

A New Future for Prudhoe Walled Garden

Pre-feasibility Study



PRUDHOE COMMUNITY
PARTNERSHIP



Contents

	Page Number
1. Introduction	2
2. Summary	3
3. The purpose of the pre-feasibility study	4
4. A slice of history	5
5. The walled garden in context	7
6. Engaging the community in Prudhoe	9
7. How other walled gardens operate	11
8. Community priorities for the walled garden	16
9. The business case for community ownership	20
10. Next steps	26

Appendix - Separate document:

Appendix 1 – Full case studies on other walled gardens

Appendix 2 – Community survey

Appendix 3 – Boxx consultants report

Appendix 4 – Go Local Food report

1. Introduction

Prudhoe is a town located just south of the River Tyne in the south of Northumberland. It is situated approximately 11 miles west of the city of Newcastle upon Tyne and has a population of over 12,000, which makes it the largest town in west Northumberland.

The 19th century growth of the town was driven by industrial expansion, particularly mining and brick manufacturing. Today, Prudhoe still has a manufacturing core to its economy. However, a large proportion of the towns working population are now commuters who work on Tyneside.

The Prudhoe Hospital site covers 49 hectares on the eastern edge of Prudhoe and has been earmarked as a strategic site for housing and economic development.

The site was originally used as a hospital for mental illness and includes over 40 buildings of varying sizes which sit within an attractive environment of mature trees.

The site is currently in the ownership of the Government's Homes and Communities Agency (HCA). Following the outcome of successful negotiations with the HCA and a master-planning process, Gentoo Homes (as the preferred developer), intends to submit a planning application to Northumberland County Council autumn 2014 to build approximately 395 homes on the site. Their intention is to develop a range of energy efficient homes for sale and affordable rent and to retain the parkland feel and the historic aspects of the site.

The neighbouring residents and community in Prudhoe have a strong connection to the hospital site due to the public rights of ways that cross it as well as the sports fields and the historic buildings (The Victorian Hall and Walled Garden). Many also retain happy memories of the site either as visitors to the walled garden, Victorian themed events and/or from working at the hospital in its heyday. Many of these local people and organisations are keen to see the site sensitively developed to respect its history and offer opportunities for continued community use, alongside the new housing. SRC understand that this is also Gentoo's intention.

The HCA and Gentoo are keen to pursue a community-led solution for the Walled Garden and both are supporting work to test its feasibility. As a fall-back position, Gentoo has prepared plans for 6 executive homes on this part of the site, with the Walled Garden divided between them. This proposal for splitting the garden for private use is unlikely to be an acceptable outcome for many in the local community.

2. Summary

Prudhoe Walled Garden is particularly important to the local community as it has strong historical links for many people who worked there. As a result interest has been shown in transferring the walled garden area into community ownership. The walled garden is in the ownership of the Homes and Communities Agency (HCA) and is included in wider discussions about the old hospital development site to provide new housing.

Northumberland County Council Conservation Officer deems the Prudhoe walled garden and glasshouses (as grade II listed structures) to be of significant conservation interest.

This pre-feasibility study has identified that the walled garden site will require regular repairs, upkeep and maintenance due to its grade II listed structures (e.g. walls, glasshouses and gardeners cottage). The ongoing running costs for the site are approximately £20,000 per annum (as defined by Boxx consultants). HCA is keen that whoever takes on the walled garden is able to sustain the ongoing running costs, so generating finance is the number one priority.

To take forward any asset transfer proposal requires a lead body and SRC has identified that Prudhoe Development Company Limited (the trading arm of Prudhoe Community Partnership) is already established and meets all the parameters for taking forward the walled garden project. Further work is required with Social Enterprise Northumberland to support making a final decision on a lead body, but there is a ready made vehicle available.

Go Local Food has undertaken a horticultural review of the site and has identified merit in progressing further exploration of two options, either a generalist model of returning the garden to its original design to produce vegetables and soft fruits, or a specialist model dedicated to a production supply chain (e.g. chillies). Either model could be productive within three years, but detailed cropping schedules with financial returns are required.

SRC has considered all the information provided via the community engagement activities, case studies visits and commercially sensitive discussions with potential business partners and has concluded that the preferred scheme is a combination of three main elements – leasing out the gardener's cottage to a business (e.g. eatery, children's nursery); returning the main land within the walls to horticulture production; and to develop five community led, affordable rent, bungalows outside the walls on the land adjacent to the road. To take this scheme forward further work is required.

The next steps are to identify the lead body, gain support from key stakeholders, apply to the Social Investment Business for a further grant and undertake a full feasibility study on the preferred scheme.

3. The purpose of the pre-feasibility study

“We want to draw together a group of people from the local community who have an interest in taking the project to the next level”

Paul Muto, Prudhoe Green Infrastructure Group

Prudhoe Community Partnership secured funding from the Social Investment Business Group, under its ‘My Community Rights – community assets and services grants programme’ to conduct a pre-feasibility study to build the case for successful community management of the former Prudhoe Hospital Victorian Walled Garden. The remit of the tender was to hold a series of stakeholder meetings and prepare a report outlining a range of possible options. After an open tendering process in May 2014, Social Regeneration Consultants (SRC) was appointed in June 2014.

