

SWAN (South West ACRE network)

Community Action



South Gloucestershire
North Somerset
Bath & N.E. Somerset

Good Practice Guide 3



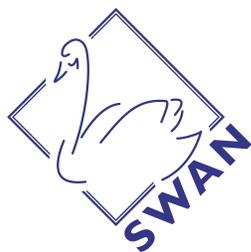
Conducting a
feasibility study



for a



community building



The text for this guide was originally produced by RIBA Community Architecture Group (no longer in being), written by Joe Ravetz with assistance from other C.A.G. members. Revised and updated by the Community Council for Somerset with permission of R.I.B.A on condition it is given away for free.

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CONDUCTING A FEASIBILITY STUDY

What is a Feasibility Study?

A study will help a group examine whether a project is feasible, and present the findings as a report. This may often contain a project history, costings, legal and planning implications and details of funding, as well as sketch designs for the scheme. The report helps secure funding for the building costs, presenting the ideas in a professional way and enabling progress to the next stage.

All building projects require a feasibility study, but for most community projects there are vital differences. Usually there are more questions that need investigation. And there is often more of an uphill struggle for a community project to raise the funds. The feasibility study has to put together the whole case for the project, start to finish, and then persuade possible funders to put in large amounts of money.

What is in the Study?

There is no fixed list of contents for a feasibility study, just a series of common questions. Before the design work come questions on organisation, demand and the location. This could be followed by further questions on management of the project, running costs and income, and on raising the money for building works.

The group should clarify its ideas, set up some form of organisation, if the village hall committee does not already exist, and consult/survey the community and the local authority before going ahead with a feasibility study.

The content of the study needs to be carefully tailored to the needs of the community, the project and the funders. A small project needs less detail than a larger project. Where the committee has a history of successful management the study can concentrate on the design and fundraising.

Certain funders produce specific guidance for applicants, and the study must tackle these points.

Questions must focus only on areas which are important to the individual project.

Checklist A - Contents of a Feasibility Study

Introduction

- Summary of main points

The Project

- The proposed project
- The demand for its facilities
- The potential funders
- The future organisation

Organisation – hall steering group

- The existing organisation & its constitution
- The history & projected future of the organisation
- Finances & management
- The clients/users: who, where, how many

Building & Site (traditional work of the architect)

- The selected building or site
- History of the building or site
- Ground conditions & services
- Planning permission/highways
- Location for customers/users

Designs & Cost (traditional work of the architect)

- Sketch designs or options
- Works of repair/rehabilitation
- Special conditions e.g. listing
- Outline costings

Capital Funds – hall steering group

- Capital funds for purchase and building works
- Overall costs, incl. legal fees, removals, start ups
- Potential funders
- Special requirements from funders
- Financial & contractual details (e.g. VAT)
- Phasing of the project, e.g. to availability of funds in collaboration with the architect

Revenue Funds – hall steering group

- Revenue expenditure to run the building
- Revenue income, from customers/users or grants
- Feasibility of activities within the overall project
- Margins of error
- Future management

Programme – architect & steering group

- Timescale for fund-raising, design, & construction
- 1st & future phases of the project
- Marketing & public relations plan
- Next steps (e.g. planning permission or fund-raising)

Appendix:

- Relevant background information & detail for all of the above

When is the Study done?

The best time to do a study is not always clear, particularly for a new group or project. There may be months or years of talking about ideas, sounding them out with other groups or potential sources of funding, looking for possible buildings or sites etc.

The first hurdle is often forming a group and getting it registered as a company if one does not already exist. At some point the group will need to approach possible sources of funding. Funding organisations will usually request a feasibility study before considering assistance. This is the most likely point for the study to be done. It is often useful to do the study in several stages. These depend on crucial questions such as planning permission, ownership of a building or approval of funds.

.Architects have a standard 'programme of work' which includes two preliminary stages: 'inception' and 'feasibility'. These are not included in standard scales of fees in order that the amount and type of work can be negotiated to suit the particular project. Checklist B lists some initial actions or events. The more the committee or groups can do themselves so the input of the architect can be reduced and subsequently the fee charged.

Checklist B - Timing of the Study

Help is available from

Inception

- Ideas
- Consultations with group
- Advice from the Community Council & district council etc.
- Find suitable building/site
- Surveys of community discussions with possible funders

Feasibility

- Sketch design and costings

Study

- Market demand & provision
- Running costs & management
- Sponsorship & fund-raising
- Forming the organisation (if it does not already exist)

Fund-Raising

- Funds approved in principle: starting point

Design & Construction

- Back to the conventional programme for building design & construction

Who Does the Work?

A building project usually involves an architect, although other professionals have expertise in aspects of project management (surveyors, planners and management consultants). Where design is involved an architect is likely to be the best person to

manage the project. Other professionals (Checklist C) often make contributions to the architect's studies for smaller projects. The quantity surveyor has a key role in estimating building costs. For larger projects other professionals might carry out their own specialist studies which contribute to the overall feasibility study.

All professionals involved should be committed to community participation, and willing to work as equals alongside local people. It is also preferable for them to be on tap for the lifetime of the project to assist with problems and queries.

Checklist C - professionals

- Village Hall Adviser
- Community Development Workers e.g. Community Council / District Council

Building History

- Architects & technicians
- Engineers
- Planners & environmentalists
- Engineers & landscape designers
- Surveyors, valuers etc.

Finance & Management

- Accountants
- Management consultants
- Solicitors

Who might be interested in the study?

The prime purpose of the feasibility study is to persuade funding bodies that the project is sound and viable. A wider purpose of the document is to 'sell' the idea of the project to groups or bodies who might become involved, and to be part of a general public relations exercise.

