

Chelmsford City Centre Community Owned

creative space feasibility study

Final report February 2022

Authors: Anna Harding, Julia Payne



Contents

Key findings	3
Conclusions	4-5
Recommended actions	6
1. Introduction	7
1.1 Background and context	8
1.2 The brief	9
1.3 About this document	9
2. Methodology	10
2.1 Introduction	11
2.2 Consultation methods	11
3. The Context	12
3.1 The picture in Chelmsford	13
3.2 Some national context	14
3.3 Relevant national case studies	14-20
4. Key Consultation Findings	21
4.1 Introduction	22
4.2 Overview of creative spaces currently used by Chelmsford Creatives	22-24
4.3 Consultees' interest in a new building	25
4.4 How consultees think they, and others, would potentially use and engage with a new space	26-28
4.5 What consultees think it's most essential the building has	28
4.6 Making sure any new space is inclusive: what consultees said	29
4.7 Community-owned, but managed professionally please	30
5. Observations And Recommendations	31
5.1 Introduction	32
5.2 Critical success factors	32-33
6. Conclusions	34
6.1 Conclusion #1: Financial viability is achievable	35
6.2 Conclusion #2: At present, little prospect of a viable permanent space in the city's central shopping area	36
6.3 Conclusion #3: A number of locations across the city you should consider	37-43
6.4 Conclusion #4: There are city centre options that go towards satisfying demand for space	44
7. Risk Analysis	45
Appendices	47
Appendix 1: Interviewees	48
Appendix 2: Survey Data	48-52
Appendix 3: Key Findings from Consultation Sessions	53-56
Appendix 4: Example Financial Operating Models	57

Introduction

For some time Chelmsford's Ignite Cultural Partnership has been aware of a growing desire and established need for a collaborative community creative space in Chelmsford's City Centre. In September 2021, the Partnership commissioned a feasibility study into this proposed creative space.

This report summarises the key findings from the consultation process we conducted as part of the study, which included a survey completed by 250+ individuals from Chelmsford's creative sector, consultation events and a series of 1-1 interviews with a wide range of stakeholders. In addition, it includes detailed analysis and commentary based on these findings, and concludes with a number of recommendations and a summary action plan that we hope will provide the group with a clear direction of travel for the next phase of this project.

Key findings

A new building is seen as critical to the growth of Chelmsford's creative sector

Our consultation confirmed a widespread view amongst potential stakeholders that a new creative space is critical to the growth of Chelmsford's creative sector.

It's about learning and socialising more than having a regular place to work

Overwhelmingly, the space is seen as a place where consultees expect to socialise, learn and potentially collaborate rather than a regular workplace. While 54% of survey respondents expect to use a new space to socialise in, fewer than 1 in 10 anticipating working there full time, and a third occasionally.

There's strong interest amongst consultees in running & attending workshops

Amongst participants in our consultation sessions, around 50% indicated they'd want to run workshops in the new space, with a similar number saying they'd like to attend workshops as participants.

Demand for a place for artists and makers to exhibit and sell their work

Amongst consultees, there's also a widespread desire for the new space to have space in which artists and makers can sell or exhibit their work, and where people can buy that work. 46% of survey respondents also said that they saw the new space as a place to shop, and around 4 out of 10 that they'd be interested in selling or displaying work.

Evidence of a cohort of potential workspace tenants

With 40 survey respondents (16%) saying they anticipate wanting to rent a studio/office in the new space, there's evidence of a potential cohort of workspace tenants for any new city centre affordable creative workspace.

Some interest in hireable rehearsal/R&D facilities

Amongst consultation event participants who work in the performing arts, there was widespread interest in a new space including spaces they could hire for rehearsals, band practice or longer R&D periods.

A hub for community wellbeing

Nearly 4 out of 10 survey respondents (39%) think this new space would help their wellbeing, reflecting widespread interest in a new building functioning as an informal hub for wellbeing, hosting socially prescribed activities.

A potential 'home' for younger creatives and emerging professionals

Across our consultation, young people and emerging creative professionals were consistently identified as a key potential user group, and target audience for events that consultees envisage happening in a new space.

Building essentials? An event space, community ethos and space for retail

When asked what they most want from or in the building, the loudest call amongst consultees is for an event space. There's also widespread demand for a strong community ethos, and a shop in which they can sell their work.

Key components of community-ownership? Governance, strong management and community representation

When asked to catalogue the key components of community ownership, consultees want to see an operator motivated by social return rather than profit, professional management by an organisation with a relevant track record and strong community representation in strategic decision making.

Conclusions

Conclusion #1:

Financial viability is achievable

A financially viable community creative space operation is achievable on the basis that the acquisition and fit-out of the space is fully funded.

Three viable models have been set out, relevant to different locations and operators.

Given that the biggest 'drivers' to emerge from our community consultation are mainly to do with socialising and participation in workshops, which alone is insufficient to cover operating costs, but 3 viable models provided show event space combined with either retail, grant-funded youth/wellbeing programme or creative workspace.

Financial viability relies on mandatory 80% charity rates relief as the property will be occupied by a charity, ideally with the further 20% discretionary relief agreed by the council in advance of signing a lease on the basis of a case made for the community benefit value of the project. The creative workspace model assumes that individual workspace units rented to small businesses will be eligible for Small Business Rates Relief.

A purchase on the open market will rely on contingent capital so that a swift response can be made should a suitable building come up.

Conclusion #2:

At present, there's a shortage of suitable permanent space in the city's shopping centre

There is little prospect of the Partnership being able to develop a fit-for-purpose, financially viable, community creative space in Chelmsford City Centre that could meet the criteria initially identified by the group. This conclusion is based on a number of factors:

- There is currently no obvious building available which fulfils the criteria to be permanent, in the city centre and able to open in the evenings.
- A viable retail operation model, demonstrated by the current Ideas Hub model at The Art Place, relies on high street footfall to generate the income needed to cover operating costs.
- Whilst 40 people looking to rent creative workspace could provide a solid revenue stream, a building that could house such spaces is hard to identify in the city centre and would not need such a location.
- The best shopping centre opportunity seems to be in a future redevelopment of Meadows Shopping Centre based on the existing proven ArtPlace model, but this is a long-term proposition, which would not allow for continuity between the existing Ideas Hub model in The Meadows and a new permanent building. Another high street option would be retail units on Baddow Road if and when they come on the market.

Conclusion #3:

There are, however, a number of other locations across the city you should consider

These locations lack the shopping centre retail footfall required for model 1, but provide viable models for event space plus grant-funded wellbeing programme (model 2) or event space plus creative workspace (model 3). Opportunities range from ones immediately available to regeneration opportunities in 5+ years' time.

Ideally there could be a combination of spaces, with creative studios and event space in, say, the West End which people will go to for scheduled activities, connected to a smaller permanent space in the city centre for selling to retail shoppers and connecting with passers-by.

The routes available are:

- a) Acquire existing new build units which are already available e.g. Genesis/Notting Hill former Transition space
- b) Propose the project as an anchor for new development:
 - West End creative quarter regeneration – Fairfield Road Car Park Development
 - Chelmer Waterside Growth Area – ideally Gasworks site
 - North Chelmsford – neighbourhood amenities
 - If this is designed in consultation with an experienced operator this provides the best guarantee of creating a viable layout to create cross-subsidy.
- c) Repurpose existing buildings (more complex and subject to detailed scoping, these may not create enough space to generate enough revenue to run the desired permanent community event space):
 - Shire Hall
 - Covered market / Market Square
 - Sandford Mill Museum + neighbouring buildings

Conclusion #4:

There are city centre options that could satisfy some demand for social and participatory space

Whilst there are scarce opportunities for developing a fit-for-purpose community creative space in the city's shopping centre with a shortage of potential premises, there are options that would go some way towards satisfying the need for central social and participatory space in addition to developing a less central venue.

Use outdoor spaces – outdoor market area events

This could provide visible activity but no self-contained space.

Explore the potential for a longer lease on a unit in The Meadows

A shopping unit with a longer lease and experienced operator would increase footfall in the city centre, shift the identity of the Meadows and potentially influence the list of potential uses in any future regeneration of the site.

Develop existing talent and organisations

Investing in the organisational development of some of Chelmsford's dynamic social enterprises and entrepreneurs, including The Ideas Hub and Hotbox, could help drive the group's ambitions forward, in the short and long term.

Partner with existing city centre spaces to ensure affordable community hire rates

There are a number of spaces in the city centre, such as Patch and ACanteen, that could potentially house some of the city's creative projects and initiatives, given a small amount of funding to subsidise community event hires.

Recommended actions

The following actions are recommended in relation to Conclusion #1:

- Decide which core model is the priority
- Keep the option to fund a combination of spaces (e.g. city centre and West End, serving different functions)
- Discuss with the Cultural Development Trust potential funding of any options, including testing out whether there are HNW individuals willing to offer contingent capital towards property acquisition and fit-out
- Use this report as the basis to create a business/ funding case
- Apply for CIL / S106 earmarking for the project
- Once a site and budget has been found, put out a call for operators; once appointed, contribute to designing and delivering the model.

The following actions are recommended in relation to Conclusion #2:

- Prioritise locations, buildings and development sites in relation to core models and use the criteria set out in this report for conversations with council property services and developers about building this into future schemes or redevelopment of an existing site
- Select an experienced operator to work with as the best guarantee of creating an operable, financially viable design and layout.

The following actions are recommended in relation to Conclusion #3:

- Present the demand and the reality to the council's executive team including, CEO, planning and properties, and together explore opportunities and relationships with key developers
- Stay close to property services in council
- Be opportunistic and think outside the box for solutions

The following actions are recommended in relation to Conclusion #4:

- Group and Council to meet with organisations such as Ideas Hub and Hotbox to explore if/how working with the council on the development of this project fits with their strategic plans
- Council culture team to review their budget to explore potential for modest funding to subsidise commercial operators providing event/workshop space to creative hirers
- Ignite Partnership to explore potential for a sliding scale subscription model that could be used to fund subsidised hire of event space in venues such as Patch/ACanteen and/or start up costs for a creative space
- Group to meet with venues such as Patch/ACanteen to explore appetite for subsidised event space hire.

1

Introduction



1.1 Background and context

For some time the Ignite Cultural Partnership in Chelmsford has been aware of a growing desire and established need for a collaborative community creative space in Chelmsford's City Centre. In response, the Cultural Space Group was set-up in 2019 to explore and steer the concept of a community-owned creative space and begin work towards realising this ambition.

The ambition was to contribute to the building of a brighter future beyond the impact of pandemic, and enable the people of Chelmsford to realise their ambitions through the provision of inspiring and connecting creative spaces across the City Centre. Such spaces would provide people of all ages with opportunities to meet, collaborate, share and create, positively impacting on health and wellbeing and supporting the city's wider Covid recovery. Through cooperation and self-organised initiatives, such spaces would also raise aspirations for individuals and communities, inspiring volunteering and civic pride. In particular, Chelmsford's city centre would thrive with more creative energy, cultural experiences and happier people, becoming a place to be for residents, visitors and those doing business.

Some key criteria for a new space, as identified by the group were:

- Community owned for the long term (or if not possible, available for at least 3 years with a longer-term plan)
- A large building with flexible/adaptable space
- Accessible and near transport links
- Characterful
- Costing to include a manager/support (initially funded, then ideally self-sustaining (easier if no lease cost)).

In addition, there was an ambition for a new community-owned creative space to:

- Be for local people, by local people
- Align with the principles in the Arts Council England-commissioned Wavehill report, which places importance on cultural assets and spaces to "provide physical spaces for people to come together, to share cultural experiences and to develop mutual trust and understanding."
- Represent 'localism in action', building on the work of Changing Chelmsford in 2012 and Essex 2020
- Underpin a major strategic step forward in developing the cultural identity of Chelmsford

Whilst Covid slowed the pace somewhat, the view of the group was that it also reinforced the need for this kind of space and demonstrated a thriving community spirit. The group felt that what was seen then as a post-Covid landscape offered new opportunities for creative and cultural community activity/industry to thrive, catalysing the creative community energy within the City.

1.2 The brief

Through data collection, analysis of the information and options, and proposals/ potential choices, the group was seeking advice and information on the following.

- Local needs, appetite, and benefits for city centre community owned space(s)
- Wider needs and stakeholders
- Case studies of local providers and relevant uk/ international case studies
- Provision options
- Models relating to financing the running costs
- Models relating to financing the set up & future income gaps
- Governance framework for the community owned space(s)
- Outline implementation plan, resourcing, and risk analysis

In discussion with the group, the following objectives were agreed for this piece of work:

- Objectively evaluate the Space Group's conclusions about the need for this space
- Test assumptions made within the proposal the Space Group has made
- Develop a series of recommendations and associated commentary based on this analysis
- Provide metrics to demonstrate the size/configuration of a financially viable space, based on this analysis

The assumption behind the brief was that should the study give confidence that such a space can sustainably be supported, it would be used to define criteria for a more focused search of spaces available as well as form the basis of a business/ funding case that the group would develop to take the project forward.

1.3 About this document

This document summaries our key findings from the survey, consultation events and 1-1 interviews we conducted, along with a number of potentially relevant case studies.

In addition, it includes detailed analysis and commentary based on these findings that draws on our team's extensive experience of, and insights into, developing and running similar spaces.

It concludes with a number of recommendations and a summary action plan that we hope will provide the group with a clear direction of travel for the next phase of this project.

2

Methodology



2.1 Introduction

Our methodology included the following tasks:

- Inception meeting with relevant members of Cultural Space Group
- Development of an online survey, to enable us to maximise the numbers involved in this deeper analysis
- 2 consultation events/workshops, designed to ensure a diversity of voice in our consultation, and engage those less likely/able to take part in a survey
- 1-1 interviews with relevant current/former local providers and other key potential stakeholders
- Desk research into relevant case studies, and follow up 1-1 interviews with reps from key organisations
- Development of potential options
- Financial modelling around the option(s) – income and expenditure, covering both set up and operation
- Drafting a proposed governance framework
- Developing a risk analysis
- Drafting a proposed implementation plan

2.2 Consultation methods

2.2.1 Online survey

Open between 18 November – 12 December, our online survey had 216 responses from creatives who live and/or work in Chelmsford. In terms of the survey population, the headlines are:

- Close to half – 49% – either run their own creative enterprise, or are a creative freelancer. Nearly 4 out of 10 have a creative practice, but don't (yet) work in the creative sector.
- Over half (57%) work in craft or the visual arts and a further 14% in design. Just under a quarter in the performing arts (music, theatre or dance).
- 48% have worked in the industry 10+ years; but respondents with different length careers well represented.

2.2.2 Consultation events

We ran two consultation events, one in partnership with the Ideas Hub and another with Chelmsford Creative Collective and Patch. The former happened at the Ideas Hub's Pop Up Art Space on 2 December, and was attended by approximately 15 individuals from across the local creative community.

The latter was originally due to happen at Patch on 7 December, but due to a number of factors (including the rise in Omicron cases) was moved online in the days running up to it. Despite having close to 30 sign ups, only 5 people took part, potentially because the Creative Collective's Drink & Draw group decided to meet the same night.

