

King Edward VI College Site Foundation Options for Mansion

January 2020

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1. Background

- 1.1 In 2014 Devon County Council asked Totnes Town Council to explore how the Mansion (the asset held by the King Edward VI College Site Foundation) could be run locally through an organisation from Totnes, as they no longer wanted to use it, and disposal of the asset for commercial purposes was made impossible by historic covenants on its use.
- 1.2 At the request of Totnes Town Council, Totnes Community Development Society undertook initial business modelling. This led to a presentation at the Annual Town Meeting in May 2015 when the Town Council offered all organisations in the town the opportunity to take on the further investigation of the Mansion in order to transfer Trusteeship into the community.
- 1.3 Following the 2015 Annual Town Meeting it became clear that Totnes Community Development Society was the only local organisation prepared to undertake further business modelling. Following a period of due diligence with Devon County Council this led to the transfer of the Trusteeship of the unincorporated trust (the King Edward VI College Site Foundation) responsible for the Mansion taking place on 1st January 2017.
- 1.4 This report sets out the results of initial business modelling and due diligence findings, undertaken prior to the transfer of the Trusteeship, alongside the findings of the first thirty-six months post transfer (January 2017 to December 2019).
- 1.5 The report concludes with an assessment of the options for the future of the Mansion, including the proposed refurbishment and redevelopment of parts of the Mansion, to achieve financial and social sustainability whilst recognising the importance of the asset.

2. About the Mansion

- 2.1 At the point of transfer into community management, The King Edward VI College Site Foundation was a registered charity (Charity number 307525). This charity was an unincorporated trust and was responsible for the management of the King Edward VI School, otherwise known as The Mansion, Totnes located on Fore Street in central Totnes. The Foundation had one object as follows, *'the provision of facilities for the promotion of further education for the inhabitants of Totnes, and subject thereto for meeting, lectures, classes, physical exercise and other forms of recreation and other leisure time occupation in the interests of social welfare with the object of improving the conditions of life for the said inhabitants.*
- 2.2 Totnes Community Development Society became the sole trustee of the King Edward VI College Site Foundation on 1st January 2017.
- 2.3 The Mansion is a complex site comprising an original Grade 2* Listed Building at the front of the site (facing onto Fore Street), two extensions and the Pulse Building. The Mansion includes office classroom and meeting space, café and art and craft studios, and library and nursery space.
- 2.4 The unincorporated trust (Charity number 307525) was removed from the register of charities on 18 January 2020, following the successful incorporation of a new charity (the King Edward VI College Site Foundation (Charity number 1174184) with the same charitable object).

3. Pre-Transfer Analysis

3.1 Initial Business Model Assessment

3.1.1 In 2014 Devon County Council was the sole trustee of the King Edward VI College Site Foundation. The Foundation's asset, the Mansion, was managed by Devon Norse, under a block contract with Devon County Council for facilities management support. In practical terms Devon Norse provided day to day premises and facilities management with a member of staff on site at the Mansion.

3.1.2 In terms of responsibilities for the Mansion, the following were in place:

- Devon County Council had lease agreements with some of the organisations occupying space at the Mansion and held several direct contractual relationships with suppliers of utilities and service maintenance contracts.
- Private hire bookings were made through the Devon Norse on site premises management with invoices being raised by Devon County Council.
- Devon Norse provided reactive emergency maintenance calling on Devon County Council suppliers (on block contracts) to provide the services required.

3.1.3 A review of income and expenditure from April 2013 to March 2016 showed the following:

Year	Income	Expenditure	Surplus/(Deficit)
2013/2014	£99,708	£100,936	(£1,228)
2014/2015	£119,642	£119,642	£0
2015/2016	£110,248	£110,248	£0

These figures indicate that the income and expenditure each year balanced. However, analysis revealed that the expenditure associated with running the Mansion was covered through significant internal recharges within Devon County Council and only a small percentage of the expenditure was covered through the income raised from room hire and rental income from organisations and individuals using space at the Mansion.

3.1.4 A full review of income and expenditure indicated that private rents (room hires etc.) and rental income combined, covered less than 34% of the total expenditure associated with the Mansion. In 2014 the following were also noted:

- i. There were only three formal tenancies in place (Daisy Play Centre, Totnes Peoples Café and Totnes Progressive School), and these were, in varying degrees, out of date or not signed.
- ii. The amount of income accrued through private hire income accounted for 5% of the total income.
- iii. There were only two 'anchor tenants' (Learn Devon and the Library). Both of these organisations were without formal tenancy agreements. Between them they provided 66% of the total income, through service charges and internal recharges, effectively covering the expenditure of running the Mansion.
- iv. There was uncertainty about the future of Learn Devon and the Library which needed to be considered.
 - Learn Devon received an annual funding settlement from the Skills Funding Agency for delivery of their services and did not have clarity about the level of funding they would receive, until May each year. With austerity Learn Devon felt that cuts in the funding settlement were likely, and that there was a growing emphasis on basic skills education needs rather than the wider community provision. Learn Devon were clear that this would have a significant impact on the amount of rent they would be able to pay, and that they would not be in a position to cover the previous value of internal recharge covering the costs of the Mansion.
 - From April 2015 it was evident that the library service would 'spin out' from Devon County Council. Whilst the library service business model had yet to be clarified in 2014 it was assumed that there would be a need for the space occupied by the library to be offered on a rent equitable to the space taken. In this way they would not be

in a position to cover the previous recharge contribution. Further it was felt that it was highly likely that in order to sustain library provision there would be a need for the libraries to secure income, or find a means by which communities could support the provision and find the revenue costs associated with the library provision.

The level of financial sustainability afforded through the occupancy of Learn Devon and the library service within the Mansion therefore needed to be carefully considered, as the 2014 position was unlikely to continue.

3.1.5 The breakdown of expenditure relating to the running of the Mansion indicated the following:

	Utilities	Refuse	Cleaning	Maintenance
2011/2012	£14,066	£2,160	£25,943	£4,833
2012/2013	£15,641	£2,383	£24,111	£5,547
2013/2014	£18,474	£2,773	£26,540	£6,574
2014/2015	£17,670	£1,945	£26,586	£6,866
2015/2016	£18,287	£1,970	£27,250	£7,690

In reviewing this expenditure, it was apparent that there were several areas of expenditure which were not accounted for, which would need to be factored into financial modelling post any transfer of Trusteeship. The areas where there was no recorded expenditure included insurances, including public liability, employers' liability insurance, buildings and contents insurance; telephone and internet costs; furniture and equipment replacement costs; and professional fees (audit and legal).

3.1.6 The initial assessment of the business model in place for the Mansion in 2014/2015 indicated that the on-going management of the Mansion would be challenging:

- i. The income from rental and sessional hire did not cover the expenditure once the internal recharges within Devon County Council were factored out and tenancy agreements were put in place.
- ii. There were areas of expenditure which would need to be factored in that were not considered by Devon County Council, so the running costs of the Mansion would be higher.

In short, there would be a reduction in income and an increase in expenditure.

3.2 Implications of the Condition Survey

3.2.1 As part of this initial review of the business model a condition survey was completed by Bedford and Jobson Ltd. This survey revealed that there is a need for significant capital expenditure on the Mansion, in the region £430,000.

3.2.2 The condition survey flagged the following areas of concern:

- i. The backlog of issues relating to the older parts of the Mansion that had not been dealt with over several years and the likely inherent problems associated with these.
- ii. The number of issues relating to the newest extension (the nursery and library) which had not been resolved through snagging (doors, windows and cladding in particular).
- iii. In addition to these costs the survey noted that costs associated with:
 - Cyclical maintenance,
 - Maintaining and upgrading the electrical and mechanical installations,
 - Removing and replacing old services and fittings,
would also need to be met.

3.2.3 The condition survey showed that there was a need to consider the capital costs of repair, refurbishment and on-going maintenance for the Mansion to remain functional.

3.3 Due Diligence

3.3.1 Despite an open invitation for organisations interested in running the Mansion to come forward at the Annual Town Meeting in May 2015, no local organisations came forward.

3.3.2 Following the Annual Town Meeting in 2015, Totnes Community Development Society therefore undertook to gather further information relating to the running and management of the Mansion and over the course of 2016 entered into a process of due diligence with Devon County Council in relation to the transfer of the Trusteeship from Devon County Council to Totnes Community Development Society.

