is taking all of the financial risk on acquiring and running the building, the City Council should maintain a majority on any such joint committee.

The financial targets outlined in this business plan will not be obtained in year 1. To achieve these results it will need considerable hard work from the City Council, Councillors and the Community to maximise bookings and rental income.

Appendix 1: Portway Annexe – The Building



Appendix 2: Portway Annexe – Site Plan