2.2.3 1 - 1 interviews

Between November 2021 and January 2022 we carried out 22 1-1 interviews with a range of local stakeholders, ranging from local councillors and potential funders/investors, to organisations currently running spaces and other relevant initiatives locally. Please see Appendix 1 for a full list of interviewees.

3

The Context



3.1

The picture in Chelmsford

Our consultation process indicated the existence of a supportive creative network, powered in part by groups such as Chelmsford Creative Collective (1500 Facebook followers) and the Ignite Partnership's monthly meet-ups, as well as by The Art Place at The Meadows and temporary gallery at Top Shop, both run by local charity The Ideas Hub. These organisations represent and support a large and lively creative community in the city, that includes a large number of artists and crafts people working from home or independently, as well as a number of digital music producers and theatre practitioners. A clear legacy from Essex 2020 is a renewed focus and ambition around invention, innovation and collaboration, that coincides with a gradual return to some kind of post-COVID-19/living with COVID normal.

More broadly, significant new housing development in the Chelmsford area means a growing number of residents and new neighbourhoods. With the expansion of Chelmsford, ensuring there are amenities to support local demand as well as placemaking in new neighbourhoods should be seen as a necessary part of infrastructure development.

Chelmsford City Council runs two theatres, the Chelmsford Museum and Hylands Estate. They also run a community grants programme for revenue funding of small projects of up to £10,000 in a year.

Chelmsford city centre is primarily a shopping destination with many high street chains, in particular two large shopping centres: High Chelmer and The Meadows. The council, as joint owner of the shopping centres, has a large stake in their success. Some very successful cultural spaces The Art Place and Top Shop Pop-up have been/are being trialled in the shopping centres, and in November 2021 Patch co-working space opened, providing an additional amenity in the city centre.

The city centre is very quiet in the early evenings, and lacks activity that brings people into the city centre to support local businesses. It is short of unique, independent spaces, with ACanteen often quoted as one of the few local run spaces. A great quality independent coffee shop is missing.

Things might be changing (e.g. the arrival of The Breakfast Club which people previously travelled to London for), but at present Chelmsford lacks a visible creative edge. There are no HE creative degree courses, so there is no obvious creative student body beyond Chelmsford College, with young people who have graduated elsewhere and come back to live with parents but largely invisible.

Arts Council National Portfolio organisations serving Chelmsford include Essex Cultural Diversity Project and the Royal Opera House Bridge in Thurrock, but none are based in the city itself.

3.2

Some national context

COVID-19 and the impact this is having on creative spaces

COVID-19 has contributed to a new reality. It has dented the finances of many cultural venues reliant on ticketing and attending a location, venues are still struggling with lack of bookings denting their operating model and as government support has tapered. A mental health crisis has emerged with some anxious about social contact and others desperately missing it, particularly the young and old feeling lonely and isolated. Many continuing to work from home are looking for things to do locally including learning something new. COVID created increased interest in locally sourced produce and valuing community.

The changing face of retail and high streets

Ongoing changes to how we shop were accelerated by COVID-19. Due to the enormous increase in online shopping, high streets and shopping centres have to be reinvented. It's against this backdrop that Arts Council England sees arts and culture as key to getting people back to town centres and to increasing tourism numbers. Meanwhile, #thisplaceofmine, a survey by Future Everything, showed 58% of people said they want to completely rebuild their high street, only one third felt the high street was a place for young people and 56% said they want the high street to be for making art!

City centres with predominantly chain store retail, with few independent shops or other local amenities, are therefore looking for ways to encourage footfall through a distinctive offer. There will be more focus on authentic experiences as a reason to go into town centres. While people may still want to see high end fashion or unique art works close up, but anything that can be bought easily online will suffer in the future of retail. Crazy golf courses, micro-breweries and pop-up markets are springing up in town centres, Chelmsford has begun to embrace ingenious uses of empty premises for creative and cultural uses.

Challenging times economically

With the cost of living and inflation rates spiralling, and the public purse set to tighten considerably in light of the pandemic, it's a challenging time to be undertaking this kind of capital development. With cuts to local authority resources ongoing, funding for anything considered 'non-essential' is going to be hard to come by, increasing the need for any new development to have a strong case for support.

3.3 Relevant national case studies

Introduction

These case studies have been selected as they respond to the criteria identified by the Spaces Group as important:

- Aiming to be sustainable/permanent (lease length/ownership that enables capital investment)
- Relevant to and accessed by a diverse community, engaged stakeholders
- Effective financing and operating model (may include significant rent free subsidy)
- Strong artistic / creative leadership - inspiring programme, large following, supported locally
- Quality of governance - experienced operators, effective decision-making + local accountability

Case Study



The Art Place Chelmsford

(shopping centre regeneration model: local art/craft retail + shared workshop space)

Model	Shopping centre regeneration model.
Location	The Meadows, High Street, Chelmsford CM2 6FD.
Brief description of space available	<p>Operating from a former retail unit, to provide a platform for creatives to sell their work, and a community space providing wellbeing to local residents through creativity, plus additional support services, e.g. counselling and signposting to local services and activities.</p> <p>It attracts footfall to a declining retail area whilst supporting c. 200 traders and enabling c. 170 wellbeing interventions per week.</p> <p>Hire of shelf and gallery wall space generates approx. £1,500 per month, and the sales of craft and artwork generates an additional approx. £4,000 per month (split as follows: 25% commission to the charity and 75% to local makers). The net income paid to traders after commission is c. £12k per month.</p> <p>The retail area is approx. 2750 sq ft, plus c.5,000 sq ft additional ground floor space providing a combination of private counselling/work/meeting rooms, artist workspace/workshop class area plus storage. A further 5,000 sq ft upstairs is used as an artist studio/workshop/storage but is of limited use as it's not possible to invest in fit-out due to short-term lease arrangement (3 month rolling break) making it ineligible for fit-out or access grants.</p>
Users	<p>Local artists and makers benefit through display and sales of their work. The retail area is large enough to accommodate all comers at affordable hire rates, making it democratic rather than focussed on what makes highest sales. Managed and run by a pool of c 70 volunteers, over 80% of whom are under 25 and from diverse backgrounds, many identifying as LGBTQ+.</p> <p>Activities include art and crafts workshops, befriending sessions, providing a "connecting service", weekly ESOL classes, currently running a pop-up gallery at the former Top Shop, High Chelmer and supporting other local grassroots organisations.</p> <p>While the space appears on the surface to focus on art and craft sales and activities, it is also focused on using these to support the provision of wellbeing support for local residents.</p> <p>The volunteers are mostly part of a 'supported volunteering' programme which supports the development of skills, often enabling recovery, confidence building, and a return to paid work.</p>
Business model	<p>The Ideas Hub Chelmsford *(see notes) has been provided with rent-free temporary space operated as The Art Place, and provides a successful demonstration model of both the potential use of space and the financial viability.</p> <p>This relies on managing a large number of volunteers (c. 70), training workshop leaders in H+S, and ensuring they are DBS checked, and in the year incurs staff costs of c. £30,000 in 2021/22 (2020/21 audited accounts: £6,680).</p> <p>Total Net Income from The Art Place alone (after paying traders) for the year of 2021/22 is forecast to be c. £75,000 (YTD Apr 21-Jan22, £61,750), plus c. £20k of grants directly related to covering the costs of operating the space (2020/21 audited accounts £83,397, including £26,437 from 5 government grants, mainly for outreach/ project work not linked to the space).</p> <p>Total expenditure on The Art Place (alone) for the same period is forecast to be £36,000 (YTD Apr 21-Jan22, £30,550) (2020/21 audited accounts £45,646, including costs associated with the above outreach/project).</p>
Costs for users	<p>Hire of wall space: £5 per artwork per month with 3 artworks max per artist or solo wall hire £40/month + 25% commission on all sales.</p> <p>Hire of table space: £10 (small) or £20/ month + 25% on sales.</p> <p>Rented creative workspace charged at £ 10/ hour or £20 for ½ day session Hire fees for meetings and workshops: £0 as the space cannot open in the evening and is currently too much of a 'community space' atmosphere during the day. for offering the standard expected of a quiet rental meeting space. This could be done with refurbishment improvement but the pop-up nature of the business currently makes this unviable (cost versus time scale to recuperate capital spending +generate benefits given the short lease notice period).</p>



Relevant observations

This is a unique and democratic model which is accessible due to the context of retail which is familiar and not intimidating.

The high footfall shopping location is essential to the successful sales model and providing genuine inclusivity for access to the arts, the venue also refreshes and attracts new traffic to a shopping area which may otherwise face gradual decline.

The footfall and non-intimidating nature is also important in its wellbeing role as the town centre location attracts a wide range of potential beneficiaries who can be engaged with and supported with or signposted to wellbeing activities.

The precarious nature of the lease limits the potential to develop the model fully, as grants can't be raised or any significant investment in fit-out to increase the use of the space.

To date the model has relied on a highly able, unpaid manager, which is not a long-term sustainable or replicable model. However an experienced space manager will be moving to The Art Place in April, and an emerging healthy financial model has allowed this to be a paid role. The project will then operate as an independently alongside Ideas Hub's other projects.

The figures here are from the latest (non-audited) Management Accounts (year to date actuals from April 21 to Jan 22, plus forecast figures for Feb and Mar 22). Figures are also provided from the 20/21 audited accounts, but these cover lockdown and the model's revenue is growing rapidly.

*Note: Ideas Hub Chelmsford registered charity main objective is the wellbeing of Chelmsford residents. The Ideas Hub is an umbrella for a number of projects:

- The Art Place project (above).
- The Art Place Pop Up project (old Top Shop) supported by an ACE grant and independently managed by a paid Space Manager.
- School STEAM projects (supported by a £100,000 NL Heritage Fund grant over 18 month and independently run by Ideas Hub's educational team led by a paid experienced Project Manager).
- Social work project(s) (supported by a £10,000 grant from ECC which includes providing a counsellor/ social worker for the community space (caseload of 42), outreach support work for the 20 Afghan families in local ARAP hotel).
- Education Projects: working with local schools, 2 colleges and university to provide work experience, career advice (in development) and personal development plans and support for under 25 who have left school with no qualifications and are directed to low qualified jobs by the job centre (case load of 10).
- Development of the local Arts and Culture scene: by providing grant teaching and project support service to local event organisers (1 to 2 interventions per week).

Connecting services by linking wellbeing organisations (c. 200 interventions per year)



Case Study

2

37 Queen Street Colchester

(creative workspace led model)

Model	Creative workspace/art studios led model.
Location	37 Queen Street, Colchester.
Brief description of space available	40 studios, café with small ancillary event space, meeting room and co-working space.
Users	Tenants include small creative businesses, artists/makers, digital and maker artists, digital artists. 4 small incubator studios are offered for 12 months. Graduate/Creative Practitioner Support Programme offered which supports development of the wider creative community.
Business model	Viability relies on a secure studios rental income stream, dependent on 100% studio occupancy. Peppercorn rent to council. Highly experienced charity operator SPACE appointed www.spacestudios.org.uk with more than 50 years in the sector. Capital funding and fitout provided by Colchester Borough Council (approx. £3m), unique council-owned town centre Grade II listed building providing unique, high quality spaces. Operated by SPACE selected through a tender process, on a 15 year lease with a management agreement specifying provision for startups and creative business support programme if and when funding allows. Full-time manager employed paid for by rental income. Parent charity SPACE provide expertise in property management, lettings, tenant management and professional development programmes.
Costs for users	Affordable rents and SBBR due to small size of units.
Relevant observations	Placemaking and strong economic development case. The project won the council a RICS award for best regeneration project in the East of England. The small event space (seats approx. 30) is ancillary to the core business. Large creative community and feeder degrees at Colchester Institute provide plentiful demand. Due to lack of demand for desk space, one media company tenant occupy half of the hot-desk/coworking space with the remaining half as hot desk working space. The café in the building affects the number of bookings for hot desk and meeting room space as potential hirers use the café to work and meet and add their details to our studio waiting list as they wish to become tenants. Tenants use the meeting room at a tenant discounted rate. Some use it as a test space or a workshop space.



Case Study



Grizedale Arts/The Farmer's Arms

(community shareholder model)

Model	Community shareholder model.
Location	Lake District.
Brief description of space available	They aim to ensure it's still very much a local pub, offering affordable accommodation and good seasonal food (much of it locally-sourced or grown in its own gardens). But on top of that there will be access to education, hands-on workshops, talks, events, a shop and exhibitions - everything you'd expect from a rural arts centre, but better!
Users	Local residents + visiting artists.
Business model	<ul style="list-style-type: none"> • Charity with distinctive vision. • Strong artistic lead and track record, resulting in UK wide and international following investment from the community through loan stock. <p>The project's business plan merges GA's existing resources with the multiplicity of rich resources held across the Crake Valley. GA fronted the purchase from it's charity reserves and took on mortgage finance coupled with investment from the community through loan stock.</p>
Costs for users	In development
Relevant observations	<p>Keys to success:</p> <ul style="list-style-type: none"> • Distinctive vision, bravery and sheer determination. • Strong artistic lead and track record, resulting in UK wide and international following despite rural cumbria location. • investment from the community through loan stock. <p>Grizedale Arts is an arts organisation based at a historic farm site in the Lake District. Underpinning the programme is a philosophy that art and artists can affect change and benefit wider culture and society. After an open meeting in early 2020 the inn was formally registered as an 'Asset of Community Value', i.e. of importance to a local community, which is then subject to additional protection from development under the Localism Act 2011. Grizedale Arts tendered an intent to bid and are working with members of the community to re-imagine and purchase the inn to revive it as a hybrid space for both locals and visitors.</p> <p>In November 2020 they launched an ambitious fundraising campaign, and raised over £300k by Christmas, raising the funds needed to secure the building and cover the purchase price, associated legal fees, commercial property VAT and stamp duty.</p> <p><u>Architectural Heritage Fund</u> funding covered an independent valuation, structural survey and building reports from experts to assess the state of repair and budget for renovations. In addition, business and fundraising specialists undertook market research and investigated the viability of 3 scenarios for the building using the results of the community survey. They were also able to commission architectural drawings to illustrate the most viable option for the building's proposed change of use.</p> <p>They are building a multi-generational programme based at the inn, offering access to crafts, horticulture and the arts: believing that everyday creativity forges new routes to collaborative thinking and doing, as well as to personal growth. They are committed to developing exchanges between the inn's local, national and global communities, delivering online events for remote audiences, connecting extensively via social media and taking part in worldwide rural enterprise networks.</p> <p>As well as a place where food, drink and a bed for the night can be found, The Farmer's Arms of the future will become a thriving rural community hub supporting all sorts of opportunity and creativity. A volunteer programme for both locals and visitors will offer skills, training and social benefits, supporting the running of the project and informing its direction.</p> <ul style="list-style-type: none"> • Pop-up shops and creative business start-up spaces will encourage local entrepreneurship and a circular local economy. • Grizedale Arts network and staff team of acclaimed makers and educators will deliver training and recreational learning in wide-ranging skills from filmmaking to fermentation, digital design to pottery. • Public spaces in the buildings will be used as an informal micro-museum and exhibition spaces, sharing local private collections and documenting the culture of the Crake Valley. • Multi-generational programming will offer appealing, accessible participation for locals and visitors alike: outdoor film screenings, cookery, crafts & gardening classes, book exchanges, talks, festivals, tailgate picnics and more. • Connecting the rich resources held within rural spaces globally, a learning exchange programme will maintain and enhance the value of rural life, inviting other communities to collaborate with the assets of the Crake Valley - its farms, businesses, people and culture. • Small-scale experimental agricultural projects (tea, speciality vegetables and fruits, mushrooms, bee-keeping) will provide a testbed for products which can be adopted by the local community. • A commitment to environmental sustainability and embracing new green energy ideas will be central to its operations with the ambition of reaching net zero emissions by 2030.