3.3.3 Through the process of due diligence, the following were revealed:

- i. There was a need for an additional £23,000 to be added to the expenditure, for areas of expenditure not factored into the budget by Devon County Council, that would need to be met if the Mansion was held under community ownership. This additional expenditure covered the following areas:
 - Insurances
 - Web site and internet
 - Costs associated with equipment replacement
 - Professional fees (audit and legal)
- ii. There was no forward maintenance plan in place, and there was a lack of clarity about the costs for the annual servicing and maintenance that took place. Much of the annual servicing took place through block contracts and framework agreements held by Devon County Council and so it was challenging to separate off specific servicing and maintenance costs for the Mansion as these were part of larger contracts. Whilst it was clear that there would be need for further expenditure just to maintain the current position as it was in 2015/2016, the amount of additional expenditure was uncertain.
- iii. Whilst the record of servicing was in place there had been no review of the infrastructure within the Mansion and limited compliance testing. A key issue that was noted was the heating system; there were reports that some spaces were unheated/cold and so were of limited use.
- iv. There were a number of on-going issues relating to the newest extension at the Mansion (the nursery/library building). Issues relating to the electronic doors and the lack of drainage in the courtyard were two that were frequently noted.
- v. The financial analysis indicated that there would be a deficit in the budget year on year as the running costs could not be met by the income generated through the management of the Mansion once additional costs and repairs and maintenance were factored in.
- vi. The Mansion had not been valued in many years and was uninsured. Both building and contents insurance would need to be put in place prior to transfer of the Trusteeship and a valuation of the Mansion would be required to ensure the correct value for insurance purposes.
- vii. The organisational status of the Foundation was of concern. The Foundation was an unincorporated trust and therefore trustees would need to take personal liability till incorporation.
- viii. The business model for the Mansion had evolved organically and was due to a pragmatic need to keep the building open rather than any coherent strategic planning. As such the business model inherited from Devon County Council would not be fit for purpose for a community organisation to take on; internal recharges across Devon County Council would no longer be possible and lack of preventative maintenance etc was resulting in a decaying building.

3.4 Transfer of Trusteeship

3.4.1 The initial assessment of the business model and the due diligence work revealed that there were significant risks associated with the Mansion and taking on the Trusteeship of the Foundation. Set against these risks the Board members of Totnes Community Development Society recognised the importance of maintaining the Mansion as an essential community space within the centre of Totnes. At the Directors meeting of Totnes Community Development Society in late 2016 a majority of Directors decided that taking on the Mansion was a necessary risk, as the impact of the risk of not doing so were potentially more significant. However, the split in the board decision resulted in the resignation of one Director who felt the risk for Totnes Community Development Society was too great.

3.4.2 On the 1st of January 2017 Devon County Council resigned its role as sole Trustee of the Foundation and Totnes Community Development Society took over sole Trusteeship and the management of the Mansion.

4. Review of Period 1 January 2017 to 31 December 2019

During the thirty-six months following the transfer of the Trusteeship, the key work completed is as follows.

4.1 Charity Incorporation

- 4.1.1 On becoming sole Trustee, Totnes Community Development Society began the process of incorporating King Edward VI College Site Foundation as a Charitable Incorporated Organisation to further protect the charity and those working and volunteering within it.
- 4.1.2 On 9 August 2017 the King Edward VI College Site Foundation was incorporated as a CIO with the Charity Commission (Charity number 1174184).
- 4.1.3 The assets of the unincorporated trust King Edward VI College Site Foundation (Charity number 307525) were transferred into the incorporated King Edward VI College Site Foundation (Charity number 1174184) on 1st January 2018.
- 4.1.4 The unincorporated trust King Edward VI College Site Foundation (Charity number 307525) was removed from the register of charities on 18 January 2020.

4.2 Lease, Hire Agreements and Users

- 4.2.1 In order to provide a degree of certainty and coherence to those organisations and individuals using space at the Mansion:
 - a. all those occupying space on day by day basis were offered leases
 - b. those seeking to use space sessional were provided with hire agreements
 - c. a booking system has been introduced for those seeking sessional/hire space
 - d. expressions of interest were promoted for those seeking to rent space as and when space becomes available.

Standardising the systems and processes around the use of the space at the Mansion has ensured that there is consistency and security for both the user and the Foundation.
- 4.2.2 Over the course of 2017 - 2020 space at the Mansion was used by 155 organisations/groups and hirers, with between 65 and 100 organisations using space on a regularly. This is up from 17 in January 2017. There are now over 2000 users a week of the Mansion.
 - i. Additionally, new and established organisations either running or planning essential services and community-led provision within Totnes have started to approach Totnes Community Development Society to look at how they might be able to deliver services within the context of the Mansion and its charitable objective. By March 2018 a number of these had reached the point where they could commit to using space, with several more establishing plans for the near future, to offer essential activities and services within 2018/2019. These include those providing support around health, mental health and a broader range of skills development, education and training.
 - ii. At the current time the Mansion offers space for:
 - Tenants offering services and activities and undertaking research and projects around health, sustainability, inclusion, childcare and education
 - Hirers providing mediation, training, dance
 - Self-organised groups focus on arts and creative activities
 - Service providers offering signposting on health issues and a free advice clinics.
 - iii. Additionally, members of the public visit the library and the café and make use of the toilet facilities. The Mansion is now the only fully open public access spaces in Totnes.

4.3 Investigative Work

- 4.3.1 Investigative work has been undertaken throughout the period from January 2017 to end of December 2019 to reveal the full extent of the refurbishment work required to ensure that the Mansion can become fit for purpose. The following are noted;
 - i. Clarity over plans and consented development:

- The plans for the Mansion provided at the point of transfer of the Trusteeship were not accurate. There was therefore a need to commission survey work to produce new plans. Accurate plans were put in place in late 2017.
- The recorded planning history of the Mansion dates back to 2003 and indicates that there has been significant piecemeal development on the site over this period to 2013.

Planning Application Ref	Applicant Name	Description	Decision	Decision Date
56/2072/02/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/025781	Devon County Council	Demolition of temporary classroom and replacement with new temporary classroom COUNTY MATTERS APPLICATION	Conditional Approval	11-Mar-03
56/0484/03/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/030375	Education, Arts And Libraries Directorate	Listed Building Consent for provision of adult and community learning accommodation including demolition of g-block and alterations to enable disabled access, with demolition and reconstruction of part rear boundary wall COUNTY MATTERS APPLICATION	Conditional Approval	05-Dec-03
56/0486/03/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/030376/	The Directorate Of Education, Arts And Libraries	Provision of adult and community learning accommodation, including demolition of g-block and alterations to enable disabled access, with demolition and reconstruction of part rear boundary wall COUNTY MATTERS APPLICATION	Conditional Approval	10-Feb-04
56/1242/04/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/040628	Devon County Council	Listed Building Consent for alterations COUNTY MATTER APPLICATION	Conditional Approval	29-Sep-04
56/0291/06/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/061036	The Directorate Of Education, Arts And Libraries	Listed Building Consent for variation of condition no. 2 and 5 of approved planning 56/0484/03/CM to amend the rear boundary treatment to the site from the rebuilding of an existing stone wall to partial rebuilding with railings COUNTY MATTERS APPLICATION	Withdrawn	24-Feb-06
56/0292/06/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/061037	The Directorate Of Education, Arts And Libraries	Alteration to approved planning permission 56/0486/03/CM to amend the means of enclosure to the rear of the site from a stone wall to a stone wall with railings	Withdrawn	24-Feb-06
56/0453/06/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/061440	The Directorate Of Education, Arts And Libraries	Listed Building Consent for variation of conditions 2 and 5 of planning permission 0484/03/CM to amend rear boundary treatment including provision of ramp for wheelchair use - COUNTY MATTERS APPLICATION	Conditional Approval	11-Apr-06
56/0454/06/CM http://apps.southhams.gov.uk/PlanningSearch/MVC/Home/Details/061441	The Directorate Of Education, Arts And Libraries	Variation of conditions 2 and 5 of planning permission 56/0486/03/CM to amend rear boundary treatment including provision of ramp for wheelchair use - COUNTY MATTERS APPLICATION	Conditional Approval	11-Apr-06

- It is clear that several elements of the Mansion and site as it currently presents have not been consented, this includes staircases, porches and signage. This together with the piecemeal development indicates again that the King Edward VI College Site Foundation has lacked a strategic framework to guide the development of the site and to ensure the long term sustainability of the Mansion.

ii. M&E Survey

A full survey of the heating, water and electrical systems has been carried out. This reveals that there are significant issues with the heating and electrical systems and they both need considerable refurbishment.

