INSPIRING WORKSPACES PROJECT



December 18

Final Project Report

The project has explored opportunities to develop flexible workspaces in the rural Vale using underused / redundant rural buildings, as well as working with small businesses to identify their workspace needs.







This project has received support from Creative Rural Communities (CRC); the Vale of Glamorgan Council's Rural Regeneration Initiative. In short, we run loads of great projects supporting creativity and enterprise in the rural Vale of Glamorgan.

This project has also received funding from the Vale of Glamorgan Council and through the Rural Development Plan for Wales 2014-2020 which is funded by the Welsh Government and the European Agricultural Fund for Rural Development. This part of the fund is known as 'LEADER'.

The LEADER approach to regeneration remains at the core of the day to day work at Creative Rural Communities. LEADER is a French acronym (Liaison Entre Actions de Développement de l'Économie Rurale) meaning 'links between actions for the development of the rural economy'. It is a method of harnessing local knowledge to enable a "bottom up" community led approach to rural development and is a Europewide programme. There are seven key principles of LEADER:



LEADER projects should aim to pilot new solutions to an existing challenge, be innovative and collaborative, be proactive in the evaluation and sharing of the lessons learnt, and recognise that not everything will succeed.

Please be aware that any information relating to funding, including this report, may be shared widely and published on the Vale of Glamorgan Council's, Government and European websites. CRC will only use personal data in compliance with the new General Data Protection Regulation (GDPR).

To find out more about Creative Rural Communities, please visit: www.creativeruralcommunities.co.uk

CONTENTS

TABLE OF CONTENTS

Conte	ents	1
1. I	IntroductionIntroduction	3
1.1.	. Background	3
1.2	Project overview	3
2.	Surveys	4
2.1	. Workspace needs in the rural Vale survey	4
2.2	. Redundant and underused buildings survey	6
3. I	Flexible Workspace Best Practice	8
3.1.	. Flexible Workspaces in South Wales	8
4. I	Inspiring Workspace Network	10
4.1	Inspiring new workspaces network event 1	10
4.2	Inspiring new workspaces network event 2	12
5. I	Exploring Innovative Workspace	14
5.1	Pioneering office space in rural Wiltshire and Somerset	14
5.2	Vibrant community venue study visit	21
5.3	Rural workspaces in Monmouthshire	29
6. Pr	roject results	36
	The Outcomes	36
	Project Lessons Learnt	36
	What is next for your project?	36
7. W	/ant to know more?	37
	Project website – www.creativeruralcommunities.co.uk	37
	Useful contacts	37

FINAL PROJECT REPORT

1. Introduction

1.1. Background

The way in which we work is changing. More people are becoming self employed and seeking to achieve a better work life balance. This may involve moving to rural areas such as the Vale of Glamorgan and working from home. Those workers may become isolated and be seeking more opportunities develop their networks and support to grow their business.

In other rural areas of the UK and Europe, such as Somerset, Wiltshire and Catalonia, incubator / co-working spaces have become popular, offering flexible and friendly office accommodation.

1.2 Project overview

The Local Action Group (LAG) delivering the Local Development Strategy have approved a project to explore opportunities to develop new workspaces from redundant and underused buildings in the rural Vale as well as assessing the demand for different types of workspace. The project was approved by the LAG in May 2017.

The project is being delivered by Creative Rural Communities (CRC), the rural regeneration team for the Vale of Glamorgan Council. CRC support communities and enterprises across the rural Vale of Glamorgan to trial and develop new ideas for the social and economic wellbeing of the area. This is funded under our LEADER programme, which is funded by the Vale of Glamorgan Council, the Rural Development Programme for Wales and Welsh Government. The project is being delivered under the Business Innovation Theme, one of 5 themes under the LEADER programme.

The project has involved the following research / learning:

- Workspace needs in the rural Vale survey
- Redundant and underused buildings survey
- Research into different approaches to co-working space
- Inspiring new workspaces events
- Learning visits

2. Surveys

The surveys were launched at the Vale Show in August 2017. The surveys were publicised through social media, in the Gem and the website.

2.1. Workspace needs in the rural Vale survey

A survey was developed on Workspace Needs for Businesses in the rural Vale (refer to Appendix 1). This survey sought to target people who were looking for workspace and find out what their business needs were. There were 23 responses to the survey, however respondents did not answer all the questions.

ABOUT THE BUSINESS

The majority of businesses were new start-ups within the last 3 years (64%) and less than 5% had been trading for more than 10 years.

Over 70% of the respondents are currently based in urban areas including Barry, Penarth, Cardiff and Pontypridd. Over 60% of businesses were sole traders and over a third had 1-2 employees.

There was a variety of businesses responding with the creative industries expressing the most interest (30% of respondents). The table below summarises the responses:

Type of Business	Number of responses
Creative industries	7
Artists	3
Health and wellbeing	3
Training	2
Food	2
Event Management	1

BUSINESS SUPPORT

When asked about business support and advice, only 7 respondents answered the question - 6 respondents stated that have received business support and advice from Business Wales and only 1 have from the Vale of Glamorgan Council.

CURRENT WORKSPACE

Over 80% of respondents have indicated that they are working from home. Given most are working from home, they currently have access to kitchen area (76%), superfast broadband (70%), parking (46%), 24/7 access (46%) and mailing address (38%). No respondents have access to meeting rooms and a gym.





WORKSPACE NEEDS

Of the 14 responses to the question about looking for new workspace, nearly 80% stated that they were currently looking for new workspace.

Of those responding the question about floor space requirements, most businesses only required a small amount of space of up to 20m2 with only 2 businesses indicating a workspace requirement of over 50m2.

In terms of potential location of their business, the most important considerations were the cost of the accommodation (87%), flexible lease arrangements (56%) and superfast broadband (50%). The lowest priority was to have access to the airport and the coast. The middle priority was to be located within a town centre location (40%) and have good transport links both to the M4 / fast road network (31%) and train / bus network (25%).

When asked about the style of the workspace they would like to work in, nearly 60% of those responding (only 14 out of 23) indicated that they were not concerned and 20% stated they would like to work in a converted barn.

In terms of their ideal workspace, 16 respondents answered the question. The most important facilities were having parking (53%), superfast broadband (46%), workshop space (43%) and desk space (35%). A mailing address and 24/7 access was also considered important. Breakout areas (53%), meeting rooms (47%) and kitchen area / cafe (44%) were considered quite important facilities. The least important facilities were having a gym (86%) and good coffee (47%).