The successful SRC bid provided a work plan (06/06/2014 to 31/08/2014). This incorporated an estimate of annual operating costs for the walled garden site, providing options for operating as a viable business, assessing the level of community support and identifying the next steps if needed for the community management of the Walled Garden. The SRC team includes expert associates including Boxx consultants providing building surveyor advice and GoLocal Food advising on horticultural options.

SRC has undertaken a **three phase approach** to the study, which has enabled Prudhoe Community Partnership to test the community options for the Walled Garden and explore the potential for community-led opportunities.

Phase 1: During June 2014 and July 2014

SRC established community interest in the Walled Garden site by identifying and engaging with committed local stakeholders. These stakeholders were brought together in focus groups and at a series of community events to discuss the proposals for the potential for community led development of the Hospital site’s Walled Garden. An online survey was also running for the duration of this phase. SRC also provided press releases and promoted these events locally.

Phase 2: During June 2014 and July 2014

Working with the existing steering group SRC looked at the financial requirements, delivery models and the options for the Walled Garden. Case studies of successful community garden schemes were also visited. SRC worked with the steering group and brought in other experts, to examine sustainable options for the Walled Garden. This involved discussions with HCA and Gentoo.

Phase 3: August 2014

SRC pulled all this together into a preferred option to develop this into a sustainable and viable business case. This phase also included identifying the next steps for Prudhoe Community Partnership.

4. A Slice of History

Prudhoe Hall was built around 1870 for the industrialist coal miner, Matthew Liddell. The family only occupied the hall for a short time (1878-1904) during which they maintained a strong association with Prudhoe, helping to finance the provision of schools and churches.

The Walled Garden was an integral part of everyday living in Victorian days with the main house being supplied with fresh vegetables and fruit throughout the year. The garden was easy to manage, but needed “people power”; it employed around 50 gardeners. In its heyday the Victorian Walled Garden would have ranked as one of the most important places on the estate.

Prudhoe Hall was then acquired by the Poor Law Guardians in 1913. Their intention was that it should become what was described at the time as “a colony for feeble-minded children”. Prudhoe Hall Colony was opened in August 1914.

The Walled Garden still played a major part in the early days of the colony, supplying fruit and vegetables to the patients, and from 1913-1930, six homes were built for patients.

In 1948, the hospital was brought into the NHS and later expanded through the 1950s. This expansion included the development of villages for girls, boys and children in separate building clusters. By the 1960s, patient numbers had increased to approximately 1,400 and in the early 1970s it was claimed to be the largest hospital of its type in the country.

The Photo below shows an aerial view of the old Prudhoe Hospital site:



Image Source: *No going back, the forgotten voices of Prudhoe Hospital*

During this time, the Walled Garden played a major part in patient rehabilitation. It was a thriving garden employing approximately 5 paid members of staff and 12 volunteers on a daily basis. It became a production

garden, providing stock for the hospital kitchen as well as for the general public to purchase.

Over the years and into the 1990s, the land continued to be used to supply fresh fruit and vegetables, but the emphasis changed to the delivery of horticultural therapy rather than food production.

In 1997, the Walled Garden and its glasshouses were given Grade II listed building status and over the years, the garden was cultivated to provide vegetables as well as having shrubs and bedding planting. The glasshouses and heritage apple trees were considered to be the main attractions, and the garden won Northumbria in Bloom awards in 2005 and 2006.

The photos below show what Prudhoe Walled Garden looked like in its heyday:



Image Source: Prudhoe & district local history society & Mick Sharkey (Former horticulturist at Prudhoe Walled Garden)

The horticultural therapy at the Hospital finished in 2008 and since then the walled garden has been unused.

5. The Walled Garden in Context

Prudhoe Hall and the Walled Garden occupy approximately 2,973 square metres of the overall site. Prudhoe Hall remains intact, along with the adjacent Walled Garden, Victorian glasshouses and gardener's cottage.

In recent years, the physical state of both the gardener's cottage and glasshouses has deteriorated considerably. Many of the panes in the glasshouses are damaged and the gardener's cottage has been completely stripped out. There is no indication at the moment whether this is a viable location for development.

Owing to its Grade II listed status, any proposals put forward by the local community to bring the Walled Garden back to life must retain the structures and materials on site as they were originally built (i.e. the walls of the garden and the fabric of the glasshouses). It also means that there is a requirement to reinstate anything on site that may have deteriorated over time.

