

The case for relocating the Shop

WsM Community Shop EGM - 24/1/2024

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Background

- Mendip Local Plan allocation of green-field site south of Roughmoor Lane
 - at least 40 homes in period to 2028
- Church Commissioners England (CCE) consulted on its plans in 2022/2023
 - significant community & Planning objections
 - revised proposal awaited from CCE / Agents
- Details of initial proposals and the community response on village website:

<https://westburysubmendip-pc.gov.uk/roughmoor-lane-developments/>



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| Rev | Description | Date | Au | Ch |
|-----|-------------------|----------|----|----|
| P1 | Preliminary issue | 20.02.23 | BC | TM |

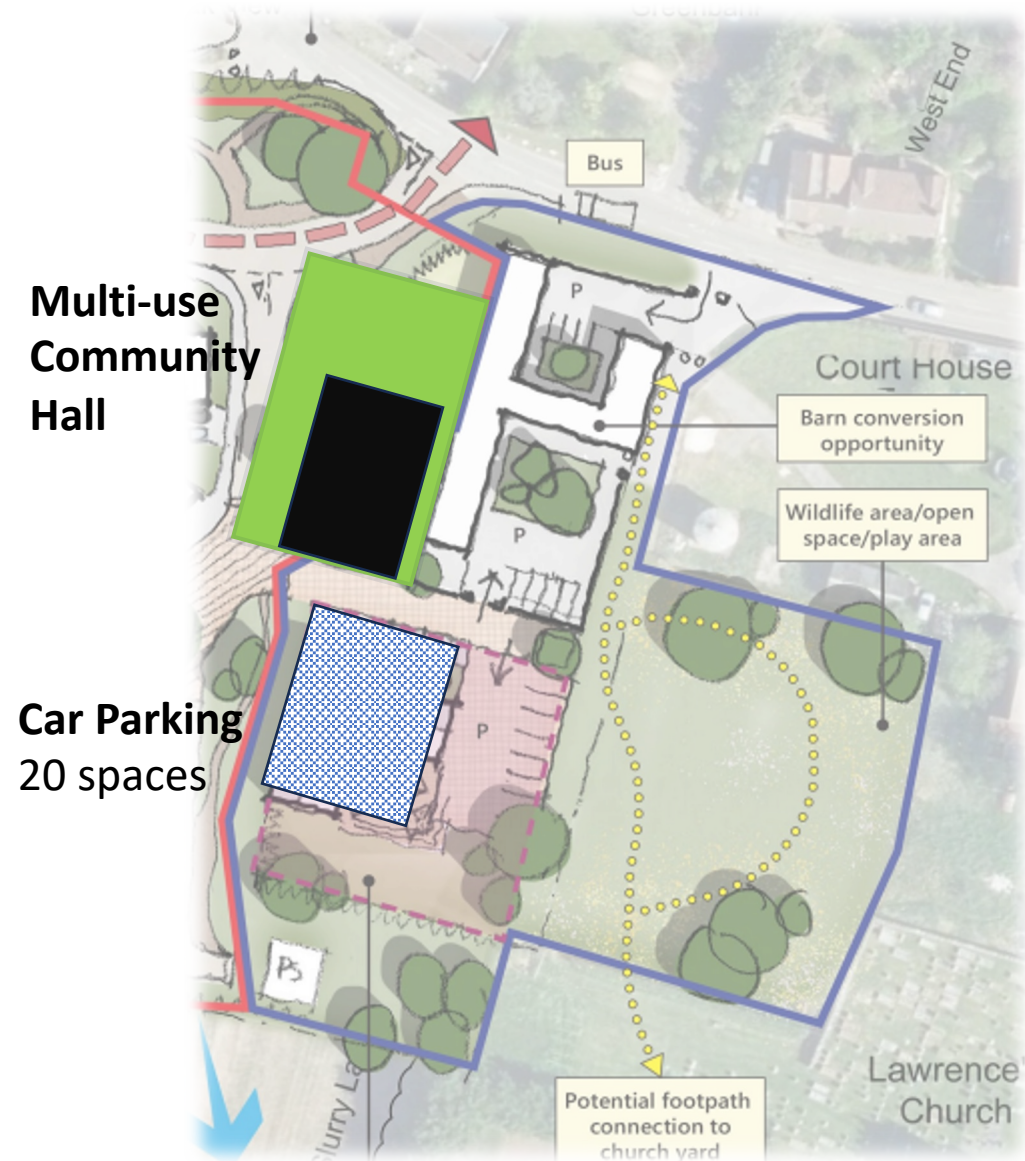
Project: Roughmoor Lane, Westbury-Sub-Mendip
Drawing: Composite Masterplan

| | | | |
|--------------|---------------------------------|---------|------------|
| Client: | Church Commissioners of England | Date: | 20.02.23 |
| Job no.: | CHUR202511 | Rev.: | P1 |
| Design: | CMR/BC | Author: | BC |
| Checked: | TM | Scale: | 1:1000@A3 |
| Status: | PRELIMINARY | Office: | Portishead |
| Client ref.: | - | | |