In addition to the need to overhaul both the heating and electrical systems a key issue to be resolved is the Kitchen Extract Ventilation/Gas Supply. The existing system was found to be not compliant with any Gas or Ventilation Standards for a commercial kitchen of HSE Ventilation in Catering Kitchens Guidance and was removed to ensure compliance. This however limits the food offer that can be provided through the café.

iii. Drainage Survey

A full survey of the drainage system has revealed that there are number of issues relating to the age and nature of the drains that require urgent attention to avoid a drain collapse.

In some cases, there is a need to replace the drain and related gulley's and in others there is a need to reline and replace the drain.

iv. Structural Survey

The structural survey confirms that there are no significant structural defects, however localised areas require further investigation to ascertain the correct repair strategy, whilst other areas can be repaired using established proprietary methods. The structural survey and comments on remedial repairs to Mansion fabric are as follows:

- Consideration should be given to the removal of the cementitious render on the south elevation of the Mansion House. There is extensive evidence of fine cracks and potentially micro cracks that are sufficiently permeable to allow the ingress of driven rain and general weathering. Whilst potentially effective in the short term, differentially thermal movement is resulting in cracking and debonding from the substrate. Moisture then becomes trapped by the hard render and is unable to escape and remains within the masonry fabric, often leading to damp penetration internally.
- Similarly, for the Mansion and the ancillary buildings, the pointing of random stone masonry with cementitious mortars is also not advisable as this causes a deterioration of the surrounding stonework, simply due to the retention of moisture within the wall. Where economically practicable, those more deteriorated areas of masonry should have the cementitious mortar raked out and replaced with Natural Hydraulic Lime (NHL) mortars.
- Cleaning and repointing of the brick masonry cladding of the Mansion House is recommended, particularly below window sills where mortar loss has occurred.
- The vertical crack within the former servants' stairwell does require to be further investigated. The presentation of the crack would suggest that there is a natural joint between construction fabrics and that there is no restraint across the substrates. This can be remediated by installing restraint fixings and allowing for a permanent movement joint.
- Where cracks have formed in ceiling finishes these may require further investigation. However, in some case the plaster finishes may have partially delaminated from the

plaster scratch coat and timber laths, or that section of the ceiling may have become detached from the timber laths. In these circumstances it is possible to secure the plaster, using stainless steel screws, back to lath substrate and, where possible, ceiling joists or floor joists.

- On the north east gable of the Hall, this area of masonry has cracking that will require to be remediated using stainless steel helical ties. The ties would be stitched across the cracking and secured using epoxy resin and repointed as necessary to create an invisible repair.

v. Asbestos Survey

- A full survey for asbestos was completed in 2017. This revealed that there are several locations across the Mansion with asbestos containing materials which are being managed correctly.
- Over the course of any refurbishment or redevelopment work there will be a need to remove the asbestos under controlled conditions.

vi. Lift Surveys

- There are two lifts at the Mansion, one serving the original building fronting Fore Street and the other serving the Library and Hall. Both lifts were being serviced under contract at the point of transfer of trusteeship by a specialist lift company commissioned by Devon County Council. This contact was continued until 2018 when it became clear that there were issues relating to performance of the contact particularly in relation to statutory compliance testing.
- Another lift servicing contractor was then commissioned to service the lifts, at which point it became clear that the servicing regime previously followed had not been correct. Full investigation under the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER) revealed a poor servicing regime and one that was not regarded as compliant with the Regulations. A new servicing regime was put in place in 2018.
- Throughout 2018 to date they have been on-going maintenance needs with the lift serving the original building and in September 2019 a full LOLER inspections revealed that there is an issue with the car platform sling being deformed which presents an entrapment risk. The lift has been isolated and cannot be returned to service until the issues have been resolved. The challenge is that the age of the lift means that there is no solution other than a replacement lift as it is not possible to obtain parts.

vii. Windows

- Given the listed status of the Mansion the majority of the windows are original. The majority are in a very bad state of repair, with significant rot to cills and sash bars. Full refurbishment of all windows across the site is required.

viii. General room decoration

- In most cases room decoration is poor and deteriorating.

ix. Heritage Assessment

- A full assessment of the heritage has been undertaken. This provides an assessment of how the site was designed and built, how the site was originally used and how that has changed over time. The report provides an assessment of the existing heritage assets which can then be considered alongside any future development proposals

4.4 The Kitchen and Café Space

- 4.4.1 Inspections by South Hams District Council Environmental Health Senior Specialist have revealed that the current kitchen and café needs complete refurbishment in order to meet current standards. Whilst emergency repairs have been made it is clear that such repairs can only be regarded as a short-term solution.
- 4.4.2 The M&E survey reports that Kitchen Extract Ventilation/Gas Supply is not compliant with any Gas or Ventilation Standards for a commercial kitchen of HSE Ventilation in Catering Kitchens Guidance means that the extraction system has been removed from the kitchen.
- 4.4.3 In addition to the physical condition of the kitchen and café space the operator who was in place at the point of transfer of the Mansion to community ownership has struggled to meet the conditions of the operating agreement that is in place.

4.5 Market Valuation

- 4.5.1 In order to assess the market value of space offered at the Mansion, a market valuation has been carried out by Bettsworth Ltd.
- 4.5.2 Across the whole of the Mansion site there is 1,427m² of lettable space. The valuation report compares the site with similar properties in the Totnes, Paignton, Torbay and Kingsbridge areas and concludes that the best market rent exclusive of a service charge for heat, light, water etc. would be in the region £123,750, with the best market inclusive rent in the region £149,500.
- 4.5.3 These rents assume that the occupancy is 100% and that all of the space is let to commercial tenants and that the internal condition of the Mansion is upgraded to a standard that would be acceptable to commercial tenants.

4.6 Review of Income and Expenditure January 2017 to December 2019

- 4.6.1 In the initial months following the transfer of the Trusteeship the focus was on reviewing and assessing the short to medium term ongoing and future maintenance needs, and putting in place specialist contractors around essential areas of work such as insurance, fire protection, electrics, heating and legionella testing to support the running of the Mansion and to ensure compliance.
- 4.6.2 In the period from 1st January 2017 to 31 December 2019 the income and expenditure are as follows:

	1 January 2017 to 31 December 2017	1 January 2018 to 31 December 2018	1 January 2019 to 31 December 2019 Projected
Income	£170,341	£138,390	£127,652
Expenditure	£122,365	£150,411	£163,389
	£47,976	£-12,021	£-35,737

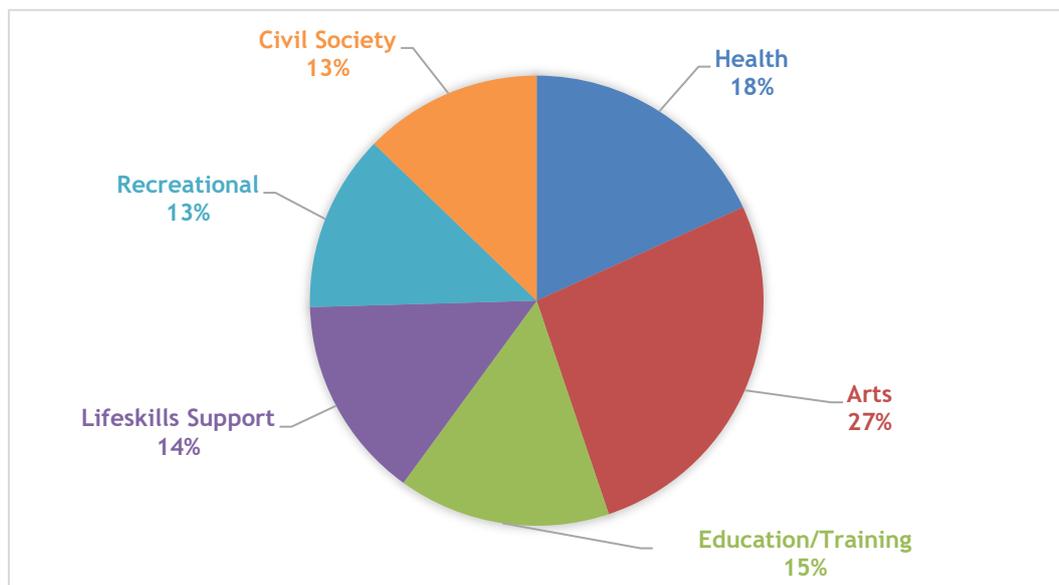
Commentary on the above income and expenditure is as follows:

- i. The period 1 January 2017 to 31 December 2017 includes a payment from Devon County Council to cover the running costs associated with establishing the Mansion as a community owned asset. In this year income from rents and hire was just over £70,000. This income has grown in subsequent years, noting that there is a projected reduction in the period 2019 to accommodate for late payment of rent by a number of tenants. Over the course of 2019 it became clear that the impact of austerity has been significant and is still challenging organisations to secure income to cover their costs. The impact for this for the Foundation is that several tenants and hirers struggle to pay invoices for use of space on time, and in some instances, payment is not made.
- ii. Expenditure rose in 2018 due to increasing number of maintenance and servicing needs and has risen again in 2019. This position is likely to continue as the historic backlog of maintenance issues impacts further on the fabric of the Mansion.

- iii. In late 2018 South Hams District Council decided not to grant 100% discretionary relief on the rates and so expenditure in 2019 rises due to the need to make back payments as well as current in year payments of rates (£14,286)
- 4.6.3 In seeking to manage the budget, whilst recognising that at the point of transfer there was little clarity about the real expenditure that would be incurred and that income was not as high as it was felt could be achieved, the aim has been to increase the income as much as possible given the space available and where possible reduce the expenditure. The figures above indicated that there is a rise in income from rents, hirers and sessional use and that the initial need to put in place immediate and emergency maintenance work has levelled out. However, despite the increase in income and a restriction on expenditure, the expenditure levels are still higher than the income. Whilst the increased levels of income are welcomed the challenges with the maintenance related issues which stem from the historic backlog of issues still remain. These are now compounded by the additional use of the Mansion which is resulting in an increase in wear and tear.
- 4.6.4 In addition to the cash income and expenditure position there is also a need to note the considerable pro bono day to day management support provided by Totnes Community Development Society to the management of the Mansion. During the period of establishing the Foundation as an incorporated charity the payment from Devon County Council supported the Society to manage, maintain and develop its work around capacity building and engagement. Throughout this period pro bono input of over 35 hours per week was put in place to support the Foundation (a commitment that the Society still continues to provide). If this commitment is factored in as a cash commitment, then the costs per annum would be in the region £15,800 based on a rate of the minimum wage of £8.72 per hour.

4.7 Current approaches for space

- 4.7.1 Based on work with existing Mansion users, the new approaches for space, and a number of other relationships developed through the wider work of Totnes Community Development Society, it is clear that a range of space is needed to provide for these new and established community services to develop to serve the population of Totnes. In this way the King Edward VI College Site Foundation (as the Mansion) has a role to play in supporting the community of Totnes to truly support its diverse population.
- 4.7.2 As of December 2019 there were 65 groups and organisations regularly using the Mansion to run activities with a further 90 groups, organisations and hirers using space less than once a week (as opposed to 17 when the Society took on Trusteeship on 1st January 2017).
- 4.7.3 The Mansion is the only fully open public access space in Totnes. The breakdown again broad categories of support as shown in the chart below:



4.7.4 The Mansion now offers space for tenants offering services, activities and undertaking research and projects around health, sustainability, inclusion, childcare and education; hirers providing mediation, training, dance, music and therapy; self-organised groups focus on arts and creative activities and mental health; service providers offering signposting on health issues; and a free legal advice clinic and drug and alcohol support. As of December 2019 there were over 2,000 visitors per week to the Mansion.

4.7.5 Interestingly, space at the Mansion has not needed to be actively marketed, although a valuation of space has been undertaken and has been used to inform the rents/hire costs so that they are held at affordable levels.

4.8 Current costs of space

4.8.1 The valuation completed by Bettsworths Ltd considered the values that could be charged for commercial hirers of space at the Mansion. From these the Foundation has set rates as follows:

Hirer	Cost of Space	Percentage of Hires at December 2019
Commercial users	Pay values based on market value	7%
Not for profit users	Charged 50% of market value	77%
Not for profit reduced users	Decided on case by case basis, for those who can contribute something but can't afford NFP rate	4%
Free of charge	Decided on a case by case basis for those not in a position to contribute	12%

4.8.2 As of December 2019, the Foundation essentially match funds all groups that do not pay the commercial rate. This equated to 93% of all bookings (96% of regular activities and 90% of incidental hires). The Foundation and the Mansion therefore supports under resourced organisations, new activities that need time to develop their business (viability testing) and those that engage with low-income individuals.

4.8.3 The breakdown of users and the rates they are able to pay indicate that if the Mansion was not available some vital services would stop and those starting new community and social enterprises would be challenged to find space in which to grow their enterprises. This is particularly true for those offered space free of charge who are in the main seeking the opportunity to grow, try out something new or enable them to offer free spaces in their sessions to vulnerable participants;

- 77% of all activities support vulnerable members of the community,
- 48% of regular activities are free to attend or are by donation,
- Approximately 30% of all activities offer some form of drop-in or 'open-door' service.

5. Development of Business Model Options

5.1 Introduction

5.1.1 Whilst one element of work has been to gather information about how the Mansion House currently functions, the other element of work undertaken over the last year has been to consider how it might work in the future under a community held management regime.

5.2 The Constraints and Key Issues

5.2.1 In seeking to consider the possible options the following key constraints and issues are to be noted:

- i. Whilst the object of the Foundation is restrictive it is comprehensive enough to meet local need and allows for a diverse range of services and activities to be provided for from the Mansion.
- ii. The configuration of the Mansion lends itself to four parts:
 - The three-storey part of the building that fronts on to Fore Street, with a mix of small to medium sized rooms over three floors;
 - The middle section of studio space and hall space;
 - The newest two storey modern extension that houses the nursery and the library;
 - The Pulse Building which backs on to Victoria Street.
- iii. The current anchor tenants (Library, Daisy Play Centre, Totnes Peoples Café, Transition Town Totnes, Proud2Be, South Hams CVS, the Alexandra Hub, Encounters Arts, Pete's Dragon, Move to Move, Sarah Vigers, Brodie Lee) have grown in number from five in January 2017 to twelve. Whilst these tenants are all currently in a position to pay rent all are subject to funding constraints and challenges, and some struggle to pay rent when it is due. This has a detrimental impact of the Foundations cash flow.
- iv. The number of organisations and users using the Mansion has grown by 488% since January 2017. There is a clear demand by the voluntary, community, community and social enterprise and public sector for the form of space offered at the Mansion. This is likely to be because there is a clear reduction of resource across the public and voluntary sectors and many organisations are having to reduce their overheads in order to continue to provide a service. In addition, there are several services that are seeking to find ways to maintain their services within Totnes with reducing budgets.
- v. The income for private hire indicates that the Mansion remains under used. However, there is no immediate and obvious central gathering space and there is no dwell space, allowing visitors and those participating in activities and sessions at the Mansion the opportunity to sit and dwell prior to and post their session/activity. So, increasing the number of users beyond the current levels will be challenging without additional or better configuration of space.
- vi. For those seeking space at the Mansion the test applied by the Trustees of the Foundation is does the use of space support the charitable object of the Foundation. If yes, then space is likely to be offered where is it available. It should be noted that Trustees recognise that the Mansion has a significant role to play in enabling the development of new, or otherwise unavailable activities and essential services in Totnes and facilitating local people to develop a range of much needed provision locally. In order to support those organisations and individuals that genuinely cannot afford the established rates for the space, the Foundation operates hire on a free or 'pay what you can' basis to trail, run or maintain activities which meet its charitable objectives. Trustees consider requests in this way on a case by case basis.