The photos below show the current physical state of the Walled Garden:

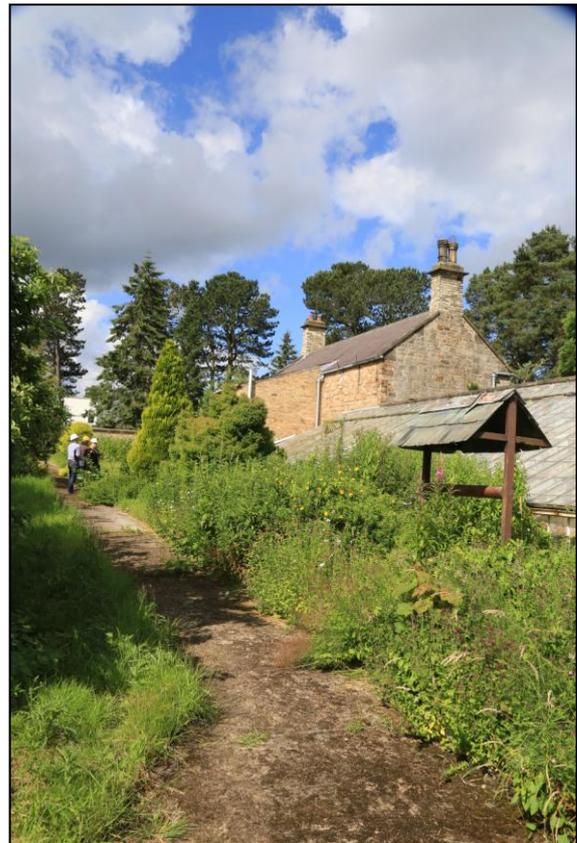


Image Source: SRC site visit, July 2014

The plan below drawn up by Gentoo and HCA shows the boundaries of the walled garden site:

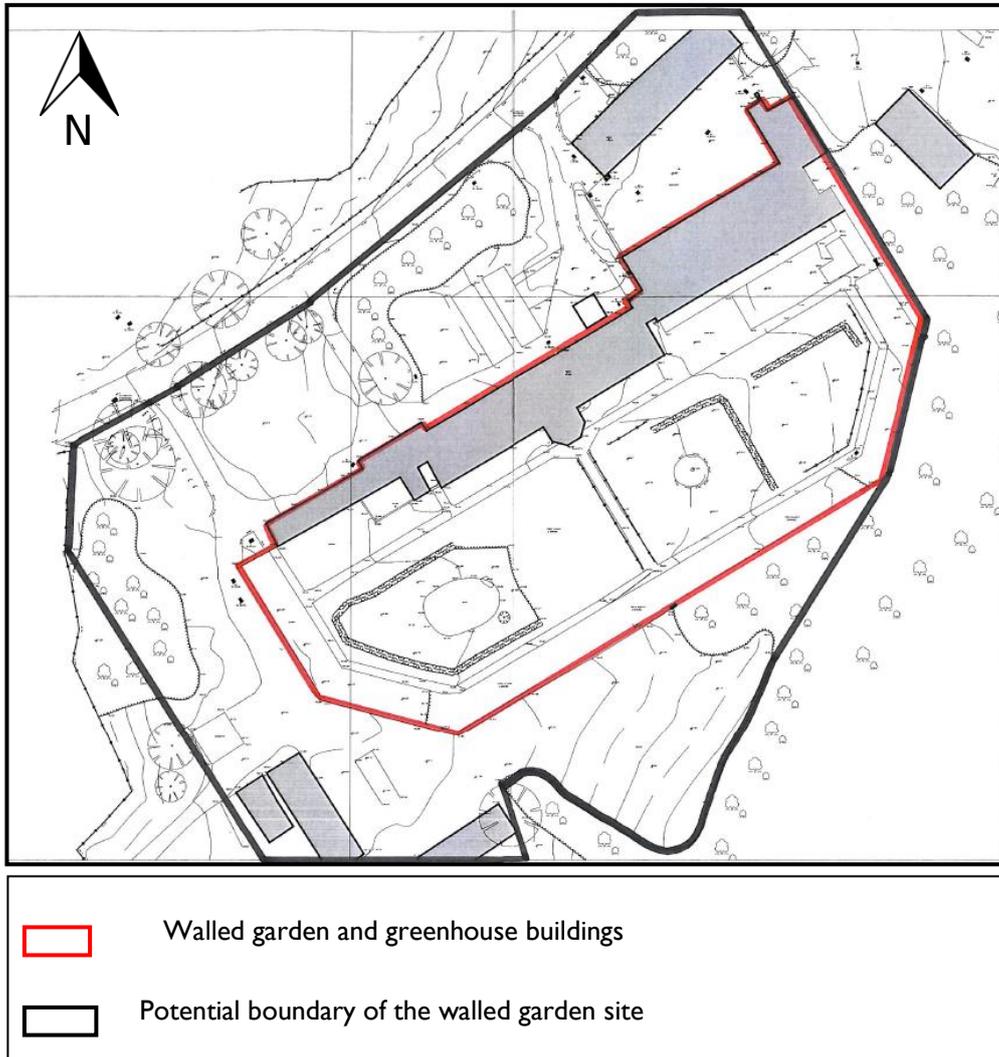


Image source: SRC site visit, July 2014

6. Engaging the community in Prudhoe

In order to explore the possible community options for the Walled Garden, SRC adopted a **three-pronged approach** to community consultation. This comprised focus groups, a community 'road show' and an online survey.

Throughout this process, SRC worked closely with representatives of the community through the steering group set up by Prudhoe Community Partnership (via their Green Infrastructure group). The steering group was responsible for directing SRC throughout the community consultation process. They also initiated the development of the 'Prudhoe Walled Garden community website' www.prudhoewalledgarden.yolasite.com and contributed to the material content for the community road show and the online survey.