Case Study

4

Turf Projects Croydon

(shopping centre regeneration – gallery, events + self-contained studios)

Model	Shopping centre regeneration model.
Location	Whitgift Centre, Croydon.
Brief description of space available	Put on free exhibitions, showcasing the work of both local & national artists. Run free creative workshops, open to all, including skills workshops for artists, Family Art Fun Days and workshops with local schools. Provide affordable artist studios. Host two collectives of local artists; MOSS (a collective of local learning disabled artists) and Art Press (a collective of Croydon artists aged 14-21).
Users	Support artists with paid opportunities via exhibitions, workshops and commissions, with a principle that artists should be fairly paid for their work and time. Since 2013 Turf has supported the work of over 500 artists. Provide 25 artists & creatives per year living in Croydon and South London with affordable studios. Working with emerging, mid-career & established artists both locally (Croydon & London), Nationally & Internationally. Key successes: Supported artists through commissioning work. Provided artist production fees, admin support, residencies and advice. Host a community project space which is free to use by Croydon locals (also spaces you can hire!) Run a support & residency programme for Croydon School of Art & BRIT school students, family workshops, projects with local schools & more.
Business model	Registered charity (#1160527) est. 2015 with two meanwhile-use retail units. Unrestricted income £41,177 (predominantly studio rents). Restricted income £120,926. Grants of approx £120k pa + £40k studio rents enable public programme. Total income includes £10,559 from 3 government contracts and £15,769 from 4 government grants. Costs of generating voluntary income: £73,900. Running costs: £94,724. Reliant on significant grant subsidy.
Costs for users	Rented studio spaces generate majority of unrestricted income £41,177 pa from 25 tenants.
Relevant observations	Council support long-term rent-free and rates relief. Programmed by professional artists, Artist-led by Croydon residents who know their constituency well. Supported by 19 Volunteers. Raised awareness of Croydon as a credible and successful creative community.



The Wild card

Sheffield Creative Guild

(community without building model)

Model	Community without building model.
Location	Sheffield, online + events in person, no venue.
Brief description of space available	A membership organisation for all individuals working in the creative sector, building a community, bringing people together and seeing what wonderful things can happen when inspiration is shared, ideas pooled, and collaboration nurtured. Members of the Guild have access to exclusive opportunities, events and resources, find new collaborators, clients and audiences and become part of a supportive, vibrant community of makers and doers.
Users	Members get: <ul style="list-style-type: none">• Online profile.• Monthly members' newsletter.• Access to all our events.• Access to jobs, opportunities & support.• Apply, nominate and vote for our annual awards – coming soon!• Apply for our mentoring scheme – coming soon!• Access to paid opportunities and commissions.• Discounted hire rates on space at Orchard Square. Each year they offer a number of bursary memberships.
Business model	Partly supported by Sheffield City Council for bursary memberships.
Costs for users	Individual membership: £79 full / 39 concession / £20 student.
Relevant observations	Needs a substantial cohort to make this viable. Reliant on other spaces available to hold events.



4

Key Consultation Findings

4.1 Introduction

This section outlines our key findings from the consultation work done as part of this feasibility study. These are arranged as follows:

- Audit of spaces currently used by creatives
- How consultees think they, and others, would potentially use and engage with a new space
- What consultees think it's most essential the building has
- Feedback about the essential ingredients of an inclusive space
- Consultees' views on community-ownership in the context of a new space

4.2 Overview of creative spaces currently used by Chelmsford Creatives

The following table provides key information about some key creative spaces currently being used by Chelmsford Creatives, that we researched as part of our brief:

Name	The Art Place – see case study above.
Location	The Meadows Shopping Centre.
Brief description of space available	Large former shop unit, an indoor bazaar with stalls and wall space rented to local craftspeople with their wares for sale, charging £5 per month to hang a painting for sale, hire a tabletop to display wares for sale. Also meeting/workshop space, with activities supporting older and vulnerable people and a shared art studio.
Users	Highly valued by many, young, old, people who have ended social prescribing, ex-offenders, older peoples groups as well as artists, all engaged through volunteering, selling, participating in daytime workshops.
Business model	Run by The Ideas Hub charity with exceptional hard work, regularly applying for small grants to run community benefit projects.
Costs for users	Very affordable – £5 to hang a painting, workshops generally targeted at specific beneficiary groups for wellbeing benefit.
Relevant observations	Shopping model makes it accessible, strong community ethos, high footfall, shopping centre closed evenings.
Name	The Art Place pop-up (former Top Shop) .
Location	High Chelmer Shopping Centre.
Brief description of space available	Temporary art gallery in a prominent, high quality retail space. Temporary licence ends March.
Users	Mainly young local artists.
Business model	A side project of The Ideas Store, employing a talented young manager/programmer.
Costs for users	Free as it is to support young artists who have very little money.
Relevant observations	Makes a fantastic contribution to the look and feel of the area. Hard to plan with such short lease, needs a longer run. Highly valued by local young creative community. A great example where a talented young programmer, given the support and mentoring from the parent charity, has made this into a successful project. With its temporary licence due to end March 2022, it would be great to find another venue for a temporary gallery, with additional curatorial mentoring and development grant to support the aspirations of the space.

Name	The Stables, Hylands Estate
Location	Hylands Park, outside of Chelmsford in grounds of a stately home.
Brief description of space available	20 spaces for private creative businesses in Grade 2 star listed building owned by City Council, alongside the Stables cafe, info point and second hand bookshop. Creative workspace units, 4 x 1.9m smallest ground floor. 5.5 x 4.8m largest ground floor. 5.5 x 5m upstairs largest. Average size 3 x 3.2m.
Users	Creative tenants with product to sell to general public or weddings.
Business model	Council owned, hidden subsidy of 5 council employees running the venue with a range of skills incl. marketing, event management, facilities management.
Costs for users	Rents £198- £750 a month plus commitment from ground floor tenants to open to the public.
Relevant observations	Benefits from being part of a larger operation.

Name	Chelmsford Patch
Location	City Centre in converted old brewery and former restaurant.
Brief description of space available	Desk space and offices for Patch members - up to 85 desk spaces. High quality design office space in a characterful former brewery in the town centre. Avoid duplicating this in a new project. 2 event spaces, one with a bar could cater for some of the demand for social event space depending on hire rates. 2 event spaces available, one with bar, one meeting format. Hire spaces: Academy (with projector and speakers) – seated talk (no tables) approx. 335, workshop (with tables) 20-25. Market – seated talk c 25-30.
Users	New work near home concept, sole traders and small businesses keen to network with others.
Business model	First location for new company, Venture capital model.
Costs for users	Event spaces £35 + VAT off peak and £49 + VAT peak hours.
Relevant observations	Local creative groups could hire space for meetups if they can budget this into admission charge.

Name	Hotbox Live Events
Location	Viaduct Road Arches near station.
Brief description of space available	Unique, atmospheric arches full of skateboard paraphernalia, Capacity 100. Doubles up as a skateboard shop during the day. As well as supporting local musicians, they offer hires on Mondays and Tuesdays.
Users	1000 customer base wide range of music interests covered, important support for emerging local musicians.
Business model	A labour of love and highly experienced operator.
Costs for users	Sliding scale, space available to hire some nights for private functions.
Relevant observations	This is a fantastic and unique venue which serves the community through its wide ranging offer of original music, no cover bands.

Name	Hippo Studios
Location	Margaretting.
Brief description of space available	Rural location, 6 x 130 sq ft studios, lockable, own electricity meter, on a licence, 3 have skylights, communal area with kitchen, seating + table + toilet. 24/7 access. SBRR for licensed units.
Users	Artist-led, screenprinting focus.
Business model	Studios are side business to core fine art screenprinters.
Costs for users	Studios £250 /mo.
Relevant observations	Need own car to get there. A unique and specialist offer mainly for people who came for screenprinting or got fed up working at home with lockdown, not solely local, don't share facilities due to COVID, stick to people interested in screen printing.

Name	Hive Artists' Studios
Location	Industrial Estate.
Brief description of space available	Artist-led, shared space. Inclusive of wifi, fire checks etc. Flexible space open plan, works due to small size. Below business rates threshold.
Users	Visual Artists.
Business model	One coordinator who splits costs between the artists, run as affordably as possible
Costs for users	£70-100 for use of basic shared basic, average £100 per month. Starters £60-65 per month for 2m x 2m max.
Relevant observations	Shared value of working together, feed off each other, harder during COVID-19. Most would like shared social space. Highly experienced artist lead also provides informal mentorship.

Name	The Transition.Co
Location	City Park West, Duke Street, Chelmsford, ground floor in new residential development.
Brief description of space available	Set up as co-working, event space and café.
Users	Now closed.
Business model	Private.
Costs for users	Not known.
Relevant observations	Affected by challenges not anticipated by the operator including lease completion delays caused by the merger of two housing developers, problems accessing digital connectivity, cashflow during start-up period, combined with COVID-19 impacting on co-working spaces, bleed between café and event space/ workspace a challenge.

Name	Chelmsford Theatre
Location	Fairfield Road.
Brief description of space available	Has the ideal space for drama groups already, but it is often unavailable as the company in production comes first.
Users	Voluntary and amateur groups; professional theatre companies.
Business model	Council operated and subsidised.
Costs for users	Not known.

There is a distinct lack of community hire spaces, particularly in the city centre, as evidenced by The Ideas Hub in its July 2020 report: *Chelmsford: Analysis of Provision of Community Centres & Community Spaces*. During our work on this project we identified the following that are regularly used for drama, dance, martial arts and other local activities:

Quaker Meeting Rooms - cited by many as an affordable option for meetings at £10 per hour

Chelmsford Girls School drama studios - at £30-40/hour this is viewed as too expensive by many creatives

The Old Court Theatre - not sufficiently accessible, accessible WC is not up to scratch

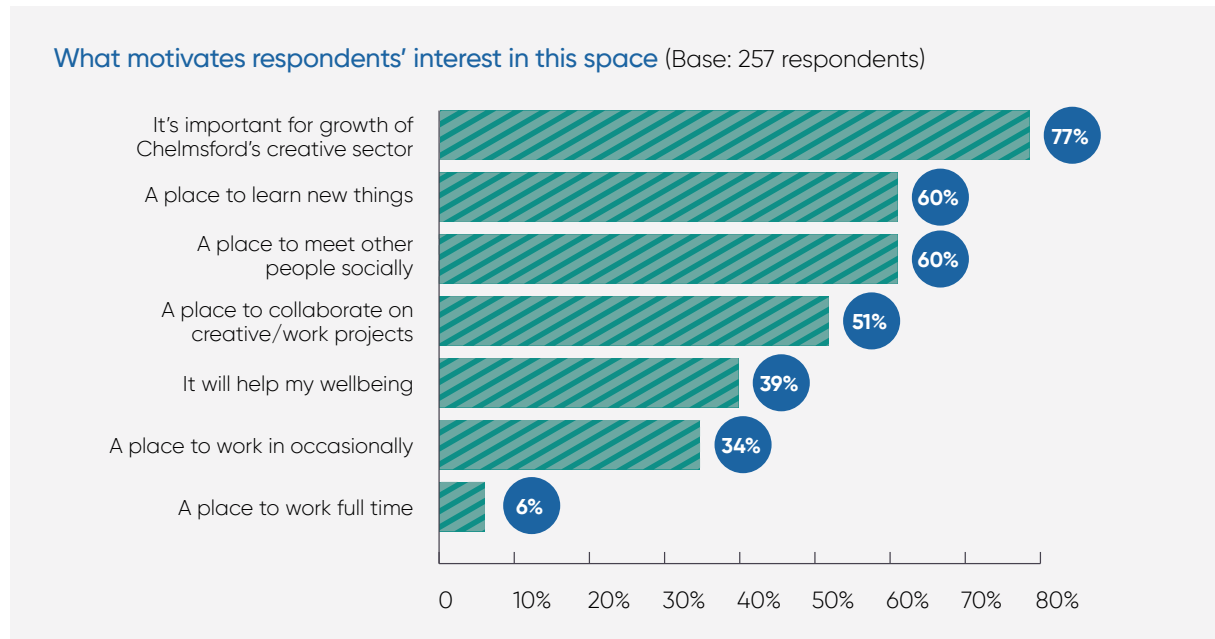
In addition, the following community centres serve local parishes but not the city centre and are hard to reach for Chelmsford residents who do not live in the immediate vicinity:

- Springfield Parish Council & Centre
- Central Essex Community Centre
- Broomfield Community Centre
- Beaulieu Community Centre rooms of different sizes for hire at the centre

4.3 Consultees' interest in a new building

Introduction

The following diagram summarises feedback about what motivates our survey respondent's interest in a new creative space, and provides a good overall indication of wider feedback from survey respondents, consultation session participants and interviewees.



A new building is seen as critical to the growth of Chelmsford's creative sector

Our consultation confirmed a widespread view amongst potential stakeholders that a new creative space is critical to the growth of Chelmsford's creative sector. As well as this being a common theme amongst interviewees, nearly 8 out of 10 survey respondents (77%) indicated they believed this to be the case.