Only 13% of those responding (15) had worked in a co-working space before. There was a positive response to providing the following services as part of the workspace:

- Networking opportunities 93%
- Business development advice 87%

Social activities – 67%

When asked about their views on sharing a workspace, 15 respondents answered the question: 8 were happy to share, 5 stated it depended on the business and 2 stated that they would rather have their own space.

2.2. Redundant and underused buildings survey

A survey was developed on Redundant and Underused Building Survey in the Rural Vale (refer to Appendix 2). This survey sought to target landowners who had redundant or underused buildings but were undecided as to how to bring them back into use. There were 9 responses to the survey, however respondents did not answer all the questions.





TYPE OF REDUNDANT AND UNDERUSED BUILDINGS

Stone barns (50%) and modern barns (25%) were the most common type of buildings identified as being redundant. There were 2 other buildings noted including a World War 2 generator building. These redundant buildings ranged by $10\text{m}^2 - 500\text{m}^2$. These buildings were located either in a rural settlement (40%) or in the open countryside (20%) across the rural Vale including Llantwit Major, Pendoylan, Sully and Penllyn. All buildings were owned by the respondents.

There were 6 responses in relation to the question about accessible services:

- 5 had existing or potential provision for parking
- 4 had services (gas / electric / water / sewerage) and were within a mile of an A or B road
- 3 were within 500m of a bus stop
- Only 1 had access to superfast broadband.

In terms of activities taking place adjacent to the building, there were 7 responses:

- 5 were adjacent to agriculture and farming
- 3 were adjacent to residential properties
- 1 was adjacent to tourism related businesses

FUTURE PLANS FOR THE REDUNDANT AND UNDERUSED BUILDINGS

Only 6 respondents answered the question about the future use of the building:

- 67% of respondents were planning to convert into a workshop space
- 33% of respondents were planning to convert into office accommodation
- 33% of respondents had no plans
- 16% of respondents were planning either to convert in residential accommodation, holiday accommodation or a function room space.

In terms of issues regarding conversion (only 4 responses), 3 respondents indicated obtaining planning permission and 3 respondents mentioned inheritance tax as an obstacle.

Of the 4 responses to the questions regarding seeking expert advice, one 1 respondent has sought expert land management advice.

In terms of help / advice regarding the renovation of the buildings, there were 6 responses:

- 67% of respondents expressed an interest in business advice and visits to similar developments
- 50% of respondents expressed an interest in legal advice, and planning advice
- 17% of respondents expressed an interest in land management advice.

3. Flexible Workspace Best Practice

Given the limited workspace offer in the rural Vale, further research was undertaken into the models of workspaces that were available to developing businesses in South Wales and beyond.

3.1. Flexible Workspaces in South Wales

In Cardiff has seen a great increase in more flexible workspace available over the last 5 years, particularly co-working spaces the small businesses. Seven different work hubs were visited or interviewed in the South Wales including <u>Tec Marina</u>, <u>Tech Hub Swansea</u>, <u>Welsh Ice</u>, <u>Tramshed Tech</u>, <u>Indycube</u> – Trade Street and St Mary's Street, <u>Rabble Studio</u> and the <u>Sustainable Studio</u>.

It was interesting to find that each type of workspace was unique and had a different offer to attract businesses. Most of them offered flexible terms and co-working opportunities. Some attracted particular businesses such as Rabble Studio targeted creative industries, whereas Indycube has a broader range of businesses attracted to the space.

Most of the accommodation was focused on desk based work. Only the Sustainable Studio offered workshop accommodation for artists.

All of the workspaces visited had meeting rooms, breakout areas, free tea and coffee and 24/7 access.

Larger workspaces such as Welsh Ice and Tramshed provide a more comprehensive office services (including telephone answering service, mail service and landline lines).



The Sustainable Studio, Cardiff



Welsh Ice, Caerphilly

One of the benefits of working in these types of flexible workspaces is the networking opportunities. All of the case studies offer face to face networking events to enable members to develop their business networks. For example Welsh Ice stated that considerable business is done within the workspace with members supporting / ultilising each other services.

The social aspect of working in these types of spaces is key. Penarth Tec Marina are a good example of were member's well being is a top priority. The founder has created a modern airy and vibrant workspace with a gym for fitness and a games room for a bit of down time. Additionally there are regular social events to enable members to get to know each other.

Some workspaces focus their model on supporting start up businesses. Welsh lce is a very good example of this model where there is a range of business mentoring and training courses available to members as well as financial support through the Welsh Government's Accelerator programme.

Given the flexible nature of this type of accommodation, there is a quite a large turnover of members/or members adjusting their membership model. Most were, however well occupied. The Tramshed and The Sustainable Studio indicated that there was a waiting list for small and large offices.

7. Inspiring Workspace Network

A network was set up to bring together people who are looking for new workspace with people who have redundant or underused spaces they are looking to bring back into use to inspire them into taking action to create new workspaces in the rural Vale. The following events were organised.

4.1 Inspiring new workspaces network event 1

OVERVIEW

This event was organised to bring together people who are looking for new workspace with people who have redundant or underused spaces they are looking to bring back into use to inspire them into taking action to create new workspaces in the rural vale.

The event took place at St Donats Arts Centre on Wednesday 17th January 2018. There were a total of 60 attendees with a further 16 people expressing an interest in coming but unable to make it on the night.

THE SPEAKERS

MARCUS GOLDSWORTHY - HEAD OF REGENERATION AND PLANNING AT THE VALE OF GLAMORGAN COUNCIL

Marcus discussed the opportunities for new workspaces in the rural vale and the details set out draft Conversion and Renovation of Rural Buildings Supplementary Planning Guidance. This was adopted in April 2018.

A few key points from Marcus:

- √ The Council was previously had a strict policy on rural barn conversions, but this has relaxed over recent years.
- ✓ The new SPG:
 - O Seeks to promote alternative uses of redundant rural buildings eg. business / tourism uses rather than residential conversions.
 - Relates to Policy MD11 Conversion and Renovation of Rural Buildings in the Local Development Plan
 - O Sets out what buildings may not be suitable for conversion.
 - O Provides advice to ensure minimum changes to the fabric of the building, the character of the countryside is retained and there is no impact on local amenity.

GAVIN EDDY, DIRECTOR OF <u>FORWARD SPACE</u> AND DEVELOPED THE <u>OLD CHURCH SCHOOL</u>, IN FROME.