Focus groups

Eleven community members with a variety of local interests attended two focus groups in July 2014. At this stage, the aim was to generate some initial discussion about the possible options to bring the Walled Garden back to life. While the focus groups were small, they produced some high quality, detailed discussion. There was a strong consensus that if Prudhoe Walled Garden was to have a sustainable future, the community needed to pursue a combination of 'income-generating' as well as 'not for profit' options.

Community Road Show Events

The next phase of the consultation involved presenting the ideas generated in the focus groups to the wider community for feedback. The road show involved three events, taking place over two days in August. These were advertised locally as well on the dedicated and new community website.

The first road show event took place at a coffee morning in St Magdalene's Church Hall and the second and third events were held at the Library in the Spetchells Centre. Around **35 people** attended these three road show events.



Coffee Morning at St Magdalene Church hall, 14th August 2014

Exhibition boards displayed information about the history of the walled garden as well as the possible options for going forward. There were also leaflets and paper questionnaires for people to complete. This gave people the opportunity to raise additional suggestions for the future use of the walled garden which may have not been considered in the earlier focus groups.

Online Survey

Running alongside the community road show events, an online survey was set up to find out which options people preferred for the future of the walled garden. **60 people** completed the survey in total, the outcomes of which are reviewed in more detail in part seven of this report.

7. How other walled gardens operate

As part of this pre-feasibility study, a number of case studies were identified by the steering group. SRC has visited the following four to examine good practice and to seek out support and advice, but also learn from other people and projects that have gone before. Full case studies are available in **Appendix 1** (separate document).

Ouseburn Farm, Byker (Newcastle upon Tyne)



Image source: SRC site visit to Ouseburn farm, July 2014

Ouseburn Farm is a standalone charity that has been running since 1976. It is a working farm, so is open seven days a week and is maintained by 54 volunteers who offer varying levels of time and support. The farm aims to provide a setting where people with disabilities and able bodied people can

work together to run a project. It also offers training and heritage/environmental education.

The main income generating activities on the farm are the café, farm shop and training courses. Overall, the charity runs at a deficit but this is reducing year on year. The farm relies heavily on grant support from Newcastle City Council, but earned income is increasing every year as the charity becomes more self-financing. As a modern charity the farm views everything it does as a business, even the student's artwork is sold on a commission basis and the café is available for private birthday parties.

Whickham Hermitage Community Garden (Gateshead)



Image source: Whickham Hermitage website, Orangery Coffee house (above) and the garden (below)



Whickham Hermitage Community Garden is a registered charity that has been formally open since 2006. The development of the garden has always had an unplanned approach, but its main remit is to act as a safe and peaceful environment with lots of colourful flowers for the local community to enjoy.

The garden is supported by five volunteers, all over the age of 70 with the exception of one employee who runs the gardens café and receives a small income.

The main income generating activities in the garden are the Orangery Coffee House, pop up shop and seasonal events. In addition there is a donations box on site for visitors to contribute to the garden's upkeep

Overall, the charity breaks even at the moment, but it is difficult to maintain a regular income. There is also some concern over the lack of younger volunteers coming forward to support the garden.

Helmsley Walled Garden, (North Yorkshire)



Image source: SRC site visit to Helmsley Garden, August 2014



Helmsley Walled Garden is a charity and a company limited by guarantee. There is a membership of around 30 people who elect the board of trustees. The main objectives are horticultural therapy, promotion of gardening and restoration of the garden. The garden is located in Helmsley which is a popular tourist village and attracts many holidaymaker.

The garden employs 6 members of staff who are all gardeners but have additional responsibilities; marketing, volunteer coordination, PAYE/Tax and social care. There is also an employed caretaker who is supported into work (as previously long term unemployed) and lives on site.

Finance is the biggest challenge for the garden, especially as the monies previously available through social care have now reduced or gone completely. Having said that, the gardens income generating activities are charitable fundraising, the Vine House Café, admission fees (£6 per person), allotments (£12 per year per bed) and plant sales.

Gibside Landscape Garden (Gateshead)

The National Trust (NT) is a charity and completely independent of the Government. NT relies on membership fees, donations and legacies, and revenue raised from commercial operations for income. Gibside Walled Garden is a 4 acre site situated on the NT Gibside 18th Century landscaped garden site at Rowlands Gill, just south of Gateshead. An entry fee of £7.20 for an adult is charged for the whole site and includes the Walled Garden.

The garden was created in 1733 and when the NT took on the walled garden it was in a derelict state and most of the wall fruit trees had been cut down. The restoration has taken a number of years and is now a show piece for the Gibside site.



Image source: SRC site visit to Gibside Walled Garden, August 2014



Currently the garden is still split into 4 quarters; 1 quarter is grassed over and used for special events, a further quarter is grassed over as a car park, another quarter is used for community allotments and a crop share scheme, whilst the final quarter is used for vegetable growing as an extension of the Gibside Community Farm.