There's strong interest in a new space offering opportunities to learn, socialise and connect

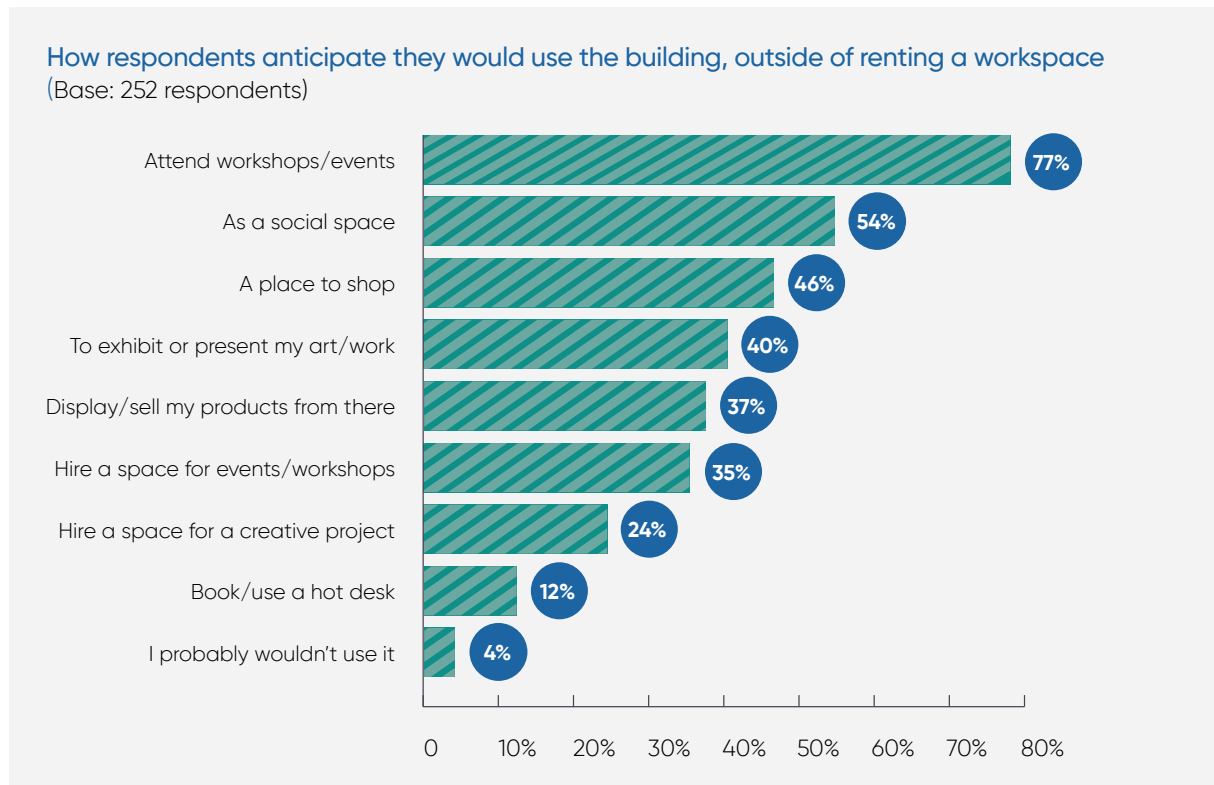
Overwhelmingly, the space is a place where our consultees expect to meet other creative people, learn and potentially collaborate. For most of our survey respondents, it doesn't appear to be a place to work in regularly; a third said they think they'd work their occasionally, and fewer than 1 in 10 think they'd work their full time.

4.4

How consultees think they, and others, would potentially use and engage with a new space

Introduction

The following diagram summarises feedback from our survey respondents about how they anticipate they would use a new space, and provides a quick overview of what could reasonably be expected to happen in any new building. This diagram doesn't include feedback about potentially hiring workspace, which is covered later in this section.



A place to socialise and meet new people

Unsurprisingly in light of the impact COVID-19 has had, and continues to have, on the way we live and work, feedback from both survey respondents and participants in our consultation sessions indicates a huge appetite for a new space in which individuals can socialise and community groups meet. Amongst the latter, there was a strong interest in how the building could provide a space for community groups to meet, and volunteering opportunities.

Beyond this, over half of our survey respondents (54%) said that they'd expect to use the space to socialise in, and more broadly, it's clear that a significant proportion of consultees see it as 'home from home': a place to meet existing friends and make new ones. Again, this feedback can be seen as a response to the fact that many creatives find themselves working more from home, as a consequence of COVID-19, and are therefore desperate for other opportunities to socialise.

The role that the building has to play in people's social lives is a key element of how consultees see any new space being truly inclusive, and this is discussed in more detail in section 4.6.

Strong interest in running & attending workshops

Digging more deeply into how our consultees expect to use a new building, they in the main see it as a space in which they could lead or attend workshops/events and socialise.

Amongst participants in our consultation sessions, around 50% indicated they'd want to run workshops in the new space, with a similar number saying they'd like to attend workshops as participants. Echoing feedback given in these sessions, over three quarters of our survey respondents said they'd attend workshops held in the space.

As an example, Chelmsford Drama Centre currently have to use multiple spaces and locations, and ideally they would run all classes in one building in an accessible location.

A place for artists and makers to exhibit and sell their work

Amongst our consultees, there's also a widespread desire for the new space to have space in which artists and makers can sell or exhibit their work, and where people can buy that work.

Amongst consultation event participants this was the most commonly mentioned use of the new space, with well over half indicating they'd like to either (or both!) buy or sell work in the new space.

Similarly, just under half (46%) of survey respondents said that they saw the new space as a place to shop. Meanwhile, reflecting the number of visual artists and makers who took part, around 4 out of 10 survey respondents indicated they'd be interested in selling or displaying work. Taken together, these two pieces of feedback give some indication of demand for this facility.

Some interest in hireable rehearsal/R&D facilities

Amongst consultation event participants who work in the performing arts, there was widespread interest in a new space including spaces they could hire for rehearsals, band practice or longer R&D periods. However, few respondents answered how much they're willing to pay, which suggests they may not have considered the financial reality of their idea.

A hub for community wellbeing

When asked, nearly 4 out of 10 survey respondents (39%) said that they thought this new space would help their wellbeing. In this context, it's interesting that there was a considerable critical mass of interest in a new building acting as an informal hub for community wellbeing. The therapeutic and mental health impacts of engaging in creative activities are well documented, and social prescribing is on its way to becoming mainstreamed in the health service. It's clear that consultees see the building as having a role to play in this context, with them indicating an interest in hosting arts therapy sessions, socially-prescribed activities and other support groups in it.

A potential 'home' for younger creatives and emerging professionals

In a number of 1-1 interviews we heard that young people's isolation is an increasing problem, compounded by the impact Covid is having on them. Teenagers and young arts graduates in their 20s and 30s are identified by The Ideas Hub as a key target group, particularly in light of them having found a home from home at the Pop Up Arts Place in the former Top Shop unit and The Art Place in The Meadows. Young people and emerging creative professionals were consistently identified as a key potential user group, and target audience for events that consultees envisage happening in a new space.

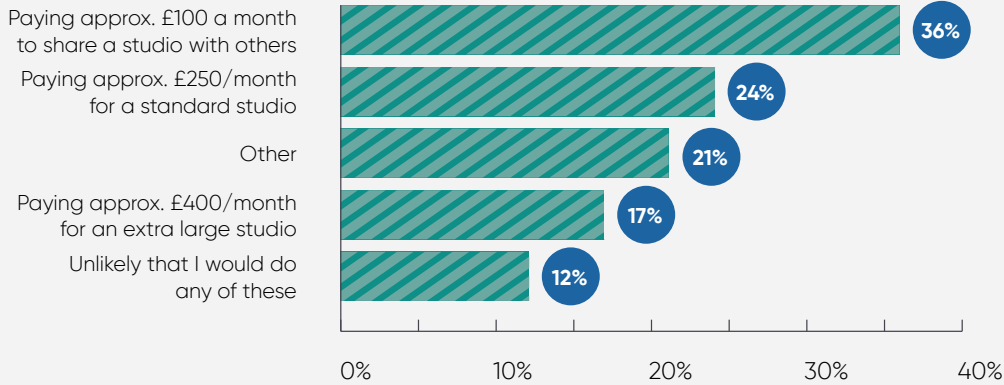
Some appetite for renting a studio or office

The City Council's Economic Development Team has seen an increase in enquiries from creatives currently working from home who are looking to grow, and are looking for a small workshop (for 2 or 3 people) that they could also invite people to. Anecdotally, lack of space means that at present people don't currently consider looking at the city centre for workspace, and whilst many businesses are in farm buildings, a city centre location is considered by many to be better for connecting with other similar people.

A small minority (16%/40) of respondents said they anticipate wanting to rent a studio/office in the new space, still enough to suggest a potentially realistically sized cohort of tenants for any new city centre creative workspace. Half our respondents (50%/128) were clear that they wouldn't want to rent a workspace in it, and the remaining 34% (87) weren't sure. As the following diagram illustrates, over half of survey respondents who see themselves as potential tenants think they'd want to share a studio/office. It's worth noting meanwhile that, across our consultation, we didn't identify any real appetite amongst consultees for paying for hot desk space.

How respondents see themselves as potential tenants in next 3-5 years

(Base: 42 respondents)



4.5 What consultees think it's most essential the building has

The following table indicates what respondents listed as the most essential components of the new building.

Essentials	Top priority	2nd priority	3 rd priority
Event space	20%	15%	7%
Strong community ethos in building	19%	8%	7%
Shop selling tenants' / other creatives' work	11%	10%	22%
Professional development programme for creatives/tenants	9%	10%	7%
Good public transport links	9%	12%	6%
Cafe and/or bar	7%	14%	14%
Individual studios/work units	7%	9%	8%
Secure storage for my equipment/materials	6%	4%	7%
Online sales and profiling	4%	5%	6%
Kitchenette for users	2%	5%	6%
24-hour access	1%	3%	11%
Hot desking	1%	5%	7%
Car parking for users	0%	0%	0%
Facilities and events manager	0%	0%	0%
Other (please specify below)	3%	0%	3%

(Base: 255 respondents)

In light of feedback about how they anticipate using the space, it's unsurprising that, when asked what they most want from or in the building, the loudest call is for an event space. There's also a loud call for the building to have a strong community ethos, but given the numbers who expect to actually work in the building, this appears to be more about the building being welcoming and inclusive than about what they'd want as tenants.

Again, unsurprisingly given the proportion of respondents working in craft and the visual arts, there's strong interest in the new space having a shop in which they can sell their work.

4.6

Making sure any new space is inclusive: what consultees said

The following bullet points summarise what our consultees felt needed to be considered in order to ensure any new space is inclusive.

Physical building

- Physical accessibility (e.g. ramps)
- Consideration given to people with different kinds of disabilities
- Welcoming entrance area (e.g. no reception desk creating a 'barrier' or policing visitors)
- No high ceilings or other things which make it difficult for d/Deaf people
- Up-to-date spec
- Public areas welcoming – tables and chairs to allow for socialising
- Bright and warm, comfortable
- Designated quiet spaces
- Central location easily accessible

Opening hours

- Open in the evening for socials
- Opening hours that suit users/tenants

People

- Welcoming staff, who are well trained and able to 'read' what a visitor needs
- Potential training opportunity in café (e.g. adults with learning difficulties)
- Friendly volunteers

Home from home for a diverse mix of people

- It's fit for your purpose
- You see people like you, and not like you in it, and that feels great
- Clear and effective feedback loop between tenants/users/management (who need to be 'people who give a damn!')
- Consideration given to the needs of people with different kinds of disabilities
- People of all ages feel welcome and that it has something for them
- Allergy-friendly café

Services for users/tenants

- Contact list of people who could be useful to you
- What's going on directory/noticeboard
- Tech centre to help with tech issues
- Equipment people need (e.g. 3D printer/photocopier)
- Sliding scale of prices (e.g. for attending events/hiring space)

Events programme

- Taster sessions to maximise opportunities for people to 'see themselves' in the programme
- Programme should provide events for migrants making their home in the city
- Socially-prescribed activities
- Cross-sector events/programming

Shop local

- Locally-sourced products on sale
- Regular local artist/maker markets

Community outreach

- Outreach into schools
- Wider community outreach programmes

Communications

- Communication methods need to be accessible as well

4.7

Community-owned, but managed professionally please

The following bullet points summarise participant feedback about their understanding of what 'community-owned' means to them in this context.

Governance

- The company needs to be motivated by social return rather than profit, so a charity, not-for-profit or community interest company. Reference points included community pubs, the Scouts (subscription model) and clubs where the membership is effectively a donation.

Building

- Long lease or virtual freehold
- The right venue – character, location

Management and operations

- Even in a community-owned scenario, our consultation sessions revealed a desire for paid staff managing it, rather than the community themselves
- Run by someone who understands both community needs and what creatives need and want
- Reliable volunteer involvement in day-to-day operations, including volunteer recruitment and training
- Users and tenants involved in this, as part of wider 'buy in'

Culture and positioning

- Users/tenants have clear opportunities to feedback to managing body
- Opportunities for them to demonstrate that they are 'bought into' the building and its ethos

Financial considerations

- Financial transparency (e.g. the profits from your café purchase will go towards buying x/y/z)

5



Observations & Recommendations

5.1 Introduction

Developed in response to our consultation, and drawing on our relevant experience, this section contains our analysis of the current opportunities in Chelmsford, with reference to the development of a community creative space that meets the criteria outlined initially by the group. The section contains the following:

- An outline of the critical success factors that need to be in place for the successful development of a financially viable space of the kind outlined by the Group
- Key models and conclusions that reflect our views about what could be taken forward by the Group
- Locations of potential interest
- Recommendations for short term action

5.2 Critical success factors

The following is a list of critical success factors that need to be in place for the successful development of a financially viable community creative space of the kind under consideration here:

Strong council support and backing

Key to unlocking this is leadership and commitment at councillor level, and alignment between officers and councillors. Also critical is liaison between the authority's property services and culture team to build the requirement into the refreshed local plan, development briefs and to discuss with developers of potential sites.

A suitable building or development opportunity

To persuade a building or site owner to take this route they would have to accept drivers beyond financial. Critical considerations for the operator will be affordability beyond the covered initial purchase + fit-out, with terms of any lease to limit liabilities and exposure and an agreed fit-out specification included in an initial build. Ideally, a creative community space of the kind the Group is interested in developing needs to be rent-free with capped service charges.

Sufficient capital funding

Capital fundraising is very hard for any opportunity on the open market, due to the time frame needed to approach funders (6-9 months). One approach to explore is Contingent Capital Fundraising, whereby HNW individuals agree to pledge funds for a building within agreed parameters. It would be wise for the Chelmsford CDT to test out the reality of this approach locally before banking on it as a development model. Ideally a new build could be part of a developer's S106 contribution and include fit-out. Fees and equipment might come from some grant funding including CIL, which is only achievable once a specific site and development partnership is found. CIL can be used for strategic infrastructure projects such as roads, schools and community facilities, with 15% of CIL being spent in local neighbourhoods. Grants available for capital funding for community infrastructure projects located in Chelmsford's nine unparished wards. S106 can be for a specific location or wider development, payments are triggered at key points in a development project.

A sustainable business model

In many ways this comes first, as without this it is impossible to secure capital funding. A combination of compatible revenue streams is the safest way to create a viable operation to support a community space. Income from a cross-subsidy model means finding the most relevant, reliable income stream relevant to the chosen site, which in the city centre might be retail or a great coffee roaster in a high footfall location or creative workspace tenants in a less central location with more space available, either one providing cross-subsidy to operate the event space, which invariably will have high running costs for the income generated, yet is the central requirement for this initiative. Scale and appropriate fitout is needed to ensure sufficient revenue can be generated. A high ratio of net lettable space to gross internal area in the layout to keep costs down.

Strong cashflow

Ideally the build phase and year 1 cashflow would be cushioned by the local authority and the operator should demonstrate that they have a viable cashflow going forward after the set-up period (**see example cashflow and set-up costs in Appendix**). If the council acts as developer they may be able to recoup VAT saving 20%, something which may not be possible for a charity.