Gavin spoke about how he transformed the redundant old church school into an award winning workspace for independent thinkers and creators. He advocated that if inspiring workspaces are located in regional towns, new ambitious businesses will locate there.

A few key points from Gavin:

- ✓ The development of the workspace had three priorities:
 - O Workspace physical space doesn't have to cost a fortune to do up or take ages to do up. Gavin did it in 4 months. Very 'unlike office like' homely workspace to encourage creativity.
 - Resources support and networking large programme of events including business advice,
 mentoring programme and outreach into the town (links with local college and bath university)

- O Community most important and want to belong to a network and be a friendly place to work. In Frome there was a large influx of creative people doing interesting things but had nowhere to work. Forward space provided an opportunity to bring people together.
- ✓ Ingredients of a co-working space all have a café, event space for social events, meeting rooms, skype rooms (old phone boxes) and superfast broadband.
- ✓ Letting arrangements part time desks, full time desk (with storage), work pod (for 2 people) and studio offices (20sqm or 40sqm).

SALLY ATTWOOD, PUBLIC HEALTH WALES (PHW)

Sally explained about PHW's 'Our Space Project'which transformed an empty office unit into an attractive, vibrant workspace in the centre of Cardiff. She explained about the process of working with designers, local businesses, social enterprises and staff to develop a high quality modern office using remanufactured or refurbished office furniture providing value for the money for the public sector.

A few key points from Sally:

- ✓ PHW wanted to be an organisation that is creative, collaborative, efficient and effective but need to create a workspace that encourages this as well as attracting millennials.
- ✓ Located in Capital Quarter in Cardiff, lease top 4 floors.
- ✓ Designing the space with 4 types of area: collaborative space, learning (training) space, space to socialize and space to focus.
- ✓ In the design focused on the re-use of materials and using second hand and remanufactured furniture to create vibrant design at a minimal budget.

CHRIS GRIFFITHS, FOUNDER AND CEO OPEN GENIUS AND FOUNDER OF TEC MARINA, PENARTH

Chris founded the serviced office space in Penarth marina to foster true creativity and entrepreneurship and enable companies to collaborate and innovate. There are inspiring spaces ideal for co-working, meetings, events and away days to help motivate, network and spur on new ideas.

A few key points from Chris:

- ✓ It is worth employing an architect / designer to help you visualise the space and seek investors
- ✓ If people want to work in a space, it is easier to recruit and retain staff. There is great productivity from staff working in a happy / relaxed environment.
- \checkmark Penarth Tec is very open office space with no corridors, creating a live / work environment eg. . Good gym with nice changing rooms, games areas, good coffee
- ✓ Co-working space takes more input and needs more resources to build the community.
- ✓ If there is just office space with spaces for workers to socialise, it is less onerous
- ✓ Internet is an issue and need very fast broadband for the workspace.

4.2 Inspiring new workspaces network event 2

OVERVIEW

This was the second network event to bring together people who are looking for new workspace with people who have redundant or underused spaces they are looking to bring back into use to inspire them into taking action.

The event took place at Llantwit Major Youth Centre on Wednesday 4th July 2018. There were 16 attendees and 9 non-atteedees who had signed up, which was fewer than the first event but was still a valuable chance to discuss opporunities for transforming redundant or underused spaces.





THE AGENDA

Mark Hooper, Chief Executive Officer of Indycube

Mark spoke about developing indycube over the last 81/2 years.

He raised the following points:

- The first Indycube premises was in a vacant office space in the ITV studios buildings.
- Indycube was originally set up as a social enterprise but is now a cooperative.
- Mark indicated that he has found it difficult to make money from coworking but equally Indycube has not received any grants from public bodies to support his spaces.
- Indycube has 2 models of managing the space:
 - Full management of the space including taking on the long term lease of the premises and pay all the bills etc. and open up to coworkers
 - Management of co-working space where the building owner will only get paid if there is someone sitting in the desk. Indycube will have the responsibility for managing bookings and will send the person responsible for the building details of who has booked into the space each week. The owner of the building is responsible for all the bills. This model has worked where a community centre / rooms in pubs eg. has had an underused spaces
- Indycube spaces are located across Wales including Barry, Cardiff, Swansea, Wrexham, Bangor as well as England including London and Wakefield.
- They are branching into different types of spaces including photographic studios and commercial kitchens.
- Membership for coworkers is £10 per month in which you get one free desk day per month,
 Community Benefits Pack (in term of legal support, cash flow management and a host of business and

leisure benefits) as well as access to the Indycube network of independent workers and all their spaces. Part time spaces with 5 desk days per month is £60 per month +VAT or 10 desk days per month at £100 per month +VAT. A full time desk space (including allocated desk) is £180. Meeting rooms are an additional cost of £35 per half day. If you just want to rent a desk for the day it is £12.

 Being a member enables co-workers to be part of the Indycube Community Network which is a wider network of freelancers and independent workers enabling networking opportunities with like-minded individuals from across the UK.

Hannah Dineen, Creative Rural Communities

Hannah gave feedback from the study visit to Glove Factory Studios and Old School Hall. Those attending the networking session who had been on the study visit shared their learning from the visit.

These workspaces were very different from the Indycube model where substantial investment had been made in the design and layout of the internal and external spaces, creating light, modern flexible places to work. (see section 5 of this report for full details.)

Rachel Connor, Glamorgan Voluntary Service

Rachel Connor showed those attending around the Western Vale Family Information Centre (WVFIC), a building adjacent to the Youth Centre. GVS are currently in negotiations with the Council about taking on the long-term lease of the building to deliver community and voluntary services. It is planned that offices within the building would be available rent or could potentially become a coworking space.

5. Exploring Innovative Workspace

To enable those coming to the networking to learn more, a series of study visit were organised focusing on different ways of creating inspiring rural workspaces.

5.1 Pioneering office space in rural Wiltshire and Somerset

BACKGROUND

The visit was organised as part of the redundant and underused rural buildings project, following the interest from a number of participants at the inspiring new workspaces event in January 2018.

VISIT DETAILS

The study visit on Tuesday 19th June 2018 involved 9 participants. The visit involved a tour of two rural workspaces:

- Glove Factory Studios, Holt, Wiltshire
- The Old Church School, Frome, Somerset

GLOVE FACTORY STUDIOS

The owner gave an extensive tour of Glove Factory Studios and explained about his background in developing workspaces, particularly in London.