The National Trust who operates the garden constantly reviews what works best for the site and their visitors. Presently the NT is reviewing the special events quarter as the use of it has not been a good as anticipated.

Key factors in sustainability

The case study material for this pre-feasibility study has provided some useful insight and inspiration for the future of Prudhoe Walled Garden. Some of the experiences and advice from those who took part in the case studies are highlighted below. This will be valuable for the next stages of the Prudhoe Walled Garden project.

“Ongoing maintenance will be the biggest issue, as repairs require scaffolding, glass stripping, and specialist painting which may need to be done in stages – an immense undertaking for whoever takes on the walled garden. Also the provision of toilet facilities, storage and offices/workshop/storage space could be needed, as none of these are currently provided for within the existing Walled Garden area”

Mick Sharkey, 2014 – former horticulturalist at Prudhoe Walled Garden

Mechanisation is crucial for a sustainable garden going forward. There is a need to plant and harvest more to increase production, which inevitably means more machinery and more capital expense to increase crop numbers and revenue income.

Mick Marsden, 2014

“One of the biggest challenges is getting younger people in to support the garden. It won't have a future if it cannot to this”.

David Peacock, Whickham Hermitage Garden, 2014

“Don't surrender your land to others as you lose control, and always strive for financial independence”

“Also something that is become an issue only just recently is that that grants and donation are good for capital spending i.e. each usually comes with a condition on what you can spend it on. Whereas what we and what you will need is a large amount of unrestricted funds to pay for revenue items such as staff and gas/water/insurance etc. and the safest way of doing that is earning your own income.”

Mike l'Anson, Helmsley Garden, 2014

Full case studies are available in **Appendix 1** (separate document).

8. Community priorities for the Walled Garden

Two focus groups were facilitated by SRC where the ideas and aspirations for the walled garden were discussed. From these sessions and gathering the concepts from the other sources provided by Prudhoe Community Partnership, a series of options were discussed with the steering group. The steering group then identified the options that were agreed to be used in the community engagement process. Finally for this pre-feasibility report, SRC has summarised the findings from all the community engagement to present the preferred option.

The focus groups, community road show events and the online survey generated a variety of options for the future of the walled garden. Feedback from the community indicated a strong consensus for the main walled area of the garden to be developed for multiple 'not for profit' activities that might be run by a variety of different organisations and community groups. The gardener's cottage and the land outside of the walls could be used for 'income generating' activities run by social or private enterprises.

The following options were the main 'income generating' and 'not for profit' options that have come out of this process are detailed below.

Income generating options

1. Set up an eatery (café or restaurant) in the gardener's cottage

This option looks at refurbishing the gardener's cottage within the walls of the garden, to create a catering venue for an eatery (restaurant or café) with seating areas for serving food to customers.

This option could also include using part of the glasshouses and/or the garden as a seating area. The rental income from leasing out this area would contribute to the ongoing conservation and annual maintenance of the Walled Garden site.

2. Set up a children's nursery in the gardener's cottage

This option also looks at refurbishing the gardener's cottage within the wall of the garden to create a children's nursery. This option could also include using part of the garden as an outdoor play area, but it would need fencing off. The rental income from leasing out this area could also contribute towards the ongoing conservation and annual maintenance of the walled garden site.

3. Community run housing on the outer land of the garden walls

This option looks at the area of land immediately outside of the garden walls. The proposal would be for a community organisation to build approximately 5 bungalows for older people which would be rented out (ideally to retired gardeners/farmers). This income would potentially make a contribution to the

ongoing conservation and annual maintenance of the site but would also allow the whole of the Walled Garden area to be used for other activities.

Not for profit options

Main glasshouses

Many ideas were offered and the majority included growing food produce and garden plants for sale. Also included were using the glasshouses to the west side for an eatery area and the east side to be used as private dining/function room.

Potting shed

The majority of respondents agreed that the potting sheds should be used for supporting plant growing. Also there were less traditional options, included a Wifi enabled area that could be used as small function/meeting room for ad hoc usage or this space could be set up as a multi-player internet games room. Ideas for leasing out the sheds to small businesses for retail and artists were also popular.

Lean-to glasshouses to the east side

The installation of a water wheel growing area, specialising in herbs or a chilli house, growing chillies for the specialist market was considered as an ideal option for this glasshouse. Also the cold frames could use the heat from the glasshouses for food production (e.g. watercress) or fish.

Hard standing areas on the east side

Using this area as a sales point for horticultural structures/statues or as a selling space for pop up shops were considered a good use.

Garden

Ideally this could be used for soft fruit growing and harvesting apples from the heritage trees. On the west side, an artistic garden area with two pergolas which could double as outside dining areas is also an option.

Buildings on the west side

These buildings would be best used for horticultural training and volunteer rooms with secure lock up for tools

Outer wall facing the road

Temporary yet purpose built sheds from which community organisations and micro enterprises could sell goods would be a good use of this space.