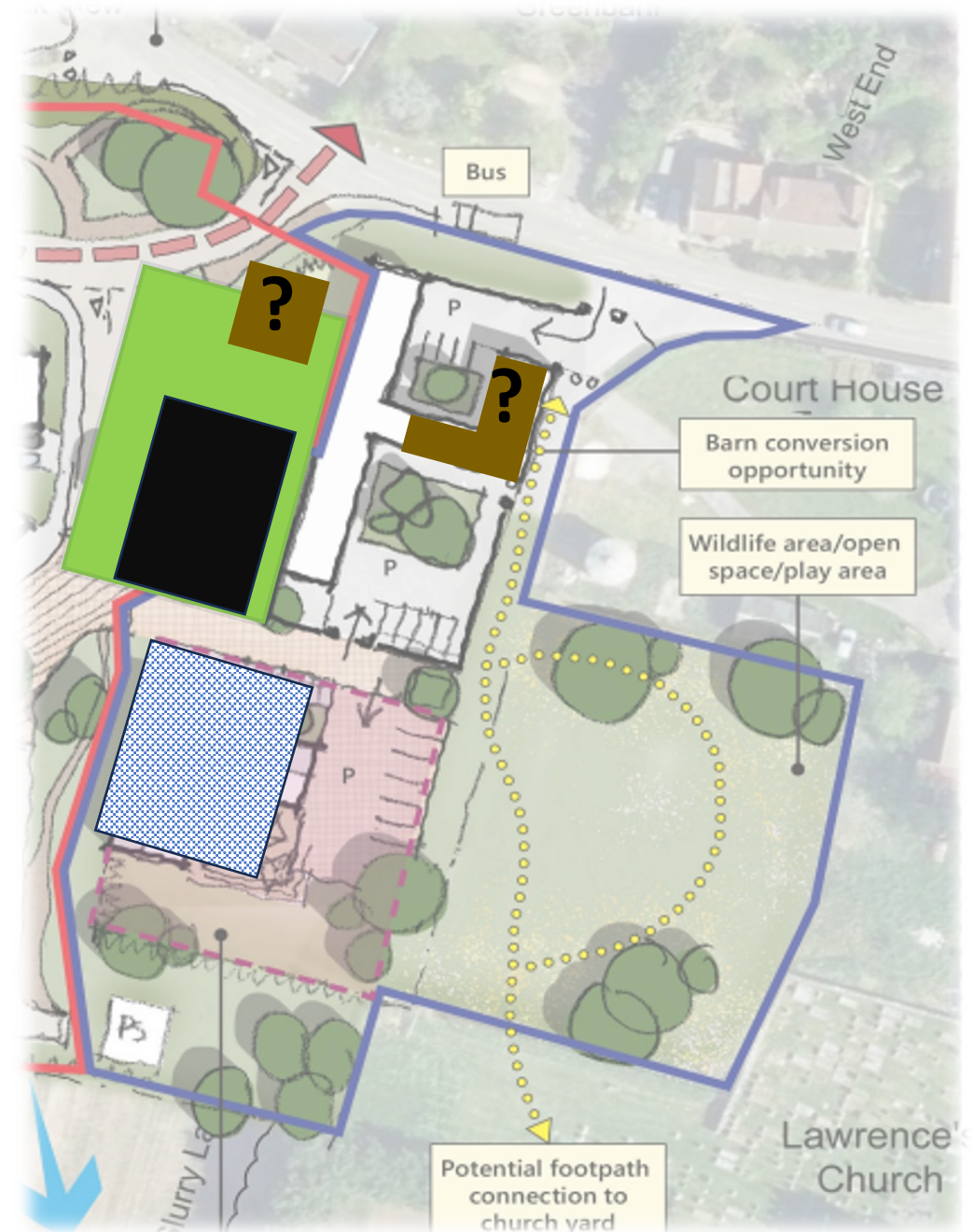
Community Space

- Community Space of 0.1 Hectares (1000 square metres) to be provided within development site
- Village survey identified options for use, in priority order:
 - community car parking
 - a new community hall
 - relocate the shop
 - playing field changing rooms