- vii. The condition survey and the investigative work completed over the last year indicates that there is in the region £648,313 required to refurbish the Mansion to a point where year on year planned and preventative maintenance would ensure its upkeep.
- viii. The current deficit year on year is in the region £35,000. Whilst it is likely that this can be reduced, through both an increase in the letting and hire of space so that the Mansion operates 8 am to 10 pm seven days a week, establishing a breakeven budget will not prevent the further deterioration of the fabric of the Mansion. It is therefore apparent that the costs of refurbishment and cyclical maintenance of the infrastructure will not be met from the prudent management of the Mansion and the finances of the Foundation.
- ix. Whilst an inclusive total market rental income of £149,500 per annum could be attracted if the Mansion was let on a commercial basis, the Mansion would need to be upgraded to a standard expected by commercial tenants. So, in order to achieve this level of income there will be a need to meet the cost of refurbishment and upgrades.

5.2.2 Alongside the above and in order to consider the best option by which to refurbish the Mansion so that it remains as a viable community resource the following questions have been considered. The answers to these questions have helped to develop the option and proposed business model:

- a. Could the front of the Mansion that fronts Fore Street be used to host ‘customer services’ across the town in a coherent way?
- b. Could the space on the first and second floor be used by smaller voluntary and community sector organisations as permanent office bases?
- c. Could the middle section of the Mansion host mostly community based learning and/or an arts hub. Could these be one and the same?
- d. Is there a place for community information and services within the Mansion?

	Commentary	Issues to Resolve
Could the front of the Mansion that fronts Fore Street be used to host ‘customer services’ across the town in a coherent way?	<ol style="list-style-type: none"> 1. The front access does not lend itself to providing an easy access for all visitors to the Mansion. The steps present are challenge. 2. The common route for people coming to the Mansion is via the courtyard, from Fore Street and Victoria Street. 3. The access into the main hall space at the bottom of the stair case by the library is not the easiest to find. 	<ol style="list-style-type: none"> 1. There is a need to ensure that the Mansion is accessible to all. This indicates that the best entrance would be the entrance/s via the courtyard. 2. There is a need for clear signage to support ease of reading and navigating about the Mansion.
Could the space on the first and second floor be used by smaller voluntary and community sector organisations as permanent office bases?	<ol style="list-style-type: none"> 1. The first and second floor of the main Mansion is already given over to a mix of the long term tenancies and sessional space. 	<ol style="list-style-type: none"> 1. The mix of long term tenancy space and sessional space is working well and reducing the sessional use, and particularly the sessional use of those providing front line services, is likely to be detrimental to all users. 2. There is a need to ensure on-gong flexibility of space, so that as tenants leave space can be either let long term or used as space for sessional hire.

	Commentary	Issues to Resolve
Could the middle section of the Mansion host most community-based learning and/or the arts hub? Could these be one and the same?	1. There appears to be a need for 'arts hub' space. There are a number of artists living in Totnes and further afield who would be interested in dedicated studio space.	1. There is a view that community-based education is needed. Whilst the provision for adult and community learning has its place, there is a view that not all education and training should be about learning progression. It appears that there are people looking for venue space so as to be able to come together to learn as much as from each other as from a tutor.
Is there a place for community information and services within the Mansion?	1. There is a growing view that a single point of information and customer services functions in the town would be helpful. Such a space could include the Tourist Information Centre, the Town Council, Transition Town Totnes and possibly South Hams District Council Customer Services.	1. There is no immediate and obvious reception space in the Mansion, although the back room facing onto the courtyard in the front portion of the Mansion is best placed to fulfil this role. 2. There is a clear need for any reception to be close to the café space.

6. Options Appraisal

6.1 In seeking to consider how best to move forward to seek to secure the long term financial and social sustainability of the Mansion whilst recognising the significance of it as a heritage asset the following options have been considered.

Option	Commentary	Likely Impact
Do-nothing	The first option considered is to do nothing other than continue to run the Mansion as it currently is. Given the poor physical state of the Mansion, that with increased wear and tear the condition will worsen, the fact that the income does not meet the current expenditure and that there is a need for space within the town that the Mansion cannot currently meet doing nothing is not a viable option as it will in the medium-term lead to the closure of the space because of lack of financial viability.	The do-nothing option is likely to lead to the closure of the Mansion in the short-term because of lack financial viability. Further options need to ensure that there is an improved financial viability of the Mansion.
Sell Part of the Mansion	<p>The Pulse Building at the rear of the site, facing on to Victoria Street could attract in the region £20,000 per annum if fully rented. At this stage the space is used for sessional work and therefore has the potential to attract £47,000 per annum (assuming 85% occupancy).</p> <p>This part of the site, as it self-contained, could be sold for residential development subject to the Charity Commission being happy with the rational and subject to planning and Listed Building Consent. If sold there is a potential for 2 two storey cottages on the site; the site area is 162m². The estimated build costs would be in the region £400,000 Review of house prices indicates that the market sale price of a 2/3 bed cottage in a close location to Victoria Street would attract in the region £230,000/£250,000. So, the projected income from sale of the land could be in the region £200,000.</p>	Whilst the sale and redevelopment of the Pulse Building could be considered further it appears that it is unlikely to generate sufficient funds to complete the refurbishment required. In addition, the disposal of this part of the Mansion will reduce the income generated from hires and sessional use. In the long terms this appears to be a poor option to consider as it will not lead to greater financial sustainability and will not result in the required refurbishment of the Mansion; it also starts to reduce the overall asset holding of the Foundation. This option therefore appears to be a threat to the Mansion.
Refurbish café as is without additional space	The refurbishment of the café and kitchen as it is now would result in a space that is compliant with current legislation. However, with increasing users of the Mansion the café space is cramped and does not meet the need of those using services and activities offered by those running services and activities from the Mansion. There is a need for a larger size café space which would ideally be located at the heart of the site.	Refurbishing the kitchen and café alone does not help to increase the space required to ensure that there is enough space for café users and that dwell space within the Mansion is developed. Whilst, there is a critical need to refurbish and redevelop the kitchen and café space this will also not generate additional income without an increase in space. The standalone refurbishment of this space will not help the long term financial viability of the Foundation and therefore will not impact on the safeguarding of the Mansion itself.
Open up from the café to ground floor only	To establish more space for the café, extending out into the courtyard looks the best option. The alternative is to take the craft space, however, this is the only open access pottery studio in Totnes and is extremely well used, so losing this space would not be beneficial. Extending into the courtyard is therefore the best option without completely relocating the café space and undertaking significant internal reconfiguration of the main front part of the Mansion (recognising that the café and dwell space needs to be at the heart of the site) and immediately accessible from the outside.	The current courtyard space has limited seating and is currently used (in fine weather) as a dwell space. Opening the café to this space would have the impact of creating additional space, thereby helping to increase footfall and therefore increasing the number of users of the Mansion. In this way there is likely to be an increase in revenue income. So, the option of extending the café into the courtyard will help with the financial and social sustainability of the Foundation and therefore will help to safeguard the Mansion. The key issue to consider is the design of the space created so as to ensure that this seeks to enhance the heritage value of the Mansion.

Option	Commentary	Likely Impact
Internal reconfiguration of the second floor	Alongside the need for more space for the café there is also a need to make the second-floor studio rooms and the hall space more accessible. At this stage these spaces can only be accessed from either through each other (in the case of the studios) or via the library stair case/life, in the case of the hall.	<p>It is possible to create an internal corridor through the studio room so that it is possible to access the studio spaces separately, however, this will mean that there is a loss of space within the first studio and also the second studio if a similar corridor is created to allow access to the hall space.</p> <p>There is an option to open up the stair case that rises up to the lobby space between the two studios and also the stair case that allows access to the hall space, however, both entrances to these are from the courtyard and neither provide easy disabled access, although the stair case to the lobby space between the studios has a defunct stair lift, so could provide disabled access if the stair lift is repaired.</p> <p>Nether of these options help to increase the users of these spaces and neither in their own right improve the financial sustainability of the Foundation and thereby help to preserve the Mansion.</p>
Open up café from ground floor and provide route to second floor	With the option to open the café space into the courtyard being the favoured option for the refurbishment and redevelopment of the café there is an opportunity to use this redevelopment as a means by which to create the central focus point for the Mansion and also enable users of the studios and hall space to access these spaces directly from this central focus point. If the new ground floor space for the café redevelopment is established as a two-storey space it would be possible to provide a covered stair access to the studio rooms and the hall space.	<p>This option provides for new café space, creates a central focal atrium space for users and visitors to the Mansion and ensure that internally rooms remain the size they currently are. This option has the potential to generate further revenue income and thereby will help the Foundation become financially sustainable.</p> <p>In terms of the space, the development of the nursery and library building provides a precedent and the design of the new space could be established so as to enhance the Mansion rather than negatively impact on it.</p>

6.2 In considering the options, and having reviewed the Heritage Assessment, the preferred option and one which has the best potential to support the long term financial and social sustainability of the Foundation, and thereby has the impact of supporting the safeguarding of the Mansion as a heritage asset, is the option of a two-storey extension within the courtyard of the Mansion, creating a new central focal point and café space and establishing new access points to the second floor studios and all space.