Glove Factory Studios

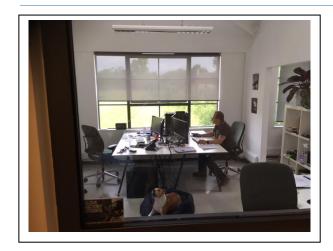
Glove Factory Studios has a range of desk spaces, individual offices and communal areas (breakout sofa area, courtyard and the Field Kitchen) set in 32 acres of pasture with two landscaped lakes with a dog walking area. The offices have views out over the surrounding countryside. The café is used as an event space and is open to the public. They also have a license to hold weddings on landscaped area by the lakes.

Most of the workspace are studios with limited coworking space. All have 24/7 access. Nick's view that coworking requires more intensive support than letting a studio space on a 3 year contract.

They organize business breakfasts and other networking events. Rooster Talks (their own branding of TED talks) are monthly free talks for businesses from across the region.

The Field Kitchen is run by a separate catering company independent from Glove Factory Studios. The catering company pay Glove Factory Studios a percentage of the profit.

The studios is located in the village of Holt, which has a population of 4,500 people. Nearby towns include Bradford Upon Avon (9,400), Trowbridge (33,000) and Melksham (14,600).





Tenants

Nick tries to ensure a mix of businesses within the studios:

- 1/3 digital companies
- 1/3 built environment companies eg. Architects
- 1/3 creative industries

Creative industries more happy to share spaces and collaborate together.

Business organisation

There are 2 businesses:

- Operational company responsible for the rents, lettings, overheads and staff salaries
- Property company overseeing the actual properties and receives an income from the operational company for the rent.





Staff

Glove Factory Studios employees:

- General manager responsible for sales and business
- Communications manager deals with customer relations, marketing and digital on-line presence
- Finance officer

Set up of workspace

Nick worked with Wiltshire Council to set up Glove Factory Studios and managed to secure a grant for the second phase extension.

The second phase extension has been designed around a grid of units each being approximately $4m \times 5m = 20$ sqm each.

IT has been set up on a central wifi grid, which has been outsourced to external company, <u>Easy Space</u>. Each company sorts out own wifi connection / ICT support with Easy Space.

Rent / lease arrangements with tenants

- Income of £160 £250 per desk per month, plus service charge and internet connection
- All workspaces let on a 3 year contract with a 6 month rolling break, therefore you have to give 6 months
 notice. The rent is also set at a 3 year stepped deal and not a fixed rate for 3 years.
- Tenants give 2 months deposit, plus VAT
- Running like a business hotel
- ullet Additional costs for meeting room hire £10 per hour for tenant and £15 per hour for external







Great Western Studios

- Situated in northern Notting Hill, where Paddington meets Maida Vale, between the Grand Union Canal and the Westway.
- Provides studio space for the creative industries.
- Originally space rough and ready space for artists with no IT and no central heating. The original workspace was knocked down and needed to find a replacement. With the support of the Council, Nick created a new space for artists in 11 months.
- Marketing through promoting businesses in the spaces.

Westbourne Studios

- Situated in Portobello, London
- Situated under the Westway where an internal communal atrium created.
- Worked with Kensington and Chelsea Council who agreed a long lease on a geared ground rent of 10% on future turn over which gives the Council £300K per annum

- Paddington Development Trust wanted to support the project but couldn't give a grant. Instead took out a 12 year lease on 1500sq.ft up front to give the funds to the project.
- 80% let with 6 months left to complete.
- New build which was authentically designed to look modern.
- Attracts creative companies working in new and emerging technologies as well as the more traditional artists, producers and designers.
- Target build cost was £60 per sq.ft. ended up costing £80 per sq.ft.
- Now managed by Workspace plc. Workspace provides an instant network of over 4,000 businesses in 69 locations across London

Future of rural workspace

Fibre to door

Internet access is getting fast to people's homes so more may prefer to work from home. This doesn't address the issue of social isolation and opportunity to share ideas. Rural workspace needs to provide something different to attract workers out of their homes.

Rural workspace business / social club

Exploring virtual packages where Glove Factory Studios acts as a social space/ business club for smaller out posts and provides an opportunity to link up all the workspaces in an area. If you are a member of one, you can work out of any of them. The café at Glove Factory Studio could act as the 'clubhouse'.

Nick is working with landowners to enable them to get a greater return on their buildings (15 - 20% more money) as higher quality professional finish.

He is exploring opportunities for a central website in Wiltshire to market all micro workspace to have them all marketed centrally to give a professional look.

Key considerations in setting up rural workspace

- Target age range for this type of space 30 50 years
- Develop a mix of businesses to develop a good community spirit
- Remember it is a business so you can't create a space that doesn't break even and make money.
- Think about the type of workspace you want to create! Running coworking spaces is more resource
 intensive. Still many workers like to have their own desk and own office which is why the units have
 worked well for at Glove Factory Studios
- Critical Mass anything under 450sq.m. is not viable
 - 20 desk spaces not making a profit
 - 40 desk spaces break even
 - 60 spaces make a profit
- If you have 1,000sqft of space in rural Wiltshire:
 - \circ Residential = rent of £800 per month
 - O Commercial workspace = securing £10 per sq.ft. per month service chart -1 desk = £260 per desk per month. You can fit 13 desks into 1000sq.ft = 76.9sq.ft. or 7.14m2 per desk = approximately £3,380 per month (therefore more than 3xs the return)
- It is a different approach to office space provision provided by large corporate companies like Regus who manage traditional office spaces, some of which have been converted into coworking spaces.

Support available

Services provided by Nick. He can provide feasibility studies exploring the deliverability and viability, market research and demand, help set the core values for the building, layout and design and support setting up a space.

THE OLD CHURCH SCHOOL, FROME

Old Church School is a shared workspace which encourages collaborative working and creates an effective internal market -70% of businesses are working together. The space available includes

- o 25% coworking rent a desk
- \circ 75% studio offices 20 40sqm 5 10 people
- Café
- Meeting rooms
- Outdoor sitting areas / landscaping
- Toilets / showers
- Limited parking members are encouraged to walk and cycle to work.

The studio space is flexible space so that you can increase or decrease as the company grows / shrinks. Good mix of companies in the workspace which encourages collaboration.

The Old Church School is situation on the edge of the town centre in Frome, which as a population of 26,000. Most members live within a 10 mile radius of Frome.