An entrepreneurial operator

All options rely on highly motivated and determined operators invested in the success of the project. The operator needs experience and a vested interest in running a successful creative space, and would need to come forward with a realistic model evidenced in a realistic business plan, and a proven track record. Relevant skillset would include commitment to the creative sector, experience attracting and managing tenants, buildings, events & hires, sound financial management.

A rigorous oversight process

This should include an agreement accompanying a lease setting out minimum requirements and regular reporting to ensure that desired community outcomes are delivered, along with agreed measures for addressing any shortcomings on the part of the leaseholder.

A strong, and relevant, case for investment

These can be based on a number of factors, including the following:

Economic development:

Helping local residents build micro-economies, via supporting the growth of micro-businesses; supporting local economies by enabling artists with a platform to sell their work and providing an alternative to chain store shopping; creating a unique visitor attraction; supporting emerging artists/creative entrepreneurs.

Placemaking:

Making city centre and empty shops attractive and supporting other businesses in the shopping precinct; creating footfall into the shopping area, creating a destination as alternative to shopping; consequently, maximising council rental receipts from shopping centre units.

Social:

Improving residents' wellbeing and mental health through culture and creativity, providing social and volunteering opportunities; addressing social issues such as racism, bullying, isolation; contributing to community regeneration and integration; social prescribing.

An appropriate governance model

There are different models for spaces of this, from private through to public, some of the most innovative being partnerships. In Chelmsford, the council is already looking at new models of stewardship in new developments where local people have more stake and responsibility for their area and local amenities. The community ownership approach of this project ties in with such a vision. The operator is most likely to be an existing charity or community interest company, rather than the local authority itself. If community ownership is key, an operator selection should have an advisory board from the local creative community represented in decision-making. To attract CIL grant or to become an asset of community value, the project needs to have strong community backing.

Spaces that are entirely community owned and/or managed require enormous amounts of donated labour from a small group of individuals, which is challenging to make a reality and to sustain the initial enthusiasm. Therefore while a strong cohort of volunteers will be helpful to run the building, these should be to support a professional operator.

6

Conclusions



Recommended actions

The following actions are recommended in relation to Conclusion #1:

Identify the most realistic location or building by approaching owners with a viable model relevant to the location + building

Use the criteria set out in this report for conversations with council property services and developers about building this into future schemes or redevelopment of an existing site

With a site in mind, use this as the basis to create a business/ funding case, which would take this to the next stage of realising the project's ambitions

Apply for CIL /S106 earmarking for the project

Once these are in place, put out a call for operators to come forward and once appointed, contribute to designing the model

6.2 Conclusion #2:

At present, there's little prospect of a viable permanent event space in the city's central shopping area

Based on our work to date, in the short-medium term, there is little prospect of the Partnership being able to find or develop a fit-for-purpose community creative space in Chelmsford City Shopping Centre that could meet the following criteria initially identified by the Group:

- Community owned for the long term (or if not possible, available for at least 3 years with a longer-term plan)
- A large building with flexible/adaptable space
- Accessible and near transport links
- Characterful
- Costing to include a manager/support

There's no obvious building, however should such a building become available such a purchase would be a key -

- There is currently no obvious affordable building available which fulfils the criteria to be permanent, in the city centre and currently able to open in the evenings.
- Whilst 40 people looking to rent creative workspace could provide a solid revenue stream, a building that could house such spaces is very hard to identify in the city centre. The shopping centres and covered market are unlikely to be big enough or suitable for a cohort of creative workspace in addition to event space, and development of the latter may damage rather than nurture existing trade.
- Some space may be under-used unless owners can be persuaded to rethink their stock to unlock its use through community/creative use rather than have it under-used (some owners are keen on charity occupation in the interim to mitigate rates liabilities but this is not usually considered a long-term solution as they will be keen to realise what they consider the value of the asset).

The finances for community event space alone don't stack up, therefore adopting 1 of 3 hybrid models is recommended

Of 40 potential renters, 36% (15) would pay under £100 a month for shared space, 24% (10) would pay £250 a month for a standard studio and 17% (7) would be willing to pay £400 a month. This could provide a viable cohort of studio renters, generating an annual rental income of £81,600 that could help cross-subsidise an event space. This could work in the West End as part of Fairfield Road development – see cashflow model. A very low or peppercorn rent would need to be offered in return for managing the public amenity i.e. community event space.

- Community event hires alone are highly unlikely to generate sufficient income to cover the building running costs, even with no rent to pay. There is no evidence that an art/craft materials shop or conventional gallery would do so either, however the art/craft wall and table space hires and commission model developed by The Art Place is viable given a high footfall retail location.
- While this assumption can only be tested in practice, our feeling is that a standalone creative event space could not afford staff and a volunteer-operated model may have enthusiasm short term but is not a sustainable model.
- A model which includes retail in the shopping centre (The Art Place Model), grant funded programme or a volume of creative workspace units in a lower footfall area would be needed to support an event space.

Recommended actions The following actions are recommended in relation to Conclusion #2:
Present the demand and the reality to the council's executive team including, CEO, planning and properties, and together explore opportunities and agree priorities at key sites
Work closely with property services to explore partnership opportunities
Be opportunistic and think outside the box for solutions
Expressions of interest sought from operators once a site and development route/ budget are identified

6.3 Conclusion #3:

There are, however, a number of alternative locations across the city you should consider

Some potential locations for consideration

Whilst there are no locations in the city's central shopping area that currently offer a realistic prospect of developing a permanent and financially viable community creative space, unless owners accept the value of non-commercial uses, there are a number of other potential opportunities in other parts of the city that you should consider. Moving forward with these searches is an important next step in this project, as identifying the location/property and development partners is a critical step towards getting to the next stage. Whilst we were not asked to do a comprehensive property search as part of our brief, we have provided below a summary of the most realistic options we have identified.

Some opportunities

(nb opportunities on the open market change constantly so this can only provide a snapshot in time and focuses on off-market opportunities)

Name and location	Brief description	The Opportunity	Pros-Cons
West End: Fairfield Road Car Park Development	Vision for West End regeneration including cultural and creative space, co-located with theatre, Hotbox and Viaduct arches. Regeneration case, giving the area new footfall through the day. Lots of activities co-located, synergy between uses.	Grow the creative quarter. Council owned land. Next 3-5 years, mixed use office/residential/leisure, includes earmarked creative space 20,000 sq ft Creative workspace-led model + event space would work here. THE BEST OPPORTUNITY	Site already identified by council. Close to bus and train stations, good interchange. Build on and enhance an existing heritage area, better connecting and integrating with existing amenities. Need to make a case for lost car parking revenue.
Chelmer Waterside Growth Area This large area down to the old gasworks site is being developed over the next 3 years. Former gas cylinder site is best as closest to town centre.	Residential-led development with non-residential uses including community use. Council owned land, degree of control. Local plan requires interaction with the waterways and river environment, a developer could be nudged towards cultural and community facilities. Potential waterside space for music and events, health and wellbeing classes, rehearsals, meetups. A waterside space could be attractive hire space e.g. for weddings and parties. Model could include workspace or café revenue streams to keep down community hire costs.	Opportunity to require creative community facilities when going out to market for a developer. Case for this as attractive anchor tenant to attract co-locators e.g. cafes, independent craft brewery/pizzeria. Option to fund the build as a S106 contribution through council negotiation with developer. A traditional build partner with a council JV to keep a steer on the affordable could also ensure delivery of cultural facilities.	Supports council vision for improving quality of lives. S106 use potentially reduces % of affordable housing and could compete with improvements to waterways.
Covered Market/ Market Square	Market and car park may have under-used spaces. Interesting opportunity to regenerate the market, increasing footfall to existing traders. Possible small-scale intervention to create an event space at one end of the market, and small structures within the market. Council-owned covered market site beneath a multi-storey car park, with spill out into market area.	Aligns with existing feasibility work on the site. Could provide night-time economy opportunity. Small scale may suit small workshop spaces. Investigate how much potential space is available + reconfigure some current uses. Combine with market square events.	Needs enough rentable space to generate revenue stream to support event space + person. Might disrupt existing traders incl. second-hand bookstore.
Shire Hall or other underused Essex CC Property (e.g. Seax House or Records Office)	Possible mix of basement wine bar cross-subsidising upper floor creative/ community spaces, however this would lack street frontage and presents access issues.	Shire Hall is a Grade II listed landmark looking for re-use of under-used space with opportunity for a creative workspace/ community space model - see 37 Queen Street Colchester as an example if accept community use as best value.	Explore with Essex County Council, 37 Queen Street as example, creative brainstorm with floor plans and an experienced operator to see how much potential space is available, propose a viable model including community use.

Name and location	Brief description	The Opportunity	Pros-Cons
Notting Hill/Genesis Housing estate e.g. former Transition space, City Park West, Duke Street or Rear of The Law Building, Burgess Springs	600m of new build set aside already, including former Transition.co currently on the market £812k for 250 year lease, 3294 sq ft , priced as retail. Also former mid-Essex Technical College and School of Art, Art Deco building in Conservation Area, marketed as High Spec office suites 1st and 2nd floor each 6863 sq ft would suit workspace.	Prioritise if an immediate solution is required. Discuss directly with Genesis/Notting Hill. They already work with Bow Arts affordable creative workspace provider at Royal Albert Wharf, Royal Docks, where they also manage the entire commercial estate. See bowarts.org R.A.W. Studios.	IMMEDIATELY AVAILABLE PURCHASE 250 YEAR LEASE. Good location near Hotbox and public transport. Location does not suit retail model but viable for events and wellbeing programme. Law building likely expensive and poor street visibility.
North Chelmsford	5-10 years' time. Up to 10,000 homes will require community facilities. 1500 built, 4350 consented, now masterplanning another 5,500. e.g. Park Farm culture and heritage, close to schools. Model could be a partnership such as that being planned for NW Chelmsford (St. Andrews/Marconi wards) for a community hub partnership between City Council, CHP housing and CVS, revenue from office space, this may need to be revised due to changed demand post-COVID-19 and could itself include a creative workspace.	Opportunity to develop new facilities in new neighbourhoods, although these are more locally facing than city centre. Comment in the masterplan consultation to suggest more specific creative/community uses.	Not city centre but plenty of opportunity to influence and use S106 and CIL.
Sandford Mill Museum + neighbouring buildings	Old Waterworks treatment plant. Museum and teaching space, currently closed. Locally listed, small buildings 2.6miles/34min bus from Central Station.	Council control, unclear about plans for its future use, may need a new vision. Site might suit affordable creative workspace to fund community amenity. Refurbishment to bring into new uses could be part eligible for Heritage Lottery funding.	Existing character. Distance from city centre not ideal for event space but good location for creative workspace.
Future redevelopment of Meadows Shopping Centre	In the long-term, potential for redevelopment with a good mixture of town centre uses. Freehold is council owned but currently leased so this is long-term. Speciality independent offer. In the meantime, try to negotiate some early evening use to provide cross-benefit to other venues e.g. cinema, restaurants.	Over next 10 years retail will contract, new uses needed. The Meadows decline over a number of years. Proven model at The Art Place. More pop-ups possible e.g. former Priest Brothers adjacent to Western Computers. Generates interest and footfall, opportunity to steer future uses.	Review of local plan starting this year, feed this project in. Ask BID to consider some early evening opening of pop-ups to increase footfall for restaurants + cinemas.
Chancellor Hall, Market Road	Former music venue and nightclub, capacity 1100, has been closed a number of years.	Owners will be looking for a commercial return so unlikely but worth an exploratory discussion. Probably a complete rebuild required to create effective gross to net lettable space.	Great city centre location but privately owned so cost likely prohibitive.
YMCA, Victoria Road	Potential opportunity for a redevelopment partnership with the YMCA.	Kevin Miller has offered to approach and scope out whether there is a real opportunity. If so, this could be re-prioritised.	Could be attractive to funders. Lower footfall, location not viable for a retail model.

A potentially financeable sustainable model

Capital funding

The set-up capital and fees needs to be found by the council to drive this forward, ideally from S106 and CIL, with a small element of grant funding e.g. Essex County Council. Depending on the agreed driver for the project (e.g. wellbeing as a driver), the project may be able to raise other grant funding. Contingent Capital Fundraising has been raised as a route for Chelmsford CDT to explore, with wellbeing also central to the likely success of this.

The capital costs are entirely contingent on the selected location, so it is not possible to model this in abstract.

Running costs

A sustainable model relies on identifying reliable and consistent revenue streams. These will be specific to each location, but our conclusion is that an event space alone is not a viable model.

Our recommended model for a site large enough is based on having affordable creative workspace alongside an ancillary event space. Our survey has already demonstrated demand for creative workspace from 40 people, which although not the core driver of the project is sufficient to move this forward. A minimum scale of operation (minimum 5,000 sq ft of net lettable workspace) would be needed to merit any staff on site. Small private workspaces require less management than a shared space.

Within this model the event space income should be modelled cautiously low, as very few respondents indicated what they were willing to pay. The event space will need a large pool of users including a sufficient pool of full-paying bookings and a sliding scale of charges, discounted for charity hires. Regular availability is essential for classes. An example schedule could be:

Monday – Thursday	
7.00am – 8.30am	Early morning yoga/pilates/zumba/meditation etc.
9.00am – 3.00pm	Morning mother/toddler, older people, social prescribing
3.30pm – 7.00pm	After-school classes (e.g. drama, arts)
7.00pm – 9.00pm	Societies, meet-up groups, rehearsals
Friday – Sunday	
All day events (e.g. awaydays, brainstorm meetings, short exhibition/event hires e.g. parties, weddings, short exhibitions)	

It's worth noting here that event spaces require intensive management, including two venue managers to cover a range of opening times/days of the week and ensure the space is clean and reconfigured between events.

Minimum requirements – event space specification

- Main hall 50 sq m/540 sq ft, seating 60 or workshop set-up for 35-40.
- Equipped with tables, chairs, sound system, projector.
- Good soundproofing and clear separation between activities. Online booking system.
- Lobby/waiting area, disabled WCs, large kitchenette to lay out teas/coffees and serve refreshments prepared off-site.

See Appendix 4 for example cashflow models which all incorporate these requirements.

A model which includes shelf and gallery wall hires for artwork retail could also be viable if a large enough shopping centre location could be identified – see cashflow model for this option.