Outcomes of the Community Survey

The purpose of the survey was to obtain feedback from the local community on some of the main suggestions for bringing Prudhoe Walled Garden back to life. The survey focussed on the possible 'income generating' options as it is crucial to come up with a preferred option that will meet the annual maintenance costs of the site (i.e. upkeep of the walls, glasshouses and the fabric of the gardener's cottage). In addition to this, it also provided an opportunity for respondents to suggest other 'not for profit' uses for the garden that could be explored alongside the 'income generating' ideas. While there needs to be an 'income generating' opportunity for the garden to be sustainably financed, the results of this survey show support for a plethora of ancillary opportunities that could be pursued for the benefit of the local community.

See **Appendix 2** (separate document) for the survey questions

A total of **60 individuals** completed the survey between 7th August and 25th August 2014. Overall, this is a good response rate given the time frame, and the outcomes indicate some very positive feedback. It is also important to note that 70% of respondents would like to be involved with the project going forward so there is a lot of local support to give the project ongoing momentum.

A positive response

On the 'income generating' options put forward, **95%** of respondents think that setting up an eatery (cafe or restaurant) in the gardener's cottage is a good idea. There has also been a huge amount of support for this idea at the community road show events. Additional feedback also indicated some support for a bakery or a deli to run alongside the cafe to bring in additional revenue.

73% of respondents think that providing community run housing is a good idea, while **27%** disagree. While some people feel strongly that the site should not be used to develop more housing, many see this as a great opportunity to generate a substantial regular income for the Walled Garden.

44% of respondents think that setting up a children's nursery is a good idea, but a majority of **56%** feel it isn't a good idea. There have been some safeguarding concerns raised over the presence of a children's nursery on a site with multiple uses. In addition to this, many people were unsure if another nursery would be useful to the local community or whether this option would really unlock the full potential of the Walled Garden.

In general, the feedback was that the majority of respondents would welcome the combination of the eatery and the community housing options as the 'income generating' options, but would be less keen on a children's nursery.

Utilising the main garden area and glasshouses for horticulture and community use were the favourite 'not for profit' options from the survey.

Other suggestions

Respondents to the survey would also like to see the following 'not for profit' opportunities taken forward:

- Horticultural therapy for people with mental health or learning disabilities
- Garden centre set up as a social enterprise
- Social enterprise workshop space for local artists
- Community allotments
- Community orchard
- Environmental education facility for local community groups and volunteer training
- Open park/green space/woodland area for young children
- Private hire of the site for events (e.g. weddings)
- A visitor centre

9. The business case for community ownership

The walled garden is particularly important to the local community and there have been expressions of interest shown in the past to transfer this part of the site into community ownership. The community has also shown some interest in managing the woodlands, sports fields and using part of the site for a community-led affordable housing scheme.

Although this pre-feasibility study looks at the Walled Garden, the woodlands would require a stewardship scheme to ensure future management (possibly in partnership with the Woodlands Trust or Northumberland Wildlife Trust, who are both adjoining woodland owners). Aligning the woodlands to the activities of a social enterprise at the walled garden, might provide opportunities for additional income streams (e.g. forestry products, outdoor sports, environmental skill and training sessions).

The Prudhoe Walled Garden site will require regular repairs and maintenance; and regardless of who operates the site, this ongoing work will cost approximately £20,000 per annum (as defined by Boxx consultants report). The HCA are keen to ensure that whoever takes on the ownership of the Walled Garden is able to generate the funds required to sustain the ongoing costs of maintaining the grade II listed structure. This is the number one priority.

Previously the Walled Garden site has been explored for the development of private enterprise (e.g. as the gardens and as a spa/swimming pool for a hotel development at the Hall). Soft market testing completed in 2011 dismissed this option as there were no viable businesses opportunities at the time that would provide a strong enough business case to pay for the ongoing grade II listings works.

Preferred developers (Gentoo) have come up with a plan to develop housing on the land on the outer side of the walls and then subdividing the walled garden for each householder. This proposal effectively meant that each homeowner would be responsible for part of the grade II listed structures and the costs of the ongoing repairs. This may be a viable option, but the Walled Garden would be in private hands and not accessible to the community.

The community led housing on the outer side of the walls might enable the income generated from the rent to pay for the ongoing conservation works whilst leaving the land within the walls, glasshouses and Gardeners Cottage available for other 'income generating' and 'not for profit' activities. This would enable community access via the activities created around the eatery/children's nursery and growing food. Community ownership offers a good option to maintaining the property by addressing both the community access and the ongoing works to the grade II listed structures.

Lead body

For the Walled Garden project to move forward there needs to be a lead body to receive the asset transfer for the land and garden. This organisation will require community input and have the ability to negotiate a community asset transfer.

In most of the case studies examined in this pre-feasibility study are standalone organisations, but often closely linked to larger bodies.

The following options have been considered for Prudhoe Walled Garden:

Option 1: Create a new standalone organisation.

This would provide a new organisation (e.g. Community Interest Company, charitable incorporated organisation) that would only focus on the Walled Garden project via the objects clause. However, there may not be enough interested local people willing to be legally responsible as trustees to make this a reality.

Option 2: Town Council (Prudhoe Town Council)

Utilising the existing Town Council status would enable the asset transfer, but there would be limitations when trying to raise finance from charitable or public sector sources. The Town Council would also need to develop a working group to ensure local people and the users of the project had an influence on the decisions affecting the Walled Garden project. Whether or not Prudhoe Town Council would be interested in progressing this is unknown at this stage.