7. Needs Assessment, Strategic Context and Project Aims

7.1 Introduction

7.1.1 In order to fully assess the preferred option, it is necessary to consider the needs and strategic context in Totnes and if and how the preferred option will meet these needs.

7.2 Totnes - Assessment of Need

7.2.1 Totnes is a market town, dating back to 907AD. Located in South Devon, it is about 22 miles (35 km) south of the city of Exeter and is situated at the head of the estuary of the River Dart in South Devon within the South Devon Area of Outstanding Natural Beauty.

7.2.2 In seeking to understand and identify needs within Totnes a review of the following sources of evidence has been completed:

- Plymouth and South West Devon Joint Local Plan 2019, South Hams District Council
- Totnes: Devon Town Population Projections July 2007, Devon County Council
- Totnes statistical profile (2011), Devon County Council
- Joint Strategic Needs Assessment, Devon Overview, 2019, Devon County Council and Public Health Devon
- Joint Strategic Needs Assessment, Market Town Profile (Totnes) 2010-11, Devon County Council, Devon Public Health Intelligence Team, NHS Devon
- Totnes Rural Electoral Division 2012, Mosaic profiles, DCC
- Census data 2011
- Strategic Housing Market Needs Assessment, 2013, South Hams District Council
- Totnes Devon Town Area, Place Survey 2008 Profile, Devon County Council
- Devonomics, Devon County Council
- DR Business Survey: South Hams, Teignbridge and West Devon, 2014

7.2.3 The headline review of these sources of evidence reveals the following key facts:

- As of the 2011 census the population of Totnes was 7,456 with just over 3,866 households, spread across two wards (Totnes Town and Bridgetown). The community of Totnes consists of a mix of retirees, wealthy downsizers and people born in the district, with a significantly higher proportion of retirees than the national or regional average.
- In 2011 around 22% of the population were over 65 and 19% under 17. There was also a high proportion of younger working age (25-44) and a low proportion of the older working age (45-64) compared to England and Wales. The level of single person households was also quite high at just under 40%, with 20% of these occupied by lone older people aged over 65.
- The level of unemployment in the Totnes ward in 2011 was 6.7% and that in the Bridgetown ward was 6.1% compared to 7.6% for England and Wales, with significantly higher levels of part-time employment 40.4% and 40.4% respectively compared to 29.3% in England and Wales.
- As of June 2019, the numbers claiming Universal Credit were 2.5% in the Totnes ward and 2.1% in the Bridgetown ward compared to 1.3% across the whole of the South Hams and 2.7% across England and Wales.
- There are about 900 mostly micro/small businesses. 80% of them have less than 10 employees. In the wider market town area, the business landscape is as follows; wholesale & retail trade (20%), services/real estate (16%), manufacturing (12%) and agriculture (11%).

7.2.4 From the review of key issues and needs facing Totnes it is noted that whilst the reputation of Totnes is as an affluent market town the reality is that it is clearly facing a number of challenges as set out in the table below:

Area of Need	Key Issues
Affordability of housing	<ul style="list-style-type: none"> • Property and accommodation prices are very high in Totnes making it very difficult for older people and young local people to set up a long term and stable homes. • There is a clear need for, and great shortage of, social rented housing.

Area of Need	Key Issues
Sustainable development of key industries	<ul style="list-style-type: none"> • Totnes has clear advantages as a home for businesses, not least because of the rail service. • There is good economic activity and considerable interest in locating businesses here. • The challenge will be to continue to develop the fundamentals such as affordable accommodation in order to support local businesses and recruit and sustain local people in jobs.
Employment and opportunities for locals and young people	<ul style="list-style-type: none"> • There was a loss of 2,500 jobs in the district of South Hams in the period to 2010, with the closure of the Dairy Crest milk processing site in Totnes in 2007 having a great impact. • Opportunities for young people are perceived as an issue, and there are clear barriers to supporting employment for local and young people, for example the lack of affordable housing.
Health and care	<ul style="list-style-type: none"> • There is a 34% expected increase in the over 85s and 18% increase in 64-85 year olds in Totnes up to 2026; age related health will therefore be one of the greatest local challenges. There are already statistically high incidents of over 65 admissions to local hospitals, targeted support services and A&E admissions (which might indicate age-related causes). • There are higher rates of youth offending in Totnes than across Devon (which is low, nationally), which is perhaps evidence to support the perception that youth anti-social behaviour particularly related to drugs and alcohol use is an issue. • In the Totnes Town ward the strongest indexes for deprivation are ‘barriers to housing’ and ‘living environment’. • There are a higher than average number of children living in poverty in the Town Area. • Totnes has higher than average levels of mental disability allowances and benefits.
Infrastructure to support development, jobs and housing	<ul style="list-style-type: none"> • There is a perception that traffic congestion is a problem in town. • There are low satisfaction levels with a range of environmental factors such as bin collection and rubbish, as well as provision of parks and green spaces.
Leisure facilities for communities	<ul style="list-style-type: none"> • There are low satisfaction levels with sports and leisure facilities, museums and galleries, theatres and concert halls. • There is a very low satisfaction with parks and open spaces.

7.2.5 Considering all of the evidence and the analysis presented the following appear to be the key issues facing Totnes:

- Social issues include a serious lack of affordable housing. There are low numbers of owner occupiers and higher numbers of housing association renting and private landlord renting, and considerable high numbers ‘sofa surfing’;
- There is insufficient well-paid work and provision for young people, resulting in their migration to larger towns and cities to find work;
- Crime in the Totnes parish is higher than the county and district averages in all crime categories and drug offences are higher than the national average;
- There are threats to economic prosperity due to increasing traffic congestion, environmental degradation, poor skills development and a higher than average dependence on public sector jobs;
- Increasingly local businesses and their employees are under severe threat and the demographic information highlights the depressed nature of the local economy, its impact on our social infrastructure and ultimately, the quality of life of our community.

7.2.6 In addition to the above austerity has added another layer of challenge as the public sector struggles to meet local need with reducing personnel and the rationalisation of public buildings in which to offer services.

7.3 Strategic Context

7.3.1 The strategic context and related policy areas which are designed to enable and support activity to alleviate need, as it relates to Totnes, can be broadly grouped against the following areas:

- Housing
- Education and skills development
- Business and economic development
- Health and well-being
- Empowering and engaging communities
- Climate change and the environment,

7.3.2 The development and delivery of the Mansion refurbishment and development will help to meet the aims of several national and local strategic priorities. Those policy areas where the Manion refurbishment and development project also helps to meet local need are summarised below.

Policy Area	Key Themes
Climate Change and the Environment	<ul style="list-style-type: none"> • The refurbishment of the Mansion and the choice of materials used, including photovoltaics on the roof, will directly address the challenges of climate change.
Education and Skills	<p>Through the development and delivery of the project there will be:</p> <ul style="list-style-type: none"> • Engagement of all sections of the local community in learning and skills development; • Provision of a range of informal and formal learning opportunities, including increasing the numbers of apprenticeships.
Business and Economic Development	<ul style="list-style-type: none"> • Once completed the Mansion will offer a full range of workspace and sessional space and in so doing support job creation. It is estimated that as of the end of 2019 over 200 people are employed through their use of space at the Mansion or in the servicing of this space.
Health and Well-being	<ul style="list-style-type: none"> • The project seeks to support sustainability in its broadest sense, i.e. building resilience, community cohesion and well-being, ethical employment and intergenerational engagement. • The project will support the active development of a healthy community through high quality environmental design, the establishment of inter-generational relationships and through the creation of strong links with local surgeries, frontline care providers and local complementary practitioners. • Through the project mental health and well-being will be improved by supporting people to come together as a community. • Creativity in all its dimensions will inspire and support the growth of self-esteem.
Empowering and Engaging Local Communities	<p>The project is a community driven community owned response to the need for multi-purpose inclusive space within the centre of Totnes. The project is seeking:</p> <ul style="list-style-type: none"> • to empower the local community to meet local needs or transform local environments; • support and increase Social and Community enterprise; • empower the local community to meet local needs; • take a holistic approach to the regeneration of a key building in the centre of the town and become a reference site for the implementation place of national, regional and local strategies in action.