Office layout

- No circulation space eg. Corridors
- 1 desk per 5sqm.
- Gavin believes in cramming people in and not having any circulation spaces as it makes a space more vibrant, which increases revenue and makes the workspace stack up financially





Pricing of spaces / member agreements

- Pricing is set on what members can afford but it is an all inclusive price:
 - £100 per month PT desk in coworking space
 - o £500 per month studio with 4 people
- One month's notice required
- Currently 100% occupied with a waiting list.

Business rates

Each of the individual business units are small enough to receive business rate relief. It is only the units with a lockable front door that are liable for business rates.

Marketing

Gavin has never spent any money on marketing. He uses social media, the event space to invite the community in, café is free to anyone to use and access the free internet.

Community groups can also use the café / event space for no charge eg. Chamber of Commerce, local craft groups. The principle is that it is bringing people to the building and therefore the more people visiting the more people may be interested in the space. It also gives the space a positive, buzzing vibe.





Company set up Property Company

Owns the building.

Operating Company - Forward Space

Pays the property company rent, employs staff and collects the rents.

Software company - Coherent Work

- Oversees booking meeting rooms, leases, invoices, payments by direct debit, events (links to Eventbrite)
- Currently have 97 operators on 140 sites.
- Cost 1% of what you collect in rent.

Management of spaces

- Low overheads as very few staff as using Coherent Work system to reduce administration. Only one member of staff employed per space.
- No office manager as the members do all the work themselves.
- Community builder role focused on bringing the community together and organizing events. Looking for creative people with background in events and marketing. Max. salary £30,000 with no administration roles.
- Members manage their own bookings of spaces, and have cards to log into the system, which registers their time within a building.

• Given the overheads are reduced as less staff employed, creates greater margins for profit.

Other developments

- Mendip County Council secured a 10 year management contract taking 20% of the cut.
- Supplying and setting up workspace containers each house 6-8 desks and cost £10K interior design team deck them out. Need to link to buildings with meeting rooms, café and toilet facilities.

Benefits of these workspaces

20% return on investment

What makes them viable?

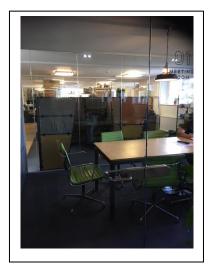
Under 5000sqft. – not viable – therefore 5,000 sq.ft is minimum

10,000sq.ft makes a café viable

Support available

Sniff Test —visiting the area to ascertain if there is potential for creating a vibrant workspace. Financial forensic test - $\pm 5,000$







5.2 Vibrant community venue study visit

BACKGROUND

The visit was organised as part of the redundant and underused rural buildings project, following the interest from a number of participants at the inspiring new workspaces events in January and July 2018.

VISIT DETAILS

The study visit on Thursday 25th October 2018 involved 11 participants. The visit involved visiting 4 community venues / enterprises in rural Carmarthenshire:

- The Black Mountain Centre, Cwmgarw Road, Brynaman, Ammanford
- Myddfai Trading Company, Abermarlais Business Park, Llangadog
- Myddfai Community Hall and Visitor Centre, Myddfai, Llandovery,
- Xcel Bowl, Llansteffan Road, Johnstown

THE BLACK MOUNTAIN CENTRE, BRYNAMAN

The manager gave a tour of the Black Mountain Centre and explained about how the Old Infant's School that he had attended had been converted into a vibrant community venue. The Black Mountain Centre, a registered Charity, was converted 10 years ago and is a one stop shop for residents in Brynaman and surrounding community. It is open Monday to Friday, 9.00 to 4.30pm.

Facilities and Activities

The centre has a range of facilities / services including:

- Café with art and crafts exhibitions and access to the internet.
- Training rooms used by local universities
- Dance studios / community rooms for hire
- Post Office / Community Shop
- Tourist information point
- Part time library
- Outreach services such as the Credit Union
- Doctors surgery
- Office space to let

There are a range of groups and clubs that regularly use the centre including Black Mountain Art Club, Brynaman Heritage Club, Hookers and Clickers Knitting Group, Gardening Club, Mother and Toddler Group, Weight Watchers, Keep fit and Yoga.

There is an Oil Club where the community join together to buy oil at a larger scale.





Management of the Centre

There are 3 members of staff employed at the centre: Centre Manager, Finance Officer and Centre Caretaker. Volunteers are essential to enable the centre to run. There are over 40 local people involved with the centre including running the café, post office and the reception desk.

Funding / Income generation

There was an initial injection of funding to convert the building into the community centre from European Funding, Big Lottery People and Places and Coalfields Regeneration Trust and Carmarthenshire County Council.

Now after 10 years the centre has become self-sustaining and no longer relies on grants. There are a number of income generation streams from the library, doctors surgery, café and training suite running courses through the Universities of Aberystwyth and Swansea. A 20% commission is charged on the sale of arts and crafts.

Most of the visitors to the centre are local, but during the summer months there are tourists that visit the centre.





Hurdles to jump

- Café success resulted in the turnover hitting the VAT threshold as it makes a significant profit for the centre.
- The extension was originally built as a conference centre / entertainment suite with a smart restaurant. After completion it soon became apparent there was a limited market for this use. The management took the decision to let the first floor to the doctor's surgery to generate a steady income, and convert the downstairs into community meeting rooms / studios for hire.

Lessons learnt

- Know your market and what your customers want.
- Don't do anything too posh and fancy.
- Ensure you have sufficient space for storage.
- Be patient it takes time to get to a point of being self-sufficient







MYDDFAI TRADING COMPANY, LLANGADOG

Background

Myddfai Trading Company Ltd is a social enterprise incorporated in 2010 producing luxury toiletries and gifts. The enterprise provides employment and volunteering opportunities within the local community.

Establishing the business

This independent company is a sustainable micro business, and does not rely on any grant funding. It is a company limited by shares, ie. The Directors are not entitled to take the profits. The profits are instead funds back into the business.

Hugh is the Executive Director with the role of raising funds and investment.

The Premises

Finding the right premises for the company was a real challenge. Conversion costs of an old building didn't make the project viable and there was nowhere in the village of Myddfai to go to.

In the end they became aware of an existing industrial unit becoming available 6 miles from the village at a reasonable rent of £470 per month from a storage company. Significant space is required for storage and they have potential to expand if required.

The Products

They produce a range of luxury toiletries including soaps, bath bombs, handwash, shower gel, hand and body lotion and conditioning shampoos. These products are distributed to over 200 hotels and bed and breakfast across the UK. The trading company has found it easier to distribute direct to accommodation businesses rather than retail / shops as it is more effective with economies of scale.