Key steps and considerations around moving forward with such a building

The following steps and consideration together make up a critical path for moving forward with the development of any new space:

- Identify site and discuss with owners/developers. If existing building owner shows interest, work out approx. capital + operating costs through a short feasibility appraisal specific to the site.
- Review of local plan this year, feed this project in so that the need is flagged up at relevant site/s.
- The council can specify within sites facilities that meet their needs, including healthcare, schools, cultural and community assets. They can also require the protection of existing community facilities. Identify opportunities to discuss with developers the possibility of building it into a scheme as a S106 contribution. Ideally a scheme which the project has revenue streams from (e.g. including workspace units), or including endowment for ongoing support. S106 is tied to a development itself to make it acceptable in planning terms, what is included is by negotiation with developers. Make a case to council and parish/ward as required to allocate strategic CIL budget. CIL is not attributed to a site; councils prioritise their spend through a process of prioritisation.
- Put out a call for viable operating proposals for a specific site from an operator. Key criteria to include providing a community facing hire space for which they cover running costs, assume a low or peppercorn rent plus a profit share. They will need to employ an experienced venue manager to run and manage the premises, a highly entrepreneurial person who understands creative people, is numerate and good with people, who will see new opportunities and realise the potential. Facilities management requires understanding of health and safety, fire marshal and first aid training, and licensing if events licenses are needed.
- Best route may be for the council to be client for the building, with input from the selected provider, recouping the VAT saving 20% which an operator may not be able to.
- Once an operator is appointed, agreement for lease to start at construction point, which becomes a full lease at completion and the premises handover. NB Long delays may be off-putting for a small operator.

Potential development routes

There are several potential delivery models and development routes that could underpin the development and management of such a project, and identifying the most appropriate will only become possible once a building or site has been identified. Here are what we consider to be the three most likely routes for this project:

Route 1: Council led build; operation handed over to appointed third party operator

Here the council acts as development partner and then hands over to an operator on completion. In this scenario, the Council's property services + culture teams would need to kick-start the project by identifying a site with a developer as part of their S106 contribution.

Route 2: Council partners with a developer

Here the council set's up a partnership with a developer to build on council-owned land. The developer builds it and puts the asset in rent free, the incentive being as an attractor of footfall to other businesses, or to improve value of residential properties within the development. In this scenario, the Council needs to provide a detailed spec, ideally with input from an operator, with a focus on long-term sustainability through revenue-generating space, high net to gross lettable space and low running costs.

Route 3

Other owner-led build which accommodates creative community feasibility to unlock planning for a site e.g. Shire Hall.

Potential operators

For either development route, the council would appoint a charity, community trust or social enterprise, selected through an open process, to propose terms for lease and a viable business plan and management model. This may for instance take the form of peppercorn rent in exchange for community services provided, with any surplus generated after operating costs set up as a profit-share with the council or development partner.

There are a number of existing Chelmsford-based entities that could hold a property asset and/or run a new space. Based on our research, the three options potentially most worth considering are:

Chelmsford Cultural Development Trust

Role is primarily to provide fundraising support to the council. Their advice should be sought at an early stage on whether Contingent Capital Fundraising is a viable option, before proceeding with a model which is reliant on this approach. While their broad-ranging memorandum and articles 4.1.4 allow them to buy, take on a lease or otherwise acquire any property and equip it for use, they don't see themselves as an operating body running a venue as their ideal role. However they could hold and lease a property asset/s acquired for this purpose to a suitable operator.

The Ideas Hub

Its purpose and its trustees are to do whatever the community requires it to do.

As the community has demonstrated its desire for this project, and The Ideas Hub already has demonstrated its ability to build and deliver a highly successful and resilient retail-led model, they would therefore be the natural operator for this model.

They are a community facing rather than arts-led charity which means that they are well placed to secure small grants but may not be interested in supporting a creative workspace model, as this is not their area of expertise.. Whichever model is selected, a community-based charity could hold the property and The Ideas Hub either lease or organise activities there.

The Civic Society

Remit to stimulate public interest in, and appreciation and care of, the history, appearance and character of Chelmsford. Relevant to the future use of an historic building e.g. Shire Hall, Sandford Mill, former technical college.

Affordable Creative Workspace charities or CICs

There are also a number of specialist creative workspace operators who are likely to be interested in an identified and capital funded opportunity. These include ACAVA, Bow Arts, Second Floor Studios, SPACE studios.

Potential governance framework

In order that community ownership is maintained, this needs setting out in the governance framework for the project.

In this scenario, our recommendation would be that an operator should be appointed who is either an existing local charity or CIC with the appetite to take on this asset, or an experienced creative workspace operator who is either a Charity or CIC. A charity operator would be eligible for rates relief for a large community space, which may not be the case for a CIC or other social enterprise.

Any operator should be supported by a community advisory group of creative practitioners including potentially under-represented voices, including under 25s, older people, people with dis/abilities, people from under-represented ethnic groups and diverse sexual orientation. While this is important for an inclusive community project, it will likely also be an expectation of funders. The opportunity to join the advisory group should be publicly advertised and members of under-represented groups actively and positively encouraged to apply.

Recommended actions The following actions are recommended in relation to Conclusion #3:

Group and Council to meet with existing organisations such as Ideas Hub and Hotbox to explore if/how working with the council on the development of this project fits with their strategic plans

Council culture team to review their budget to explore potential for modest funding to subsidise commercial operators providing event/workshop space to creative hirers

Ignite Partnership to explore potential for a sliding scale subscription model that could be used – wholly or in part – to fund the subsidised hire of commercial event space in venues such as Patch/ACanteen and/or start up costs for a longer lease creative space in the city centre

Group to meet with venues such as Patch/ACanteen to explore their appetite for providing subsidised event space

6.4 Conclusion #4:

There are some city centre options that would go towards satisfying demand for social and participatory space

As outlined above, we believe there is little prospect of the Partnership being able to develop a fit-for-purpose, financially viable, community creative space in Chelmsford City Centre that meets the groups' criteria and responds to the needs identified in our consultation. However, there are a number of options that would enable you to go some way towards satisfying the clearly articulated need for social and participatory space.

Below we outline a number of potential ways forward.

Use outdoor spaces - outdoor market area events

This scenario requires a different kind of event to a closed event space, but a call for proposals setting out the opportunity could be attractive to some. In this scenario, artists could be brought in to programme outdoor events (e.g. [Hypha Studios](#)), increasing footfall in this area to balance the pull of Bond Street shopping area.

Explore the potential for a longer lease on a unit in The Meadows

Securing a 3-year rent free lease on a shopping unit in the Meadows, and recruiting an experienced operator to run this longer lease creative space, would go some way to modelling what the future of this city centre shopping centre could include. It would increase evening footfall to this part of the city centre, shift the identity of the space and potentially influence the list of potential uses in any future regeneration of the site.

Critical success factors likely to include:

- Council and BID buy in
- Council invest in a start up capital grant for equipment/furniture etc (estimated £15k per shop unit)
- Securing involvement of BID (potentially as co-sponsor)
- Negotiation of some early evening opening

Develop existing talent and organisations

Chelmsford already has some dynamic social enterprises and entrepreneurs who could help drive the ambitions forward, and who already respond to some of the needs identified through our consultation.

Existing fantastic community-ethos venues in Chelmsford include Hotbox Live Events and The Art Place/Top Shop (Ideas Hub). They are both unique entrepreneurial models which should be celebrated and supported as they are vulnerable due to precarious leases, COVID-19 and Chelmsford property prices.

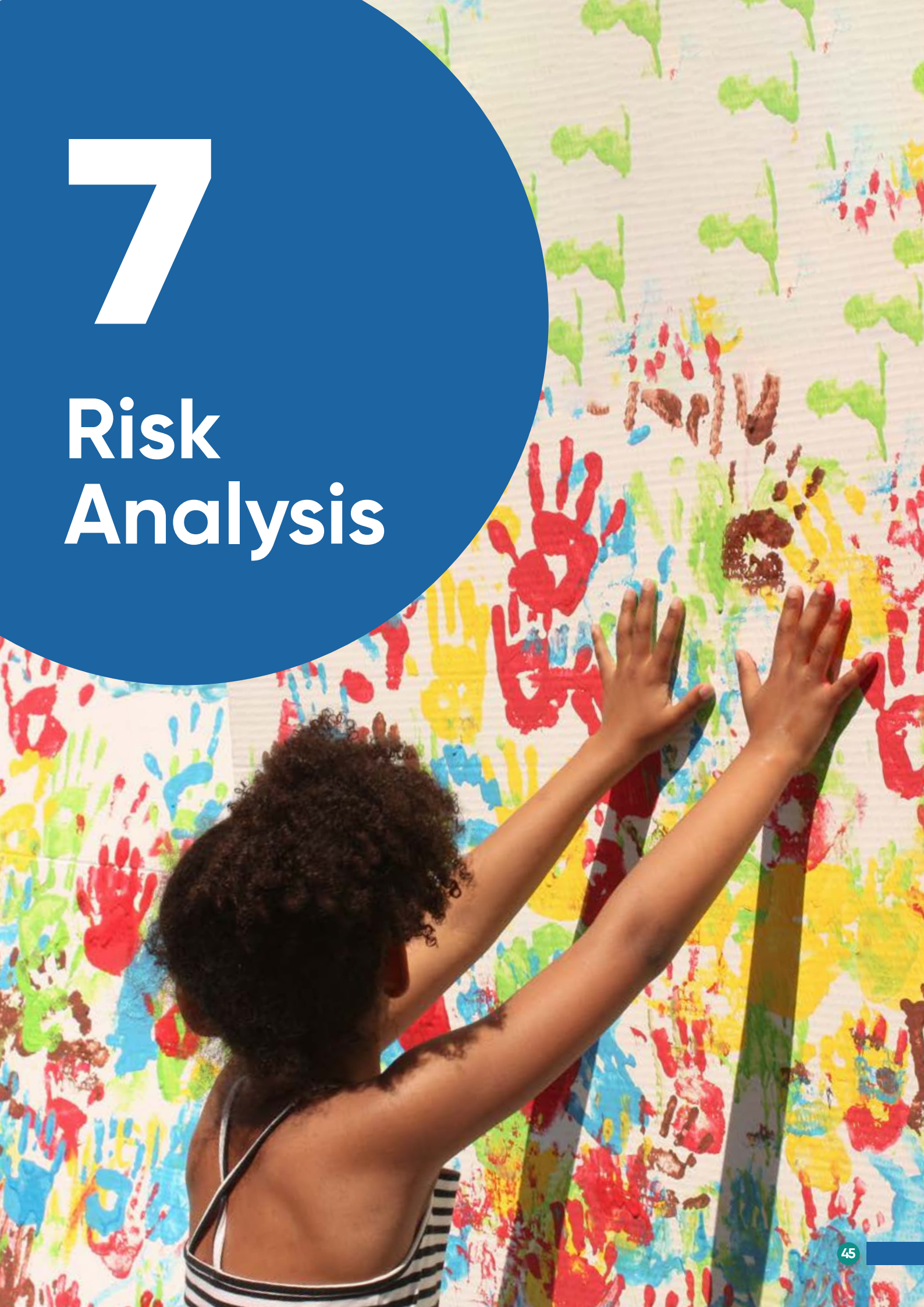
Highly valued locally, they are operated by supremely dedicated and skilled staff, with huge amounts of ingenuity and commitment. During lockdown, Chelmsford's Hotbox Live Events streamed 3 gigs a week round the world, attracting 14 million views and winning the Association of Independent Music Venues Award.

Partner with existing city centre spaces to provide some affordable community hire rates

There are a number of spaces in the city centre, such as Patch and ACanteen, that could potentially provide longer term homes for some of the city's creative projects and initiatives. Commercial operators who need to cover their city centre rents and running costs, it may be that some funding to subsidise community hires could help them address the need people clearly have for workshop and event space.

7

Risk Analysis



The following risk table summarises our assessment of the key risks involved in this project, and steps that could be taken to mitigate them.

Area	Risk	Type Of Risk	Potential Impact	Control / Mitigation	By Whom/When
Identifying suitable property (ideally rent free)	Needed to galvanise funds and support.	Medium	High	Progress discussions on key sites.	MD discussions with Property Services/ developers.
Lack of operating budget	Model will require secure revenue stream or blank slate with minimal costs.	Low	High	Identify cross-subsidy revenue streams and share risk with operator.	Identify model relevant to site with clearly revenue streams – council + operator.
Creating a viable business case	Avoid it becoming a drain on council resources .	Medium	Low	Split the risk by seeking profit share proposals.	Operator
Securing support to unlock investment	Competing demands on funds - is there a clear case for this priority?	Low	High	Retain strong community drive, align with delivering council + developer priorities.	MD, CEO
Finding suitable operator	Opportunity seen as unattractive or unviable.	Medium	High	Attractive proposition set out. Sound out some possible operators out in advance, accessible tender process. Appoint against clear simple outcomes/criteria e.g. quality offer, event space available at low cost, relevant experience.	MD, Group
Fitout/capital spend within budget	Architect brief includes a fixed budget, tender contractors on delivery track record of quality delivery and references not just price.	Medium	High	Hold a contingency, specify working to tight budget as a selection criteria, keep spec minimal, avoid AHU and costly fittings.	Property team/ Experienced Operator.
Effective Operating Model	Inexperienced operator pulls out.	Low	High	Ensure the model offers sufficient revenue streams for cross-subsidy. Careful vetting of operator track record.	An experienced operator is retained to comment on feasibility of specific site/s as they emerge.
Management	Insufficient income generated - Ability to secure lettings/ bookings, avoid arrears, bad debts, voids.	Low	Medium	Make the opportunity attractive with very low costs so it is likely to attract a creative operator with a strong vested interest in making it a success.	An experienced operator to help write the brief once the opportunity has been selected.
Governance	Finding a charity to hold the asset.	Medium	Medium	Speak to relevant charities early or set up a new one	MD discuss appetite with possible partners.
Community engagement maintained	Positive community engagement maintained resulting in hires and tenants.	Low	Medium	Good operator + governance structure.e	Venue creative advisory group.
Fundraising	Clear case for support for capital.	Medium	Medium	Model project which does not need revenue funding.	MD/Ignite group

Appendices



Appendix 1: Interviewees

We conducted 1-1 interviews with the following individuals:

Joe Reidy

Chelmsford City Council Property Services

Marc De'Ath

Chelmsford City Culture

Katie Deverell

Chelmsford City Culture

Helen Quinell and **Jennifer Gorton** Chelmsford City Council Economic Development Dept.

Edward Price

Hylands Stables, Chelmsford City Council

Edith Millar

The Ideas Hub – The Art Space and Top Shop

Rebecca Hughes

Chelmsford Cultural Development Trust

Elaine Tribley

Hive Studios

Lynn Blackburn

Hippo Print Margaretting studios

Paloma Streilitz

Patch

Claire Gevaux

Consultant + Chelmsford CDT Trustee

Andy Pinkney

The Transition Co.