Option 3: Existing Community organisation e.g. Development Trust

There are many community organisations in Prudhoe, but using the existing Development Trust (Prudhoe Community Partnership) would enable the community asset transfer and this organisation would have the ability to fundraise from charitable and public sector sources. The Development Trust has a wider remit than just the Walled Garden and focusing on this project would require additional capacity. However whether or not Prudhoe Community Partnership would like to progress the project as the lead body is not known at this stage.

Option 4: Create a new trading arm of the Development Trust

Building on the Development Trust's ability to undertake the asset transfer and source funds, this option should involve setting up a new wholly owned trading arm that is semi-independent. This could provide the focus needed for the project and give additional capacity. This new trading arm could have a variety of legal structures and would increase the capacity by bringing in new people. Costs of registration would be minimal.

Option 5: Use an existing trading arm of the Development Trust

Prudhoe Development Company Limited is an existing trading arm of Prudhoe Community Partnership and has considerable flexibility because it is not restricted by the objects clauses of the parent Development Trust. This trading

arm has places on its board for trustees from the Development Trust and independent members of the public. However whether or not Prudhoe Development Company Limited would like to progress this option as the lead body is not known at this stage.

On overall assessment, Prudhoe Development Company Limited is already established and meets all the parameters for taking forward the Prudhoe Walled Garden project.

The next step would be to bring in Social Enterprise Northumberland to support making the final decision on the lead body and to set up any governance arrangements and/or additional legal structures.

Costs of reinstating and maintaining the Walled Garden

Boxx consultants has undertaken a site visit and concluded that there are significant repairs and refurbishment required to the garden walls, glasshouses, ancillary buildings and Gardener's Cottage. At this stage no detailed surveys have been undertaken and no definite proposals have been prepared. However, it is likely that over £500,000 will be required to bring the buildings and walled garden up to a good state of repair.

Once the major repairs have been undertaken, there will be a need to maintain the buildings on an annual basis to preserve the assets and maximise the life expectancy of the building components.

Redecoration of the glasshouses should be undertaken every 5 years, and a budget of £25,000 will need to be allowed for this work. An annual figure of £3,000 should also be budgeted for other repairs and maintenance.

If the Gardener's Cottage is used as a domestic dwelling then the utilities bills for gas, electric and water are likely to be in the region of £1,250-£1,500/year.

Running costs for the Glasshouses are more difficult to estimate at this stage. However to use them for traditional horticultural use then the gas costs are likely to be in the region of £10,000/year.

The full financial report can be seen in **Appendix 3** (separate document)

Business rates

Unfortunately the whole of the hospital site has been deleted from the valuation office records online. So SRC has been unable to establish the business rates as the Walled Garden would need to be reassessed.

However, if the Walled Garden is to be used for charitable purposes, then rate relief will be applicable. 80% as a mandatory reduction for a charity, or the full 100% reduction, assuming Northumberland County Council awarded a further 20% discretionary reduction.

Initial conservation advice

SRC sought conservation advice from Northumberland County Council as the Walled Garden and glasshouses are of significant conservation interest. The setting of the walled garden is important and it is unlikely that developments will be allowed too close to the walls. The potting sheds are also significant, but the Gardeners cottage is less significant. This information was useful and gave a flavour of what was possible, but further discussions are needed when a defined plan is identified.

SRC has requested further information from the Conservation Officer following a site visit at the end of August 2014. In particular, clarity was requested regarding widening gateways, removal and additions to the gardener's cottage and the demolition of the 1950's utility building at the eastern edge on the outer side of the walls. The initial written response has been positive.

Identifying local businesses

Throughout the study process, SRC has approached a variety of local businesses about the options presented. A local businessman looking to set up a bistro style restaurant has been to the Walled Garden on a site visit and is positive about the offer that could be provided there. A children's nursery provider is also keen to explore the options that the gardener's cottage could offer.

Horticultural requirements and costs

GoLocal food has been on site to the Walled Garden and they have undertaken a review on the horticultural merit of the land available.

They have determined that, regardless of how the project develops, the first step would be to prepare the site for production. This would take approximately three months and would include activities such as clearing and preserving plants as well as returning amenity areas back to productive ground. Also, in the glasshouses new gravel beds, shelving and wires systems for crop training would be required.

GoLocal food has provided two horticultural options:

1. Generalist

Returning the garden to its original design to produce vegetables and soft fruits for the kitchen garden. This would take up to three years to be brought back into full production, but would produce approximately 2 tons of vegetables and 2 tons of fruit, plus cut flowers each year. The estimated operating costs for a generalist option is £45,400 per annum.

2. Specialist

This would identify a specialist market (not identified as yet) which growing could be dedicated towards. Outdoor areas would be used for growing apples and pears for juice and cider, whilst the glasshouses could be used

for pot herbs and chillies. However a supply chain appraisal would be needed to ensure that was sufficient demand for the product. The estimated operating cost for a specialist option is £54,400 per annum.