Brown-field site

- Parish Council asked CCE to also consider sale of adjacent brown-field site
- CCE willing in principle – price awaited
- Neighbourhood Plan Working Group developing proposals for acquisition & use
- NPWG asked Shop Committee to develop a business case for relocating shop to:
 - Community space
 - stone barns on brown field



Basis of evaluation

3 options considered:

1. Shop remains in Green Lantern House
2. Relocate to brown-field in conversion of stone barns
3. Relocate to Community Space, in new build, adjacent to new hall

Key assumptions:

- Housing development will take place, bringing potential new business
- Community car parking will form part of any option
- Planning permission can be secured

Option 1 – no relocation

| Pros | Cons |
|--|--|
| Least change and hence lowest risk | Misses opportunity for larger modern premises |
| Still obtains some potential extra business from new residents and community parking | Will not obtain full benefit from community parking being adjacent to shop |
| Retains increasingly popular shop garden | |
| Retains income from flat above shop | |

Option 2 – brown-field site

| Pros | Cons |
|--|--|
| Well located site, retaining visibility to passing trade | Heritage building will make development challenging - limiting external openings and hence light into shop |
| Potential to create a more spacious facility | Shop becomes less accessible to majority of existing village customers, requiring A371 crossing |
| Maximises revenue capture from new residents and community car parking | Substantial development costs and risks |
| Opportunity for café courtyard | Loss of income from flat rental, unless also develop barns into flats, but adds further cost |

Option 3 – Community space on green-field site

| Pros | Cons |
|--|---|
| Site location likely to be especially attractive to residents of new development | Location not as prominent for passing traffic, and less accessible for majority of existing customers |
| Potential to create light, spacious, modern facility, albeit site constrained by sharing with hall / parking | Significant development costs, though less risky than converting heritage barns |
| Site potentially free issue, and potential to share some costs for eg access and car parking | Loss of income from flat rental |
| Maximises revenue capture from new residents and community car parking | |

Financial comparison

| £k | Option 1 | Option 2 | Option 3 |
|---------------------------------------|----------|----------|----------|
| Capital cost | nil | -£418k | -£283k |
| Sale of property | nil | £238k | £238k |
| Change in turnover | £35k | £60k | £60k |
| Change in operating profit | £7k | £12k | £12k |
| Loss of flat rental income | nil | £8k | £8k |
| Net present value (NPV) over 10 years | £59k | -£141k | -£13k |

Risks / uncertainties

A range of risks were evaluated for each option in terms of impact on NPV:

- Higher / lower (+/- 25%) site purchase and construction costs
 - Higher / lower (+/- 50%) impact on forecast revenue growth
 - Lower / higher (+/- 25%) value from sale of property
 - Combinations of these
- Option 1 (no relocation) remains the most attractive financially, other than in the most optimistic combination of lower site and construction cost and higher revenue, when Option 3 (relocate to green-field site) is best.
 - The existing shop turnover would need to increase by circa 50% in order to fund relocation, which seems unrealistic.

Opportunities

- Grant funding?
 - Variety of potential sources, but depends upon justifying grant through some social or employment benefit, or sustaining a community enterprise or facility
- Café included within / adjacent to relocated shop?
 - Significant additional construction and operating costs
 - Modest extra net revenue after allowance for operating costs
 - Unlikely to generate an incremental return on investment
- Closure of Post Office to help fund relocation?
 - At present time PO remains a net contributor to the Shop operating profit, so closure will not assist, notwithstanding its importance to the community.

Conclusions

- Opportunity to overcome long perceived Shop weaknesses of space and parking
BUT
- Much of anticipated revenue gain can be captured in current location
- Marginal further revenue gain insufficient to fund substantial investment
- Risks / uncertainties more to the downside
- Not affordable on basis of Shop funding a move on its own

- Worth considering only if we can secure significant grant and minimise cost by sharing construction with a new community hall, which could include a café area
- Also wait to see to what extent a safe crossing of the A371 is achieved

Recommendation

Management Committee recommends:

- Not to pursue or commit Shop funds to develop further at this time
- Retain a possible interest in co-locating with a new Community Hall if this transpires and confirm this position to the NPWG
- Explore the opportunities from grant funding to support sustaining community run businesses