7.3.3 In undertaking the appraisal of the preferred option, a review of the local context against several key areas that relate to the preferred option has been completed. This analysis is set out below:

Visitor Analysis	
<p>The Tourism Development in Totnes report by Hidden Britain, 2014 reports that whilst “Totnes offered something very different to most destinations and had plenty to occupy the interest of a visitor for a day visit, there is no real sense of arrival at Station.” In addition, the research carried out indicates that “Information and signage is inconsistent or misleading.” The report concludes that both the lack of arrival space and the lack of signage are key factors affecting visitor experience.</p>	<ul style="list-style-type: none"> • Visitor numbers to Totnes indicate that footfall is likely to be high enough to develop a sustainable business. • There is an opportunity to provide coherent signage that enables visitors to Totnes to access the centre of Totnes from the station and central bus stops. • There are clear opportunities to explore the heritage links between the key heritage buildings in town.
<p>Totnes is a popular market town with a resident population of approximately 7,400¹, however its catchment is significantly larger and in the summer months the town benefits from an influx of tourists. Data from 2015 records 27,000 staying visitors and 438,000 day trips to Totnes²</p>	
Food and Drink in Totnes	
<p>There are 33 listed food and drink outlets in Totnes. Most are small to medium sized with up to 30 covers. As a consequence, Totnes struggles to meet demand, with several smaller restaurants turn people away during the peak periods of the year and most are reluctant to allow people to sit and dwell.</p>	<ul style="list-style-type: none"> • It is apparent that several smaller restaurants turn people away during the peak periods of the year. • There is no true community café in Totnes, yet there is a clear need for space which allows people to dwell and rest.
Managed Workspace	
<p>Analysis carried out in 2004 and again in 2010 for the South West Regional Development Agency and Devon County Council indicates that there is a growing need for business incubation and managed workspace within South Hams and specifically Totnes.</p>	<ul style="list-style-type: none"> • There has been no new employment space developed in Totnes over the last five years. • There are a significant number of people and businesses working from home and significant numbers of micro businesses in the South Hams, many of them sole traders. The 2011 census recorded 18.5% of the Totnes labour force was self-employed, this compares to the national average of 15.1% (in 2017). • From experience at the Mansion, and also through the development of Atmos Totnes, the demand for employment/business space is high and TCDS continue to receive requests for space across different types of business. A large number of those looking for workspace, contacting the Mansion don’t need an office full time, Monday - Friday 9-5, but just a consistent workspace on a regular basis as they only work part time, are starting things up or work in other parts of the South Hams across other days of the week.
<p>The report commissioned by Devon County Council in 2010 entitled Low Carbon Workspace to Meet the Needs of Micro and Small Businesses in Devon³ states the following: The headline figures from our study show that Totnes is highly likely to be able to support a workhub, with space and services targeted at meeting the needs of local businesses.</p>	
<p>The South Hams Prosperity Strategy, and the actions set out to deliver the Strategy, shows that Totnes is in a better position to move forward on provision of a workhub than most other towns in Devon.</p>	

¹Source: 2011 Census, <https://www.nomisweb.co.uk/reports/localarea?compare=1170213208>

²http://www.totnestowncouncil.gov.uk/Tourism_Partnership_615.aspx

³<http://www.devonomics.info/sites/default/files/documents/Workspace%20to%20Meet%20the%20Needs%20of%20Micro%20and%20Small%20Businesses%20in%20Devon.pdf>

Community Space for Hire/Rent	
<p>There are 14 venues in Totnes that have rooms that can be rented/hired on an occasional basis; two are hotels with function rooms the others are voluntary and community sector or public bodies with meeting rooms.</p> <ul style="list-style-type: none"> Charges for hire range from £10 per hour to £50 per hour (with tea/coffee provided). 	<ul style="list-style-type: none"> At the current time hire and sessional charges applied at the Mansion range from £6 to £15 per hour for not for profit hire and £10 to £25 per hour for profit making hirers. The current level of occupancy (based on a possible 4641 opening hours per annum) is 9%. At the current time some space is challenging to use due to lack of space heating and the poor condition of the building, demand for sessional hire space is greater than can be met.

7.3.4 In considering the current position the following are noted:

- i. to date of the requests for space from local enterprises and community groups through The Mansion only 56% have been able to be accommodated due to the constraints of the building and the space being sought;
- ii. currently there is a 40% success rate in converting enquiries to building users;
- iii. there has been a growth in the number of groups using the Mansion of 488% in the period January 2017 to December 2019;
- iv. organisations and individuals approaching the Mansion show that 80% of enquiries are from those with a need for communal and meeting space to complement hireable rooms already available.

7.3.5 The above indicates that there is a still growing demand for space within Totnes. The Mansion therefore appears ideally suited to cater for this demand.

7.4 Project aims

7.4.1 In seeking to meet local need, and in support of several key policy areas, it is possible to fully define the aims for the refurbishment and development of the Mansion. Broadly these aims can be grouped under the following key areas:

- Heritage Conservation
- Environmental and Engineering Excellence
- Learning and Development
- Employment and Business Development
- Cultural Development
- Social and Community Cohesion

The aims under each heading are as follows:

	Project Aims
Heritage Conservation	<p>Through the refurbishment and development, the project will:</p> <ol style="list-style-type: none"> Conserve and repair the Grade II* listed asset in the centre of the Totnes Conservation area. Bring the Mansion back into full use, open and accessible to a wide range and varied set of users. Enable the Mansion to function and be viewed appropriately in the context of the existing local heritage assets. Provide for the long-term security and sustainability of the building, held in perpetuity as a community asset, through the delivery and on-going development of a fully costed management and maintenance plan.
Environmental and Engineering Excellence	<p>The refurbishment and development of the Mansion can be a leading example in how to protect and enhance significant heritage assets and features whilst delivering a highly efficient sustainable building.</p>
Learning and Development	<p>Through the project there will be improvement and increases in the skills, knowledge and understanding of heritage management and conservation among a range of built environment specialists and stakeholders (including the professional team, contractors and sub-contractors).</p>

	Project Aims
Employment and Business Development	Through the on-going management and maintenance of the refurbished Mansion the project will: 1. Directly result in creation of a number of new jobs; 2. Provide workspace and office space for community and social enterprises and small and medium sized enterprises. In this way further supporting job creation and business viability.
Cultural Development	Through the refurbished Mansion the project will provide space for local groups and people to make music, create art and perform.
Social and Community Cohesion	The refurbishment and development of the Mansion provides an opportunity for learning and sharing in regard to how communities can recognise need and opportunity and restore an asset in response to the need they have identified. Through the increased use of the Mansion there will be an increase in volunteering and the provision of space for critical services and activities that support the health and well-being of local people and foster community and social cohesion.

7.5 Pre-Application Advice and Opinion

- 7.5.1 Given the significance of the Mansion and its place within both the historic and social fabric of the town pre-application advice and opinion has been sought from South Hams District Council Specialist Heritage Development Management team and Historic England.
- 7.5.2 The Heritage Assessment report has been issued to South Hams District Council and Historic England and site visits and a presentation of the options appraisal has been made. Advice has been provided setting out that sensitive development would be regarded as appropriate and that there is a need to detail the designs and provide an assessment of the impact on the heritage of the preferred option.