The full Horticultural report can be seen in **Appendix 4** (separate document)

Further work is required to review the cropping schedules and the financial returns for using the walled garden land for food production.

Housing development cross subsidy

One of the options put forward was that the Walled Garden could be managed by a social and community enterprise for the benefit of the local community, which also provides a small community led housing scheme (ideally five older people's bungalows).

This would support the future maintenance and repairs of the Walled Garden, as the five affordable rent dwellings could be built adjacent to the Walled Garden to provide a 'ring-fenced' annual rental income (the Garden Fund) to the owner of the walled garden in perpetuity.

It is envisaged that these dwellings would be additional to the general needs affordable housing within the wider scheme for the hospital site as a whole as required by the planning consent under S106 obligations. As such, affordable housing grant for a community led scheme from the HCA is likely to be available.

Furthermore, these dwellings will meet a specific/specialist local community need complementary to the use of the Walled Garden and which is over and above the general needs provision.

Initial financial modelling suggests that this is a viable model which could provide an annual income of between £7,500 to £12,500 p.a. but how this element would be delivered and the exact model of financial return will require further investigation depending on who is identified as the lead body. Market research and testing will also be required.

Commercial sensitivity

Due to the commercial sensitivity of the information that SRC has received from a number of sources, this report only provides outline information but more detailed information does back up the conclusions.

Outline proposal – preferred option

The preferred option assumes that the HCA will transfer the freehold of the assets (garden land & dwellings) to a public body or a community owned legal entity (lead body).

Also it is assumed that Gentoo will undertake the repair and refurbishment of the Walled Garden as required under the Planning & Listed Building applications with the capital costs met from the overall site redevelopment under the terms of its contract with the HCA.

A further assumption is that the community led housing element is acceptable to the planning authority and is acceptable for conservation; also that the lead body will apply for HCA grant funding to provide affordable rented housing units, hence the capital requirements for this scheme will be separate to the revenue generation.

Considering the community's feedback, the preferred elements for taking the Walled Garden forward is a combination of both 'income generating' and 'not for profit' elements.

The housing on the outer side of the walls, combined with leasing out the gardener's cottage for an eatery would pay for the majority of the costs to cover the ongoing maintenance. However the 'not for profit' options would need to be self-financing and where possible, also provide an income to the Walled Garden. The most likely 'not for profit' element is that of local food production, which is outlined in the GoLocal Food report.

Essentially, the finances per annum might be expected to be:

Expenditure:

- £5,000 for redecoration of glasshouses
- £3,000 for repairs and maintenance
- £1,500 for utility bills for Gardener's Cottage
- £10,000 for heating glasshouses for horticultural use

Total expenditure = £19,500

Income:

- £10,000 rental income from community led housing scheme
- £1,500 utility bills paid for by eatery as part of their rental
- £5,000 contribution from horticultural 'not for profit' enterprise (50%)
- £3,500 rental income for Gardener's Cottage

Total income = £20,000

Essentially this preferred option is viable but requires further market research and a business plan to ensure it is sustainable and robust in the long term. The addition of more land for growing, utilising the woodlands and the future maintenance of the recreational grass land in the wider site, are additional elements to be reviewed as part of the next steps.

Further consideration is also needed on how other 'not for profit' activities (e.g. artists, therapy, visitors centre) would be accommodated and ensuring that the wider community access to the site is enabled.

10. Next steps

This pre-feasibility study has identified a preferred option based around community led housing, an eatery and local food growing. To move this opportunity forward the following next steps are required:

1. Identify the lead body with the support of Social Enterprise Northumberland, and decide on the most appropriate legal entity for the taking ownership of the project/site. Also if necessary drawing up the necessary documents and registering the new body.
2. Gain letters of support from key stakeholders (e.g. HCA, Gentoo, interested businesses)
3. Apply to the Social Investment Business for a further grant to undertake a full feasibility study (deadline for completed applications 30th September 2014)
4. Undertake a full feasibility study on the preferred option including:
 - A full business plan for the whole site including all the elements - the community housing, leasing of the eatery and the growing land
 - Financial planning both capital and revenue costs, especially identifying grant funding opportunities
 - A full cropping plan for the growing land and an options appraisal on generalist versus specialist production
 - A valuation of all the buildings and the land in the site
 - A market assessment on the eatery proposal and identify operators
 - A market assessment on the community housing and an older people's housing needs survey
 - Architect drawings and technical specifications for the housing element
 - Conservation architects drawings on reinstatement needs and maintenance/repair protocols for the Grade 2 listed glass houses and walls
 - Professional support for the community asset transfer process
 - Legal documents for leases and the asset/land transfer process
 - Review the process for the lead body obtaining registered social landlord status , if needed

- Conservation advice for listed building consent for changes to the glass houses and the walls
- As part of the Listed Building process a photographic survey of the walls and glasshouses will be required.
- Repair schedule and drawings etc. will be needed for the Gardener's Cottage
- Planning advice on the process for community led housing
- A refurbishment asbestos survey will be required prior to carrying out any works on the site.
- A bat survey will also be required as it is likely that bats roost in the garden walls.