The soaps are manufactured on site using a soap maker that can produce 600 soaps at a time. The production of the liquid products are out sourced to a firm in England. The product recipe is developed by the Myddfai Trading Company.

The Staff

The company employs three people. The company has a close working relationship with the Coastal Project and Colleg Elydir in nearby Rhandirmwyn to provide work experience for adults with learning difficulties. There are approximately 30 adults with learning difficulties and their supervisors who are involved in the work experience programme.







Myddfai Brand

As well as developing a product the brand of 'Myddfai' was established. The Myddfai brand is protected with a trademark. The brand is about selling the destination of Myddfai including its history and heritage. By producing a product with the name Myddfai on it, it has linked people to an areas of Wales which wasn't traditionally on the tourist trail.

The 'Myddfai' brand is used by both the trading company and the Community Hall and Visitor Centre, to their own mutual benefit. Visitors to the Community Hall and Visitor Centre can purchase products from the Myddfai Trading Company.

Contribution to the wider area

As well as supporting people with Learning Difficulties, Myddfai Trading Company contribute to local causes.

Where to go next?

It is a challenge not to grow too fast. The company's turnover is between £150K and £180K and there is a 50% profit margin. There is a challenge to work out whether it is better for the company to stay at the size it is, where it is comfortable and able to meet the demand.

Lessons learnt

- You need a 'Driver' a lead person to get the job done to deliver rather than having committee meetings to decide everything.
- The Driver needs a clear mandate to work to.
- Vital to have a wide network to get the message out of what you're trying to achieve.

MYDDFAI COMMUNITY HALL AND VISITOR CENTRE, MYDDFAI

Story of Myddfai

The story of Myddfai has helped to brand the area and the social enterprises within it. This has been key to the business model, and the products are now sold around the country.

The <u>Physicians of Myddfai</u> were herbalists in the twelfth century, which was a time of influx of new ideas and learning that inspired and gave momentum to the Gothic era. Over the years the story of the Physicians of Myddfai has become bound up with <u>history of Myddfai</u> and the legend of Llyn y Fan Fach. The legends and myths of Myddfai is the inspiration behind the Myddfai Brand.

Community of Myddfai

Only 80 people live there. A third of the homes in the village are second homes. The community wanted to develop a new community centre, but there were concerns given the size of the community if they would ever get the funding for it.

<u>Village SOS</u> came along with its Big Lottery Fund Grant of £435,340 for the build and £90,000 was taken out to set up the trading company. The BBC did a film around the project which went out in across the UK, Canada and Australia. The added publicity helped to raise the profile of the project and the additional funds required.

Further reading: Village SOS - Myddfai







Myddfai community hall

The principle of the build was to develop a quality building. It is a very environmentally efficient building which is fully insulated, solar panels and has a ground source heating system. The electricity bills are only £700 per annum.

It was more effective use of money to knock down the original small community hall and build a new centre (saved a VAT bill of £100K as a new build). The shell of the building cost £450K.

The main hall has been designed flexibly so it can be used for conferences, weddings (a maximum of 15 per year to ensure it is still accessible to community use), away days, community events, theatre nights etc. There is sound and lighting systems that can be used at both ends of the hall. There is no stage but instead they have

a portable stage that can be built to accommodate each events requirements. There is an acoustic ceiling so that concerts can be held at the centre.

The old hall which was knocked down was recycled and none of the material left the site.

Brecon Beacons National Park has funded the new stained glass window in the hall. Funding is now sought for one off projects rather than on going revenue funding to keep the centre going.







The craft shop

Everyone who comes to Myddfai spends money, whether it's in the café or the shop. There are a range of local arts and crafts in the shop at the centre. The shop takes 30% commission, but this is reduced to 20% if the provider volunteers in the shop. 50 small businesses are selling items in the shop.

The Cafe

The café is open 6 out of 7 days and employs 5 staff. Most of these are casual staff paid on an hourly rate. The majority of the work in the café and the craft shop is undertaken by volunteers.

Income Generation and sustainability

The main income from the centre comes from tourists, cyclists, locals, weddings, the shop, conferences and shows. 50% of income comes from events and 50% from tourism / visitors. There are sufficient funds to be raised to be sustainable. There is an annual wedding fair which helps to generate an income and guarantee the wedding bookings each year.

Supporting local enterprises

The community hall and visitor centre now have raised sufficient funds to give back to the community. They have a small grants programme to help local startups, welfare projects and social enterprises to develop.

Lessons learnt

- Find a hook 'The Story' to make your unique selling point and then draw in the community and make it authentic.
- Play on your strengths
- Think commercially
- Sustainability is the key.
- Need a risk taker / maverick to drive the project

Success breeds success.

XCEL PROJECT, CARMARTHEN

The story

The Xcel Project is a social enterprise founded by Towy Community Church bringing investment, jobs and services to our local community in Carmarthen. The initial target was to create 17 new jobs and now they have created 46 jobs. They support over 100 volunteers.

"Recycled over 10,000 items of furniture and 10,000 kg of clothing."

We are supported by over 100 wonderful volunteers."

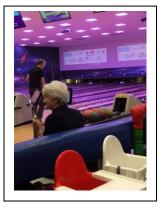
"We have given away over 300 items of clothing, 400 items of furniture and have helped 8,624 local people in crisis since the project began."

Developing the site

Towy Community Church didn't have a church building so were looking for a site. The whole site is 2.3 acres.







XCEL Bowl

<u>Xcel Bowl</u> is more than just a bowling alley. It is the part of the social enterprise that generates the funds to support other activities in the community. There are 12 dedicated bowling lanes, a soft play area, café and games area. It is open 7 days per week from 10am til late. It attracts all generations to use it as a community gathering area. The café serves fresh food for breakfast, lunch and dinner.

Carmarthen Food bank

The <u>Carmarthen Foodbank</u> set up in 2010 helps local people in crisis. The food bank provides a 3 day emergency supply of food in exchange for the voucher from a referral agency. All food is given out through the referral voucher scheme and there are no people walking in directly. Within the foodbank, there is a counselling area to provide support for those needing supplies.

The public give donations as well as Tesco who match the value in weight. The volunteers have to order the food according to expiry dates.

Furniture Recycling

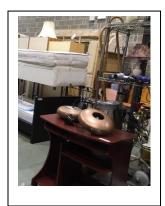
<u>Xcel Furniture</u> is a non-profit future recycling centre. The aim is to provide items of furniture to local people experiencing crisis. They work with 51 referral agencies on a voucher referral scheme. Each voucher has a value which they can use to buy furniture. If the item of furniture is of a higher value to the voucher they have to pay the difference. The general public can also purchase items for the price indicated.