8. Initial Business Modelling on the Preferred Option

8.1 Introduction

8.1.1 From the assessment of needs, the strategic context and the development of project aims it is evident that the refurbishment and development of the Mansion will help to meet local needs. However, whilst it is critical that local needs are met it is also necessary to assess the preferred option further by considering the initial business modelling and viability of the preferred option. This will help to determine if the proposal to refurbish and develop the Mansion provides long term financial sustainability for the Foundation and therefore protects the long-term future of the Mansion.

8.2 Capital Costs

8.2.1 The projected capital costs for the refurbishment and development are shown below. In establishing these costs there are a number of assumptions that require to be tested, and the costs will therefore be refined as further feasibility work takes place.

Commentary and Assumptions	Element	Total (inc VAT)
	Maintenance works	
Estimated from Condition Survey	Decorations - internal	£ 16,200
Estimated from Condition Survey	Decorations - external	£ 37,800
Estimated from Condition Survey	Boundary walls	£ 9,540
Estimated from Condition Survey	Building walls - external	£ 65,040
Estimated from Condition Survey	Roof coverings	£ 8,028
Estimated from Condition Survey	Building walls - internal	£ 1,332
Estimated from Condition Survey	Floors - internal	£ 19,800
Estimated from Condition Survey	Ceilings - internal	£ 15,000
Quote from Drainology	Underground drainage	£ 8,028
	Sub Total	£ 180,768
	Building Management Works	
Quote from M&E Supplier	Spaces and water heating	£ 249,025
Quote from M&E Supplier	PV System	£ 76,920
Quote from M&E Supplier	Lighting	£ 50,400
Quote from M&E Supplier	Small power	£ 69,000
Quote from M&E Supplier	Controls	£ 22,200
	Total	£ 467,545
	Building Development Project	
	Fees	£ 73,862
Based on £1900/sq. metre.	Development works (100 sqm)	£ 342,000
16% of costs of Development.	Contractors prelims	£ 54,720
7.5% of costs of development.	Contractors OHP	£ 25,650
7.5% of development costs, prelims and OHP.	Contingency (7.5%)	£ 31,678
	Total	£ 527,910
	Total	£ 1,176,223

8.2.2 The projected costs show that the costs are split as follows:

Refurbishment work	£648,313
Development work	£527,910

8.2.3 In securing the capital it is proposed that a mix of sources are considered, including:

- Grant funds
- Debt finance
- Philanthropic giving
- Delivery of some elements of the refurbishment work by partnering with training providers or those providing community payback.

Detailing the capital investment strategy will be part of the further business modelling undertaken as part of the detailed feasibility work.

8.3 Revenue Income and Expenditure Post Refurbishment and Development

8.3.1 The summary of initial projected income and expenditure post the refurbishment and development work is set out below. The full detailed financial projections are set out in the accompanying document, KEVICSF Financial Modelling 2020-2030. This document sets out the year by year cash flow along with detailed assumption. The key assumptions are as follows:

- i. For most areas of expenditure, expenditure remains as it is and is derived from the current budget with the addition of 2.5% for inflation year on year. The likelihood is that expenditure will rise in some areas (heat, light, water etc) whilst reducing in others (building maintenance). However, this position is felt to be an appropriate position for the initial model to assume at this stage, recognising that with further feasibility work more detailed projections will be developed.
- ii. Current levels of income will remain but overall income will rise as it is possible to secure additional income from the use of the café space (£20,000 per annum).
- iii. It will be possible to raise income from sessional hire from 9% to 30% occupancy within five years as all available space will be useable at all times of the year and the creation of dwell space will reduce the 44% of requests for space that cannot be accommodated due to the constraints of the building. As with expenditure more detailed projections for income will be developed with further feasibility work.

	2020	2021	2022	2023	2024	2025	2026
Turnover	£ 919,281	£ 150,506	£ 156,519	£ 162,519	£ 162,519	£ 169,519	£ 175,519
Direct expenses	£ 13,849	£ 13,510	£ 13,157	£ 12,790	£ 12,407	£ 12,010	£ 11,596
Gross Profit	£ 905,433	£ 136,997	£ 143,362	£ 149,729	£ 150,111	£ 157,509	£ 163,923
Administrative Expenses	£ 112,903	£ 116,637	£ 118,826	£ 121,070	£ 123,971	£ 126,329	£ 128,745
Profit/(Loss)	£ 792,529	£ 20,360	£ 24,536	£ 28,660	£ 26,140	£ 31,180	£ 35,178

8.3.2 The profit and loss projections indicated that long-term financial and social sustainability can be achieved through the preferred Option, with surpluses in the region £20,000 to £35,000 being generated year on year. These projections allow for sinking fund of £5,000 per annum and a level of debt carrying capacity (so as to support the capital works).

8.3.3 In terms of debt carrying capacity the financial plan indicates that in the region £350,000 loan finance at 45 interest over a period of 25 years could be serviced. This reduces the need for grant capital to support the refurbishment and redevelopment work.

9. Community Consultation and Engagement

9.1 Alongside the analysis of local need and context and the initial business modelling, the development of the preferred option for the Mansion has also been informed through the community engagement and consultation process, undertaken by Totnes Community Development Society. The consultation and engagement work on a number of projects developed and facilitated by the Society are relevant to consider and is set out below:

Period of Consultation and Engagement	Overview	Key Themes
Mansion set-up and user consultation: January 2017 - June 2019	Over the period of two and a half years the Mansion went from being a largely unmanaged space, where no formal processes were in place to a building successful run by and for the community. Totnes Community Development Society increased the regular user groups from 17 to over 100 in this period. Through regular meetings with each group arriving at the Mansion, TCDS were able to establish the appropriate approach to governance in relation to hire, tenancy, health and safety processes and all other policies. This community consultation was partnered with professional input from TCDS financial and insurance advisors. Templates were put in place for easy transfer of systems and skills, and to facilitate the similar community-led processes in other spaces such as the Brunel Building.	<p>The first three years of managing the Mansion within the community has further proved the case for a very diverse target base of activities.</p> <p>A restrictive factor on hire at the Mansion are the quality of space and the number of spaces, particularly large-scale spaces. Currently this means that the Mansion is not suitable for a number of potential users.</p> <p>The systems established at the Mansion have shown how the community can effectively manage complex spaces and rapidly grow and respond to local need, increasing viability at the same time.</p>
TCDS membership recruitment starts September 2018	At the beginning of September 2018 TCDS had 15 members. The membership at 31 December 2019 was 374 with numbers continuing to grow. The rules of the organisation ensure that at least 70% of membership are local people. Approximately 50% of new members registering are interested in volunteering time and the same levels of interest are recorded for members considering investing financially.	Individuals and local organisations are committed to community-led governance of local buildings and many are likely to join existing volunteers and social investors to provide sweat equity or finance.
Community drop-ins: September - December 2018	To support membership development several drop-in sessions were held to provide updates on the Society's development, including the Mansion. Over 100 people decided to consult with TCDS about the membership scheme - both prior to joining and once as members. Most were seeking immediate chances to participate further in the work of the Society.	Active participation continues to be at the centre of the democratic and inclusive involvement in the development of local assets.
Community drop-in and general meeting: June 2019	Across two whole days and an evening event over 250 members and other interested members of the public came for updates on the work of Totnes Community Development Society; the Mansion refurbishment and development featured during these sessions.	TCDS produces materials and provides opportunities to ask questions and interrogate the detail at each stage of consultation. Communication has been consistent and open from the start of the community's journey to refurbish and develop the Mansion. Therefore, through each interaction in this process people have been developing their capacity to understand and contribute and question within this journey.

Period of Consultation and Engagement	Overview	Key Themes
Mansion open day: October 2019	The Mansion was opened for members of the public to drop in and take part in sessions and tour the building alongside reviewing the refurbishment and development plans.	The day was attended by around 100 people who reviewed plans and commented on them. All comments were positive and recognised the need to refurbish this key asset within the centre of Totnes.

- 9.2 Consultation indicates that in the region 500 people have reviewed and contributed comments on the plans for the refurbishment and development of the Mansion to date. Collectively comments have been positive.

10. Next Steps

- 10.1 Having completed initial feasibility work, including heritage statement, options appraisal and opened pre-application advice with South Hams District Council and Historic England there is now a need to complete the detailed design work.
- 10.2 To support the detailed design work there are a number of assessments that need to be made so as to be able to submit an application for planning and listed building consent. Alongside the design work detailed business planning is required.