Katharine Stout

co-chair SECEN

Paul Childs

visual artist + charity worker

Jim Clark

visual artist + graphic designer

Leanne Johnson

Director of the Chelmsford Drama Centre

Dave Hugh

Hotbox Events

Kevin Miller

The Ideas Hub

Louise Goodwin and **Nick Eveliegh** Chelmsford City Council

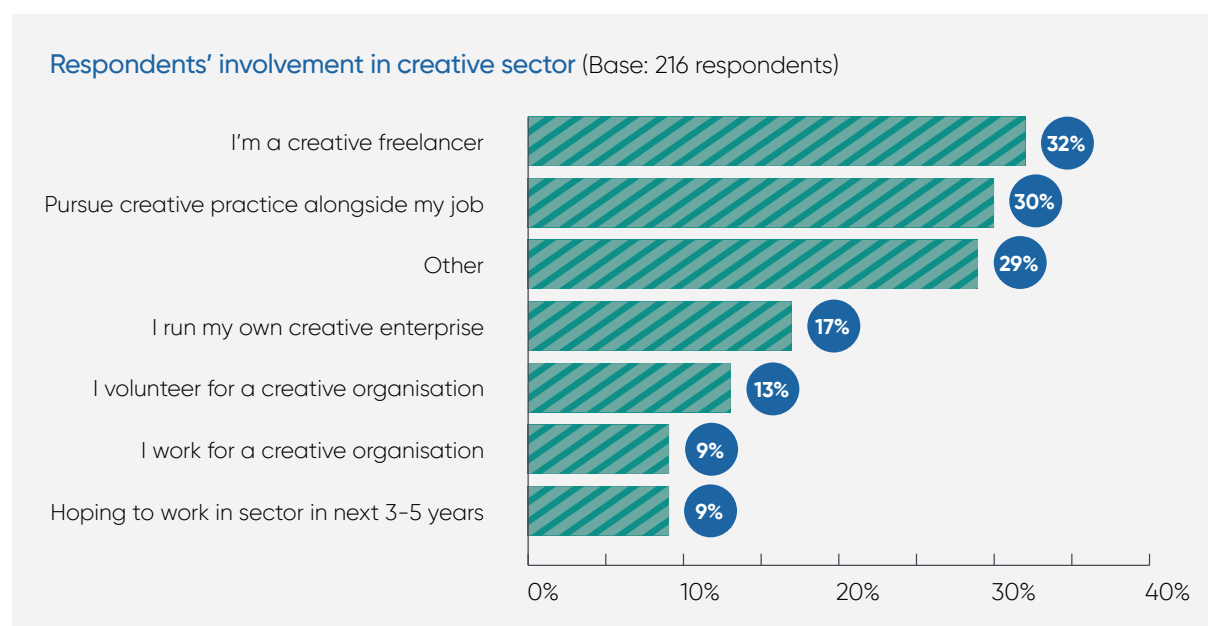
Cllr Marie Goldman and **Cllr Steve Robinson** Chelmsford City Council

Appendix 2: Survey Data

About our respondents

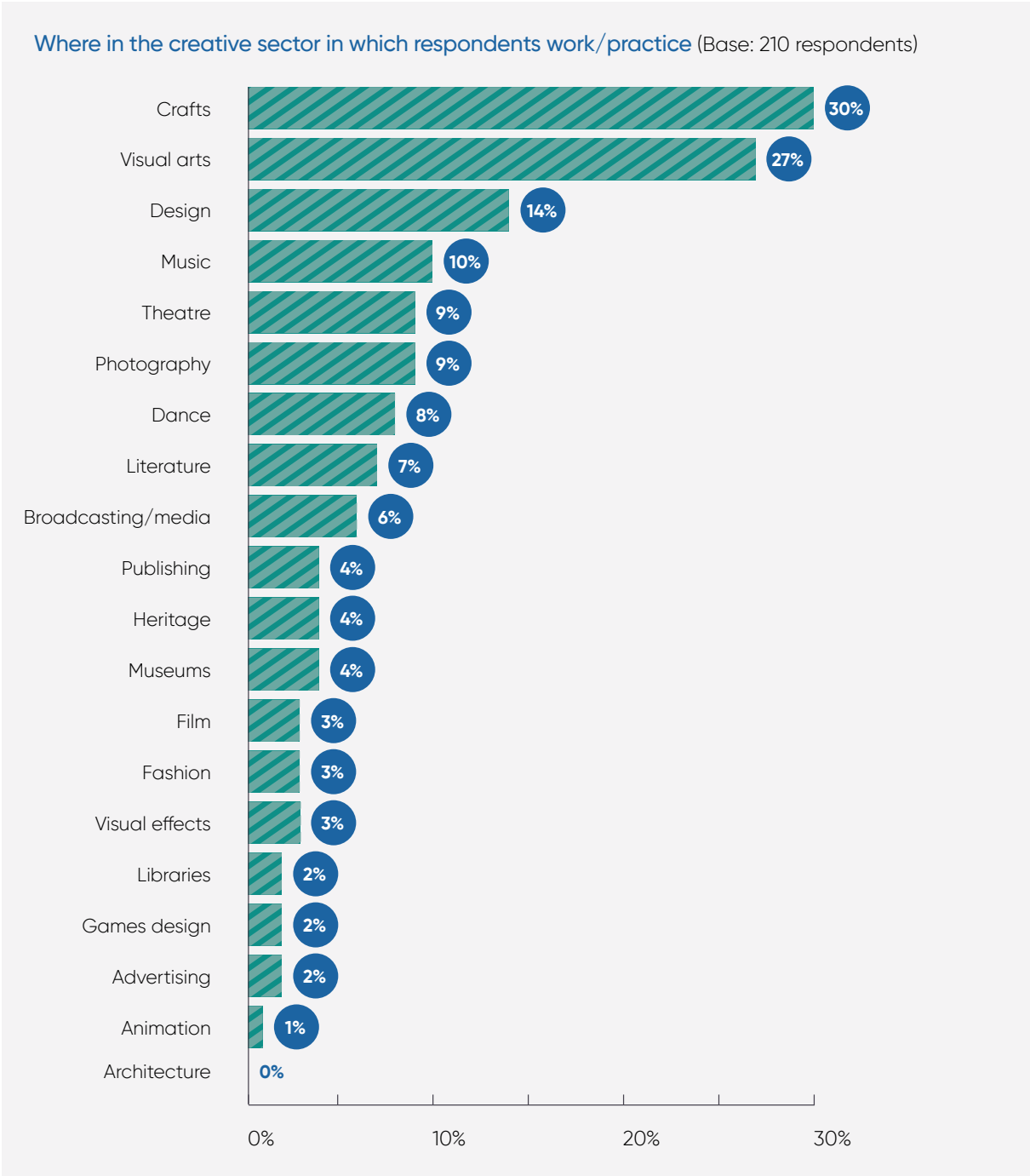
Respondents' involvement in the creative sector

Unsurprisingly perhaps, close to half – 49% – either run their own creative enterprise, or are a creative freelancer. Nearly 4 out of 10 have a creative practice, but don't (yet) work in the creative sector.

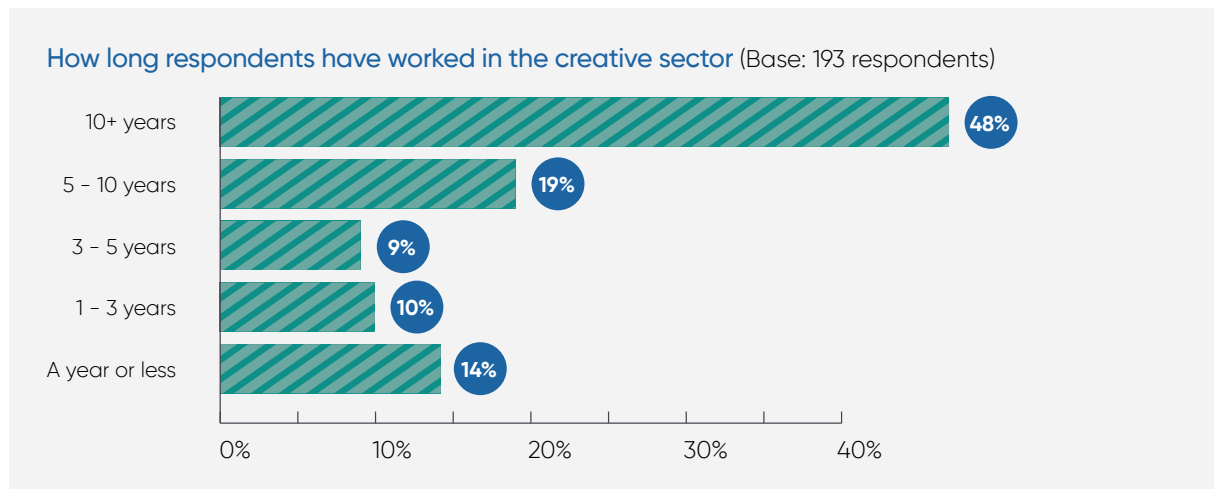


Over half work in crafts/visuals arts, and around a quarter in the performing arts

As the following chart illustrates 57% of our respondents work in the visual arts or crafts, and a further 14% in design. Just under a quarter work in the performing arts – music, theatre or dance.



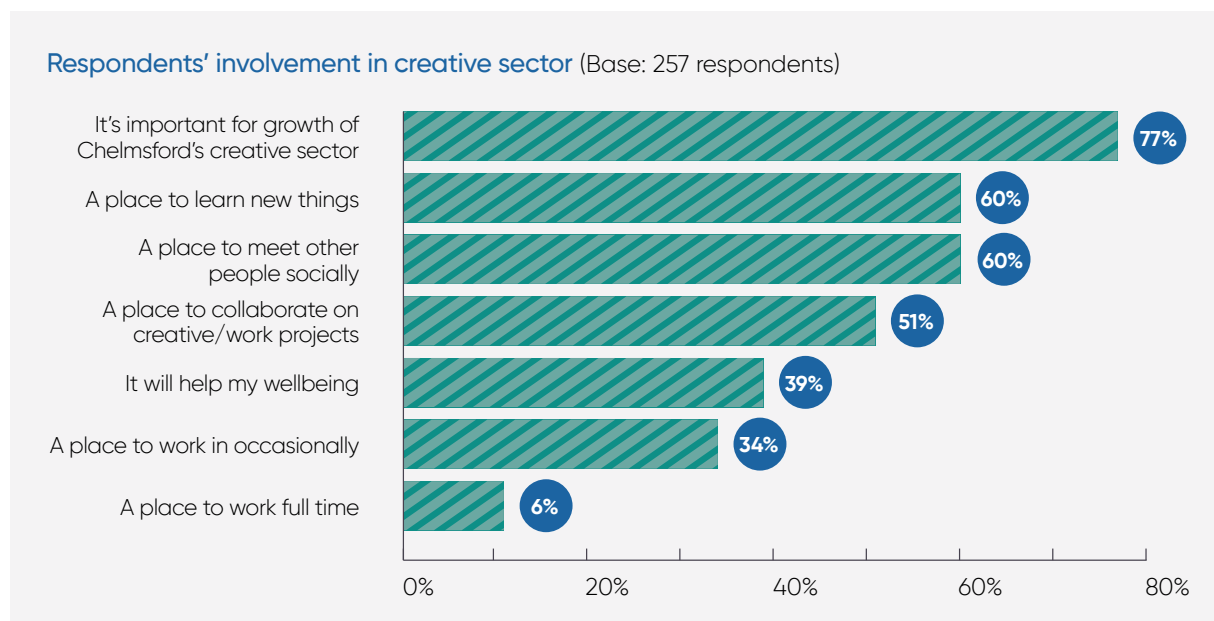
Respondents with different length careers well represented amongst respondents



How respondents anticipate using the building and what they want from or in it

For most respondents, a new space will be a place to learn, socialise and connect

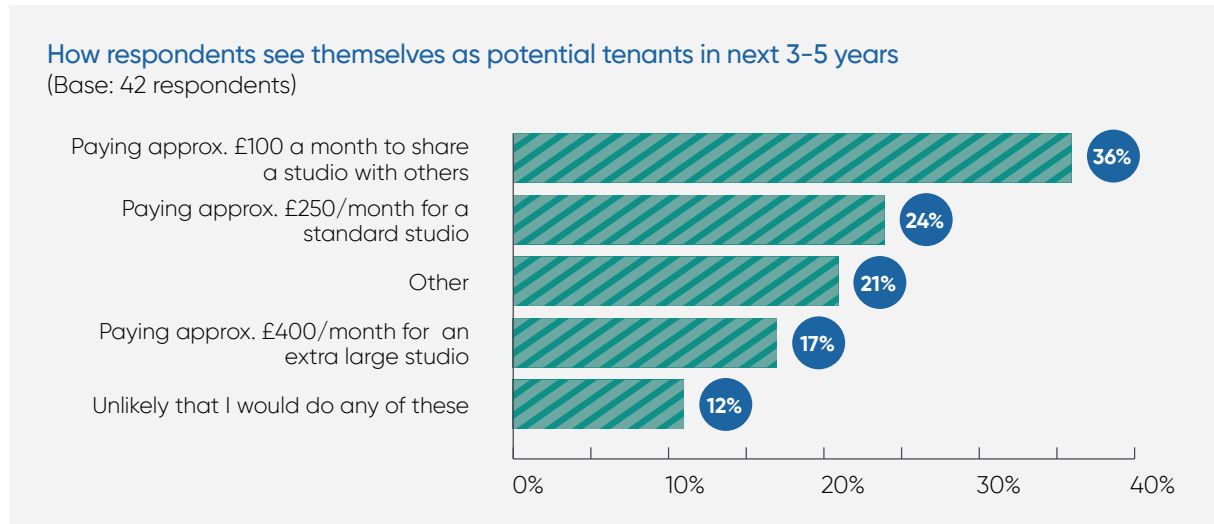
Overwhelmingly, the space is a place they will go to meet other creative people, learn and potentially collaborate. For most it doesn't appear to be a place to work in regularly; a third say they think they'd work their occasionally, and fewer than 1 in 10 think they'd work their full time.



Limited apparent appetite for renting a studio or office, and most would want to share

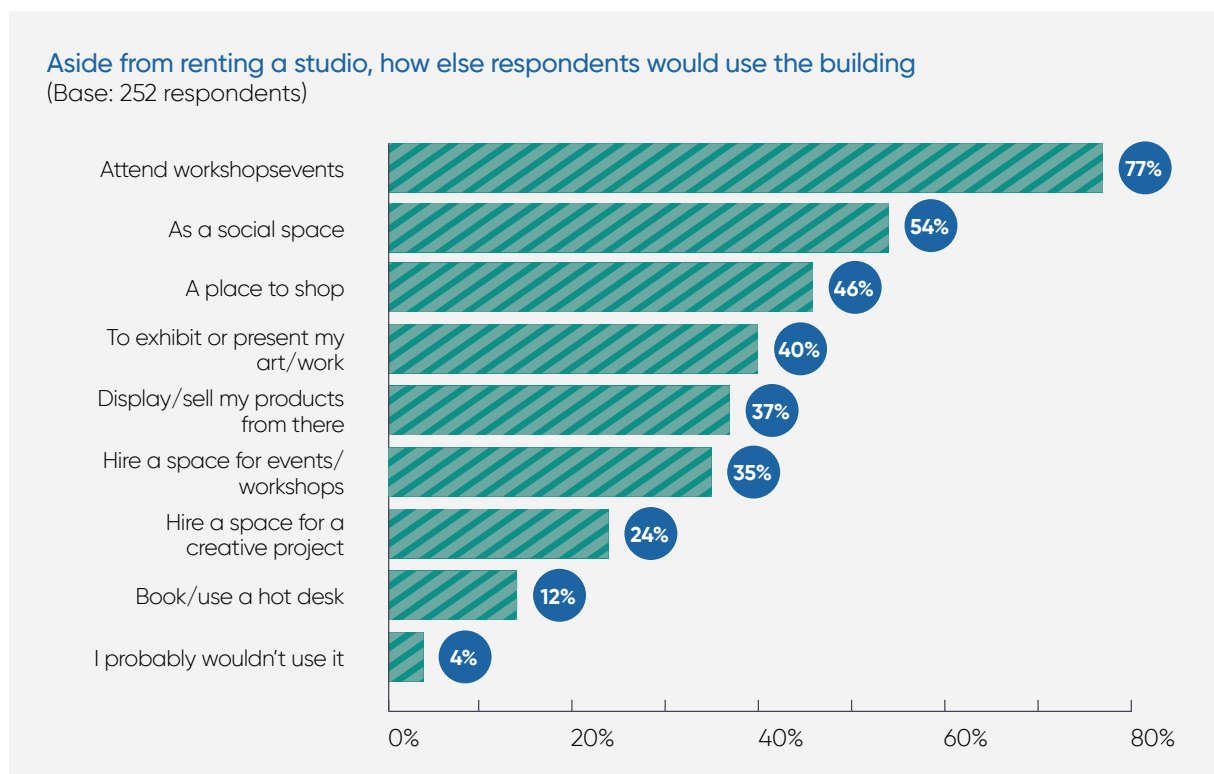
Just 16% (40) of respondents said they anticipate wanting to rent a studio in the new space, and half (50%/128) were clear that this wouldn't be the case. The remaining 34% (87) weren't sure.