The centre employs two drivers to collect furniture donations including white goods from across the Carmarthenshire. Collection is free but there are delivery rates starting from £10. All donations are checked upon arrival and repaired, cleaned and serviced as required.

All proceeds from Xcel Furniture go towards the Xcel Project.

Community Shop

The <u>Xcel Community Shop</u> is a charity shop located on the site. It is open Monday to Friday from 9am to 3pm. All the proceeds from The Xcel Community Shop go towards the Xcel Project.







Future Aspirations

- The church want to develop a youth centre.
- Xcel centre There are plans to convert an old warehouse into a 600 seater auditorium for concerts and conferences. This will have meeting rooms upstairs. The church are funding this conversion. Legal fees and planning permissions have already cost £110,000.

Lessons Learnt

- Think about sustainability and generating an income to support the aim of the project.
- Volunteers are key to the delivery of the activities

5.3 Rural workspaces in Monmouthshire

BACKGROUND

The visit was organised as part of the redundant and underused rural buildings project, following the interest from a number of participants at the inspiring new workspaces events in January and July 2018.

VISIT DETAILS

The study visit on Thursday 8th November 2018 involved 12 participants. The visit involved visiting 4 converted barns / cattlesheds which had been converted into businesses:

- Llwyna Farm, Pontyclyn
- Pringry Farm, Coleford
- Craft Renaissance, Kemeys Commander, Usk
- White Hill Farm, Wonastow, Monmouth

LLWYNA FARM

Lywyna Farm is located immediately north of the M4 motorway on Llanharry Road between Llanharry and Pontyclun. It is situated between junction 34 and 35 (approximately 15 minutes drive to each junction).

Llwyna Farm, a former diary farm, stopped farming cows in 1999. The former cattle sheds, which were built in the 1970's and 1980's were converted into storage / workshop units relatively easily. There are 4 large sheds (3 older buildings and 1 new built in the last 12 months) and a stone dairy which has yet to be converted. It is planned that the old dairy will be converted to office in the near future.





Business tenants at the Farm

There are 4 businesses based at the Llwyna farm including Gas Link Wales, an engineering firm, gym equipment company, garage and caravan refurbishment company. There haven't been any issues with the business tenants to date. Most have been tenants for over 10 years. The owner has a good relationship with them and hasn't had to chase payments. Each business has a 3 year lease with a break clause half way.

One of the sheds has been divided into two to enable the two businesses to gain rate relief (one area is too small to pay and the other gets 80% discounted rates). The building have been let with basic services and the businesses letting them completed the conversion to meet their own companies requirements.

Income

There is more money to be made from the business units than dairy farming. Currently the sheds let for £3 to £3.50 per sq.ft. Outside space is 25p to 45p sq.ft. Herbert R Thomas Estate Agents undertake the rent reviews.

Business rates are only charged on empty buildings after 6 months of being vacant.

Planning

When the new shed was built, planners required improved access to enable vehicles to pass on the road, rather than the road. The drive has been widened and the hedge moved back to improve access for lorries. Two parking spaces have been provided per business.





PINGRY FARM, COLEFORD

Background

Pingry Farm is located on the edge of Coleford in half a mile to the Lucozade Ribena Suntory Factory, which is the biggest employer in the Forest of Dean. Coleford is situated approximately half an hour from Monmouth (to the north west) and Lydney (to the south)

The family farm 1200 acres (600 owned and 600 rented) with 500 cattle over two farms. However in 2002 the farm was nearly destroyed with foot and mouth disease. The decision was taken then to diversify. Now the farmer has a broader portfolio with:

- Conversion of cattle sheds at Pingry Farm into industrial units.
- 400 acres of arable
- 200 beef cattle
- 40 acres of solar panels
- Own a number of residential properties which are let out.

Pingry Farm Business Park Development

The first cattle shed was converted on a budget to accommodate <u>JBH</u>, a storage fulfilment and distribution business. The cattle shed received 20% grant fund to install new walls and a floor.

JBH required office accommodation and the next building to be converted was the former milking parlor. This cost £70,000 to convert as it required more extensive works including new floors, heating, electrics and windows.

In 2003 JBH required further storage units and the former grain shed was converted. This involved more extensive works involving leveling the floor, insulation of the roof and was designed to an industrial specification.

JBH has gradually taken over all the existing cattlesheds over last 10 years. The company over the last 5 years has expanded and continued to require more industrial space. The new sheds have been built to JBH's specifications including lighting and sockets etc.





Planning Challenges

Over the last 5 years, planning permission has been sought for additional industrial sheds to support JBH's expanding business. The conversion of the three existing sheds were approved by the Forest of Dean planning department with no significant issues.

Planning permission for the new shed was granted at appeal. The key issues were relating to the job creation from the new building. The site currently employees 47 full time workers and 150 part time home workers, all of whom are local.

They have sought to reclassify the land from agricultural to employment. Access to the site is good with the entrance off the B4228.

This expansion to the business park has been privately funded.







Lease arrangements

There is currently a 5 year lease, which is a relatively simple lease agreement. The owners have a very good relationship with JBH so there is no formal rent review. The charge approximately £3 per sq.ft. they have a total of approximately 45,000sqft of workspace.

CRAFT RENAISSANCE

Overview

Crafts Renaissance comprises of a once derelict barn which now houses a gallery space, crafts shop and small tea room, as well as a number of crafts studios including a botanical artists and textile artist each with workshop, a two story self catering accommodation promoted through Air B&B and two private cottages and a private house. An additional barn has had some basic renovation to house a number of crafts studio including a cabinet maker, stained glass crafts and willow/wire sculptor.

The grounds outside the barns are landscaped to create a large lawn area and tiered patio, which is provides an outdoor space for the café, concerts and events.





Further outdoor space includes a timber yard, and saw mill, largely housed within a polytunnel and managed by the owner John.

Crafts Renaissance is a family run business, which has been run by John for many years, but in early 2018, his daughter Hellie has taken over managing the main crafts barn and the artists, as well as developing a number of new events and marketing. Her husband Rob is taking over the saw mill aspect of the business.