It should also be used to communicate the ideas to others who might benefit from the project. For technical purposes the study will be used as back-up for planning & highways applications, and for briefing of future professionals.

Checklist D - Where might you send the study?

Village Hall Adviser at the Community Council

Community Groups

- Other members of the group
- Other groups

Local Authorities

- Planning dept.
- Recreation/social services depts.
- Town & parish councils
- Funding officers

Possible Funders

- Local sponsors/businesses
- National trusts & foundations

- Local/national funding organisations

Consultants

- Engineers
- Landscape designers
- Surveyors
- Solicitors & accountants

How is it put together?

The order of doing the work for a 'typical' project might follow Checklist A. A feasibility study is more likely to start with the most urgent question and work around it in a circular process.

For example, the conversion of a redundant church to a village hall might start with a survey of the building's structure and likely options for planning permission. Then the use of the space and the finances would be considered. Finally the details of the works to the structure and so on would be reviewed. Similarly a study for a new community centre might start with a list of possible locations, and then look at the pros and cons of each in terms of cost, planning permission etc.

At every key stage the architect and hall committee should communicate with and involve the local community. Surveys, meetings, exhibitions and so on should be organised, if not already done by the hall committee. The questions of the market and demand for the facilities are often the most crucial and the least considered. The finest building in the world is of little use if it does not fit the needs of the community or it is not financially sustainable.

How much does it cost?

Every study is unique and tailor made. There is no set figure or percentage cost. Very simple studies for a village hall extension might be as low as £500-£1000. Larger, more complex studies involving many different professionals may be into 5 or 6 figures. A very rough guide might be in the range of 1-2% of overall estimated costs. However, this figure depends totally on the features of the project. It may also be difficult to estimate project costs prior to the study.

Selecting & briefing architects

It is crucial to select an architect or professional who is suitable by being:

- **Amenable to and supportive of working with community groups**
- **Close enough to be in regular contact**
- **Experienced in project management & fundraising**
- **Experienced in the type of building or project**

Unless there is an obvious candidate, selection should be made from a shortlist of at least three. The clients should ask to see examples of work and previous feasibility studies. It is not a good idea to pre-judge the study by asking for outline design work at

this stage. The selection should be made on the questions above looking at suitability rather than price alone.

See: www.architecture.com follow menu using an architect/find an architect.

The appointment of the architect should be made by a letter of agreement, which specifies the work, the fee and the timing of payment. The fee payments should be staged. It should be possible to time these with the receipts of funding where these are known.

The 'brief' to the architect is the main part of the agreement. This specifies what kind of work is to be included in the agreement (see Checklist E). A more detailed list is given in the RIBA 'Architect's Appointment'. A briefing list should be ticked and attached to the letter of appointment. This will also specify which other professionals would be involved.

See: www.architecture.com follow menu using an architect/working with an architect.

Checklist E - Items for the brief

Organisation - Village Halls Adviser

- Assist the group/committee on management, constitution, finance & the project development

Surveys

- Assist in surveys & consultations with community – Village Halls Adviser
- Measured survey of building or land - architect
- Structural surveys of buildings (with engineer)

Planning – architect with hall committee/group

- Negotiate with planners & highways authorities
- Negotiate with owners, landlords etc.

Design - architect

- Provide sketch designs
- Provide specialist designs e.g. landscape

Costings – architect & quantity surveyor

- Estimate building costs

Management – Village Halls Adviser/ hall committee/ architect

- Provide building management costings

Funding – Village Halls Adviser with committee

- Help identify source of funding & fund-raising ideas

Public Relations – architect and/or committee

- Provide graphics & exhibitions for fund-raising

Sources of Funding

Sources of funding for feasibility studies are very few. Most funding bodies (including local councils) will only consider applications after the feasibility study has been done. Some groups are successful in persuading an architect to put time in 'on spec' in the expectation of a major building project going ahead with proper fees.

Before starting a Feasibility Study

- Consult the Community Councils Village Halls Adviser
- Research & survey the need or demand
- Consult with the community and the Council
- Look for a suitable site or building
- **Persevere – it's worth it**

Village Hall Advisers Addresses

Community Action:

Church House
74 Long Ashton Road
Long Ashton
Bristol
BS41 9LE
Tel: 01275 393837 Fax: 01275 394563
Email: mail@community-action.org.uk
Charity No: 267256

Cornwall Rural Community Council:

9A River Street
Truro
TR1 2SQ
Tel: 01872 273952 Fax: 01872 241511
Email: info@cornwallrcc.co.uk
Charity No: 218343

Community Council of Devon:

County Hall
Exeter
EX2 4QB
Tel: 01392 383443 Fax: 01392 382062
Email: info@devonrcc.org.uk
Charity No: 1074047
Company No: 3694095

Dorset Community Action:

Community House
The Barracks
Bridport Road
Dorchester
DT1 1YG
Tel: 01305 250921 Fax: 01305 216420
denisepaice@dorsetcommunityaction.org.uk
Charity No: 1060910
Company No: 3320011

Gloucestershire Rural Community Council:

Community House
15 College Green
Gloucester
GL1 2LZ
Tel: 01452 528491 Fax: 01452 528493
Email: naomim@grcc.org.uk
Charity No: 1054282
Company No: 3181755

Community Council for Somerset:

Victoria House
Victoria Street
Taunton
TA1 3JZ
Tel: 01823 331222 Fax: 01823 323652
Email: info@somersettrcc.org.uk
Charity No: 1069260
Company No: 3541219

Community First:

Wyndhams
St Joseph's Place
Bath Road
Devizes
SN10 1DD
Tel: 01380 722475 Fax: 01380 728476
Email: enquiries@communityfirst.org.uk
Charity No: 288117
Company No: 1757334