As the following diagram illustrates, over half of respondents who see themselves as potential tenants think they'd want to share a studio/office.



How else respondents would use the building

Echoing feedback about their wider interest in this new building, respondents' in the main see it as a space in which they could attend workshops/events, socialise and buy creatives' work. Again their feedback is indicative of the relative number of respondents from the visual arts and craft sector.



What respondents think it's most essential the building has

The following table indicates what respondents listed as the most essential components of the new building. In light of feedback about how they anticipate using the space, it's unsurprising that, when asked what they most want from or in the building, the loudest call is for an event space. There's also a loud call for the building to have a strong community ethos, but given the numbers who expect to actually work in the building, this appears to be more about the building being welcoming and inclusive than about what they'd want as tenants.

Again, unsurprisingly given the proportion of respondents working in craft and the visual arts, there's strong interest in the new space having a shop in which creatives can sell their work.

Essentials	Top priority	2nd priority	3 rd priority
Event space	20%	15%	7%
Strong community ethos in building	19%	8%	7%
Shop selling tenants' / other creatives' work	11%	10%	22%
Professional development programme for creatives/tenants	9%	10%	7%
Good public transport links	9%	12%	6%
Cafe and/or bar	7%	14%	14%
Individual studios/work units	7%	9%	8%
Secure storage for my equipment/materials	6%	4%	7%
Online sales and profiling	4%	5%	6%
Kitchenette for users	2%	5%	6%
24-hour access	1%	3%	11%
Hot desking	1%	5%	7%
Car parking for users	0%	0%	0%
Facilities and events manager	0%	0%	0%
Other (please specify below)	3%	0%	3%

(Base: 255 respondents)

What would you like to see going in the building



Chelmsford Creative Collective session

Here's how the participants themselves anticipate using the building:



**What
would you like
to see going
in the
building**

**meeting space
for creative meetings**

meet ups
where we make
art together
(eg drink & draw)

would definitely use it in the
evenings there is a real lack
of evening venues for running
workshops/working on art

network
with all this

**i would run
craft
workshops**

networking for
like-minded
people in and
to encourage
others to dis-
cover
new things

book a
space to run
a life drawing
class

Chelmsford
Creative Collective
session

affordable
space to make
art/design

network with others
i would use a studio
to paint or create

i would help to
run the events

Appendix 4:

Example Operating Models

3 indicative cashflow models are provided below, all of which can be viable given suitable premises.

These are:

Model 1: Event space + Retail model (3294 sq ft)

Model 2: Event space plus grant funded wellbeing programme (3294 sq ft)

Model 3: Event space plus creative workspace units (6588 sq ft)

Key to the viability is that there is a sufficient income generated to merit paid staff to manage the community facing facilities and to cover operating costs. This can only be achieved with premises rent-free to the operator and fully fitted out in advance, in order for all income to be reinvested into operating costs.

All models are therefore based on the understanding that either purchase and initial fit-out are fully funded or the space is provided rent-free, with no ongoing financing costs to the operator. We have however allowed for some estate costs/service charges. Any surplus achieved once operating costs are covered should first go to developing the programme and secondly could generate profit-share or other repayment mechanism to benefit the landlord after a set-up period.

These sample models can only be indicative of likely costs as it is subject to the specifics of the building.

We have used purely for an example a space currently on the market at Duke Street: 3,294 sq ft for £812k for 250 year lease, annual rates payable of £38,500 if 100%

[High street retail property for sale in City Park West, Duke Street, Chelmsford, Essex, CM1 \(rightmove.co.uk\)](https://www.rightmove.co.uk/property-for-sale/details.html?listingid=123456789)

Rates:

While the rateable value of any individual property is individually assessed, we have used the actual rateable value at Duke Street as the starting point for our modelling, although this is very high as it is based on a new build retail valuation. Model 1 doubles this rates assumption to allow for a higher footfall retail location. Model 2 event space + grant funded programme uses the Transition valuation. Model 3 assumes the creative business units are eligible for SBBR and the charity gets 80% rates relief on the remaining spaces occupied by the charity.

Speedy turnaround of the project is key to mitigating any losses in the set-up year.

In all models, losses in year are probable as hires income may take time to pick up. Year 1 should ideally be supported with a one-off set-up business development grant.

Income levels rely on well-managed and consistent hires, including evenings and weekends. Models 1 and 2 rely on £37,000 of hires income, discounted by 50% in year 1 while the venue establishes itself. The creative workspace model includes a far lower hires income expectation starting at £12,000 per year, which could potentially increase depending on location.

All models rely on a capable and well trained venue manager supported by volunteers in models 1 and 2, with an experienced parent organisation, board or advisors to set up finance system, plus a strong booking management system.

Model 1 Event space + retail

Based loosely on The Art Place which relies on an unpaid staff member to write funding bids, using retail income forecasts provided by Ideas Hub.

Workshop leaders using the event space need to be DBS checked and Health and Safety trained.

If the revenue streams are working effectively, sufficient contingency is generated to pay for some high level support for development work.

Model 2 Event space + grant funded arts + wellbeing programme

Assumes grant funding level based on Ideas Hub arts + wellbeing programme 2020-21.

One person will not have time to fundraise as well as manage the venue, so ongoing support may be needed on fundraising.

Assumes year 1 hires 50% below target while venue builds profile.

Surpluses after Year 1 ideally to be reinvested in fundraising + hires support.

Model 3: Lettable Art Studios + Event Space

More modest event space hire expectations as manager will have to prioritise workspace lettings which bring in most income.

Assumes 50% let in year 1, 90% let subsequent years.

Relies on 90% occupancy, the typical assumption used by an experienced operator.

Rates assume individual creative workspace units have their own rateable demise and their small size/low rateable valuation will qualify occupiers for Small Business Rates Relief.

Operating costs are the risk to the appointed operator. Our survey indicates demand, which is only likely to grow as London becomes unaffordable, this can only be proven in practice when an operator comes forward willing to take on the risk, indicating that they are confident of demand.

Appendix 4: Example Operating Financial Models

Chelmsford Creative Space Model 1
Event space + shopping centre artwork retail model

		Typical weekly Hires	Per week	Events @ 100%	Events @ 80%	Events @ 60%
		Early am@ £20	£80.00			
540	net sq ft event space	Daytime	£200.00			
3,294	gross sq ft	After school	80			
		Evening	80			
		Weekend	300			
			£740.00	37,000	29,600	22,200

Income	Unit Cost (£)	Inflation 3%	YEAR										Total
			1	2	3	4	5	6	7	8	9	10	
Retail Income shelf + wall hire		3%	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	206,350
Commission 25% on artwork sales		3%	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	188,350
Events income @ 100% booked		3%	37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277	424,164
Less provision for losses in startup year			-18,500										
Total Potential Income			76,500	97,850	100,786	103,809	106,923	110,131	113,435	116,838	120,343	123,953	

Costs			1	2	3	4	5	6	7	8	9	10	
Example Rates (assumes 80% charity relief)	1	3%	15,360	15,821	16,295	16,784	17,288	17,806	18,341	18,891	19,458	20,041	176,085
Venue Manager incl. NI /Pension			30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	343,916
Weekend, holiday + evening cover			10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	
Wi Fi annual cost	0.20		659	679	699	720	741	764	787	810	835	860	7,552
Maintenance contingency	0.5		1,647	1,696	1,747	1,800	1,854	1,909	1,967	2,026	2,086	2,149	18,881
Cleaner @ £100 pw			5,200	5,356	5,517	5,682	5,853	6,028	6,209	6,395	6,587	6,785	59,612
Gas + Electricity	2		6,588	6,786	6,989	7,199	7,415	7,637	7,866	8,102	8,345	8,596	75,524
Alarm/security	1		3,294	3,393	3,495	3,599	3,707	3,819	3,933	4,051	4,173	4,298	
Possible Service/ Estate Charge/ Refuse etc.	2.5		8,235	8,482	8,737	8,999	9,269	9,547	9,833	10,128	10,432	10,745	94,405
Total Expenditure			80,983	83,412	85,915	88,492	91,147	93,881	96,698	99,599	102,587	105,664	928,377
Retail + 100% events capacity			(4,483)	14,438	14,871	15,317	15,776	16,250	16,737	17,239	17,757	18,289	142,191

0

NB

These figures are purely for illustration and the models have been designed for local groups to test different assumptions and scenarios. Actual figures will depend on the premises and the operator. Working Excel models available upon request via email: hello@ignitechelmsford.org.uk

Chelmsford Creative Space Model 2 Event space + funded arts + wellbeing programme

		Typical weekly Hires	Hires per week	50 wk/ 100% use	80% occupancy	60% occupancy
		7-9 am 4@ £20	£80.00			
540	net lettable	Daytime	£200.00			
3,294	gross sq ft	After school	80			
		Evening	80			
		Weekend	300			
			£740.00	37,000	29600	22200

INCOME	Unit Cost (£)	Inflation 3%	YEAR									
			1	2	3	4	5	6	7	8	9	10
Potential income @ 100% booked			37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277
Grant income: arts+wellbeing programme			55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763
Less provision for event space vacancies in year 1			18,500									
Total Potential Income			73,500	94,760	97,603	100,531	103,547	106,653	109,853	113,148	116,543	120,039

COSTS			1	2	3	4	5	6	7	8	9	10
Example Rates (assumes 80% charity relief)	1	3%	7,680	7,910	8,148	8,392	8,644	8,903	9,170	9,445	9,729	10,021
Venue Manager incl. NI /Pension			30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Weekend, holiday + evening cover			10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Rent - assume peppercorn/ rent free												
Wi Fi annual cost	0.30		988	1,018	1,048	1,080	1,112	1,146	1,180	1,215	1,252	1,289
Maintenance contingency	0.5		1,647	1,696	1,747	1,800	1,854	1,909	1,967	2,026	2,086	2,149
Cleaner @ £100 pw			5,200	5,356	5,517	5,682	5,853	6,028	6,209	6,395	6,587	6,785
Gas + Electricity	2		6,588	6,786	6,989	7,199	7,415	7,637	7,866	8,102	8,345	8,596
Alarm/security	1		3,294	3,393	3,495	3,599	3,707	3,819	3,933	4,051	4,173	4,298
Possible Service/ Estate Charge/ Refuse etc.	2.5		8,235	8,482	8,737	8,999	9,269	9,547	9,833	10,128	10,432	10,745
Total Expenditure			73,632	75,841	78,116	80,460	82,874	85,360	87,921	90,558	93,275	96,073
Net projected income @100% capacity			(132)	18,919	19,486	20,071	20,673	21,293	21,932	22,590	23,268	23,966

NB

These figures are purely for illustration and the models have been designed for local groups to test different assumptions and scenarios. Actual figures will depend on the premises and the operator. Working Excel models available upon request via email: hello@ignitechelmsford.org.uk

**Chelmsford Creative Space Model 3 (Assumes 50% studios occupancy year 1, then 90% occupancy)
Art Studios + Event Space**

Type of space	Sq ft allocation	Model	Income £ per month	Income £ per year	
1 shared studio	800	15 sharers @ £100/mo	1,500		
10 small studios	1,800	10 x 180 sq ft @ £250/mo each	2,500		
7 large studios	2,450	7 @ £400 mo each	2,800		
			Studios sub-total	81,600	73,440
			1,000	12,000	
1 event space	500				
Total gross sq ft	6,588				
Total net lettable	5,550				

Income	Unit Cost (£)	Inflation	YEAR										Total
			1	2	3	4	5	6	7	8	9	10	
Studios Rent Receivable on 90% occupancy		3%	73,340	75,540	77,806	80,141	82,545	85,021	87,572	90,199	92,905	95,692	840,761
Hires of event space		3%	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	137,567
Less provision for vacancies		10%	36,670.00	7,554	7,781	8,014	8,254	8,502	8,757	9,020	9,290	9,569	113,412
Total Income			67,005	80,346.18	86,646.89	89,246.29	91,923.68	94,681.39	97,521.83	100,447.49	103,460.91	106,564.74	917,844

Costs			1	2	3	4	5	6	7	8	9	10	Total
Example Rates (assumes 80% charity relief)	1	3%	3,840	3,955	4,074	4,196	4,322	4,452	4,585	4,723	4,864	5,010	44,021
Venue Manager incl. NI			30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	343,916
Rent - assume peppercorn/rent free													0
Wi Fi annual cost	0.30		1,275	1,313	1,353	1,393	1,435	1,478	1,522	1,568	1,615	1,664	14,616
Maintenance contingency	0.4		1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218	19,489
Cleaning - event space			2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	22,928
Gas + Electricity	1		4,250	4,378	4,509	4,644	4,783	4,927	5,075	5,227	5,384	5,545	48,721
Alarm/security			6,550	6,747	6,949	7,157	7,372	7,593	7,821	8,056	8,297	8,546	
Possible Service/Estate Charge	2.5		16,470	16,964	17,473	17,997	18,537	19,093	19,666	20,256	20,864	21,490	188,810
Total Expenditure			66,085	68,068	70,110	72,213	74,379	76,611	78,909	81,276	83,715	86,226	757,590
													0
Potential Income / Profit Share			(4,483)	14,438	14,871	15,317	15,776	16,250	16,737	17,239	17,757	18,289	160,254

NB

These figures are purely for illustration and the models have been designed for local groups to test different assumptions and scenarios. Actual figures will depend on the premises and the operator. Working Excel models available upon request via email: hello@ignitechelmsford.org.uk

ign!te
chelmsford. culture.