Timber & Metal Work Business

John is an engineer by trade and has created a saw mill on site, largely housed in a polytunnel. The various pieces of industrial equipment such as the wood drying kiln and the large saw have been sourced through various auctions. All of the wood they use is sourced from local farms and landowners; typically farmers will ring John if a tree has fallen, or become dangerous and John will arrange for it to be removed, this is done as a free service to the farmer, and John receives the wood for free, no money exchanges hands. The wood is then milled to create a wide range of products from green products to make beams and structural building items, and kiln dried to make skirting boards etc. Every piece of the tree is used, if it can't be milled it is chipped and used for animal bedding.

John and team also run a building company primarily using their products, and have done a number of barn conversions. They have recently built a number of echo houses by way of demonstration to the likes of Barratts Homes, to prove that houses can be built to a good eco-home specification without it affecting the bottom

profit line. He has purchased a plot of land in Bristol and built 14 eco houses, which were sold for between £150,000 and £350,000. Each with a ground source heat pump and under floor heating.

The wood is also used to make a number of public realm items locally such as benches for country parks.

As an engineer, John can also turn his hand to metal fabrication, and is well known in the area especially by the local farmers who will often ask him to fix or fabricate various bits of farming machinery, usually in exchange for wood or goods, again no money exchanges hands.

John is now passing over the timber business to his son-in-law Rob, and will instead spend time on his passion of making unique motorbikes.







Crafts Barn and Studios

The main barn is home to a gallery and crafts shop, and offers light refreshments (coffee and local cake). All of the crafts on display are sourced from local makers (from throughout Monmouthshire, but typically quite local), generally new makers are offered a short run exhibition (usually six weeks) and shop space as a trial run, if their products are well received then they generally become a frequent or permanent supplier. The products for sale are of a high standard and sell well. Since Hellie has taken over this side of business, she now liaises with all of the artists, organises the exhibitions and in her first year has organised 11 unique events. The shop receives a good trade, with their top sellers generating around £600-£800 a month in sales.

In addition, Hellie advised that she will be taking a more active roll in showcasing the Crafts Renaissance and their artists by attending shows and events throughout 2019, recognising that building relationships face to face is a more rewarding and beneficial way to build your business rather than spending money on advertising.







Hellie also manages 11 crafts studios and 3 offices (architects, plumber and osteopath) on site. Artists wanting studio space are usually selected due to their commitment, as they don't want the studios to appear empty. Typically artists will have held and exhibition at the barn, and been consistent at stocking the shop before they will be considered to take on a studio. Studios cost between £150 and £200 pcm, but vary depending on the size and amenities, for instance those in the adjacent barn do not have any heating.

Most of the artists on site also offer workshops in their studios to the general public. It was interesting that these were each hosted in the individual studios, and not a shared workshop space.

The 'café' only serves drinks and cakes. The cakes are supplied by a local provider, and therefore nothing is prepared on site. This is a good business model as it reduces the need for stringent food hygiene certification, reduces the need to keep a lot of fresh produce stocked on site and reduces the need for additional staff. This model works well for places with low or infrequent footfall, where existing staff on site can manage the café function as and when required.

Air B&B

Also within the main barn is a self catering unit. The unit sleeps two-four people in a one bedroom two storey space (the ground floor living space has a sofa bed). The unit has a traditional barn feel and is equipped and decorated to high standard. Rates start at £60 per night, with a minimum of two nights over weekends.







WHITEHILL FARM, WONASTOW

Holiday Cottage

A former barn was converted in 2006 into a holiday cottage (3 bedroom and 3 bathroom holiday cottage). Grant funding was received to undertake the conversion.

It is dog friendly and is located on the public rights of way network. They have many regular guests visiting each year, particularly those who enjoy walking and peace and guiet.

The Clinic

Their daughter, <u>Lucy</u> is trained in acupressure, Reiki and equine therapies. They have recently converted a small outbuilding into the clinic. It has two small rooms and a toilet. As well as running clinics she runs training courses in the space.







6. Project Results

The Outcomes

- Developed a good network of people looking for workspaces and those with redundant barns engaging with over 70 participants.
- Provided useful feedback on the surveys undertaken to identify what type of space people are looking for and what type of redundant spaces are available.
- Delivered a number of learning opportunities to inspire people to renovate their redundant buildings including 2 networking events and 3 study visits.
- Provided additional one to one support to over 30 people looking for workspaces and approximately 10 landowners with redundant buildings.
- Able to provide advice from the knowledge gained through the project and signpost to other agencies eg. Farming Connect, Planning Department or workspace providers.

Project Lessons Learnt

It takes time to develop a network and although part of a learning network, participants will not immediately take action.

Although there are a number of redundant rural buildings in the Vale, it is not a simple exercise to convert them. There are a number of hurdles that need to be crossed which may prevent people taking action including:

- Securing planning permission to convert the building. Further advise is available in the <u>Supplementary Planning Guidance Conversion and Renovation of Rural Buildings</u>. The Vale of Glamorgan's Local Development Plan Policy MD11 Conversion and Renovation of Rural Buildings gives preference to the conversion of rural buildings for alternative business, community and tourism uses over residential use.
- Understanding the tax and accounting issues. For example taking a building out of agricultural use will remove it from the scope of the value agricultural property relief (APR) from inheritance tax. It is important to take advice about business structures.
- Understanding the business model for the new space and taking the time to develop a business plan.
- A newly converted building (eg. An office or workshop) may be subject to business rates.
- Securing funds to undertake conversion of buildings. Some farmers may not have the capital to undertake the conversion works so would need to apply for grant funding eg. Rural Community Development Fund.
- Land ownership issues within the family
- Legal and insurance considerations. It is recommended that a lease is set with potential tenants and ensure Fire and workspace health and safety regulations are observed.
- Access to superfast broadband is also an important consideration.

What is next for your project?

A number of the network participants have been inspired to create new workspaces including:

- Glamorgan Voluntary Services who are in the process of taking over the Western Vale Family Information Centre and Llantwit Major Youth Centre
- A former Turkey Farm in Pendoylan are currently in the process of applying for Rural Community Development Funding to convert a redundant shed into a community venue / shared workspace.

The project has also led to a greater interest in potential coworking opportunities, particularly for the creative industries sector. CRC are now involved in the Colabora Cooperation project exploring best practice in rural coworking spaces across Europe.

7. Want to know more?

Project website - www.creativeruralcommunities.co.uk

Useful contacts

Lead Officer - Hannah Dineen, Senior Regeneration Officer, Creative Rural Communities, Old Hall, Cowbridge, CF71 7AH,

Tel: 01446704226

Email: create@valeofglamorgan.gov.uk

Redundant I	Rural Bu	ildings
-------------	----------	---------