THE MARCHWELL STUDIOS BUSINESS PLAN
September 2026

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1. Executive Summary

Marchwell Studios is a heritage-led regeneration project that will bring the Grade II-listed former Marchwell Stables at Graylingwell Park back into productive use as a centre for creative enterprise, sustainable making and skills development. Delivered and operated by Chichester Community Development Trust (CCDT), the project will provide affordable workspace, maker studios, enterprise incubation, training and community learning within a restored historic building.

The project responds to an identified shortage of affordable creative workspace in Chichester. Consultation and engagement undertaken by CCDT have highlighted demand for affordable studios, creative business incubation, practical makerspaces, graduate provision, enterprise support, training, exhibition activity and community-focused creative opportunities.

Significant progress has already been made. The total project cost is £4,036,119, of which £3,395,635 has been secured through developer contributions, heritage funding and charitable investment. The historic building is now in community ownership, and restoration is approaching completion.

A remaining capital requirement of £640,484 is required to complete the project and support the transition to full occupation and operation. Further funding applications have been submitted as part of the remaining fundraising strategy. This is to complete the planning conditions associated with the Fit-Out Phase and the internal dry-lining works within the Studios.

The next phase is to activate the building: recruit and support occupiers, complete the remaining capital works and establish an operating model that balances affordable workspace with long-term financial sustainability. Under the current representative occupancy model, Marchwell Studios is forecast to generate approximately £82,272 of annual studio income, with provision of £15,000 per year for planned maintenance.

The business model is designed to enable CCDT to operate Marchwell Studios as a sustainable community asset. Rental income will support staffing, utilities, insurance, compliance, maintenance and future lifecycle costs, while operational surpluses will be reinvested into the building, occupier support and wider charitable objectives.

2. Marchwell Studios – The Project

Marchwell Studios is the proposed long-term use for the former Marchwell Stables at Graylingwell Park. The project has developed through planning, consultation, design development and significant capital investment.
The building has been secured in community ownership and is being restored to provide a flexible combination of individual studios, workshop/makerspace and shared facilities. The intention is to create an active community of makers, creative businesses, social enterprises, graduates, educators and learners rather than simply a collection of rented rooms.

CCDT will retain sufficient flexibility to respond to demand at the point of occupation. The representative tenant mix used in the financial model is therefore an operational assumption rather than a fixed commitment to particular sectors.

2.1 Project objectives

- Secure the long-term future and productive use of a Grade II-listed heritage asset.
- Provide affordable workspace for creative businesses, makers, graduates and social enterprises.

- Support enterprise development, skills, learning and community participation.
- Create a financially sustainable operating model that can support the building's maintenance and lifecycle costs.
- Use community ownership to ensure that the benefits of the asset are retained locally.

3. The Heritage Asset

Marchwell Stables is a Grade II-listed historic building within Graylingwell Park. The project represents a transition from a deteriorating and underused heritage asset to a productive community-owned building with a viable long-term use.

The restoration programme has been designed to safeguard the historic fabric while adapting the building for contemporary use. The business plan therefore treats heritage conservation and viable occupation as interdependent: the building needs an economically and socially useful purpose to support its long-term stewardship.

3.1 Heritage significance

Marchwell Stables forms part of the historic Graylingwell Farm complex within the Grade II Registered Park and Garden at Graylingwell and sits adjacent to the Grade II-listed Graylingwell Farmhouse. The origins of Graylingwell can be traced back to the medieval manor granted to the Bishop of Chichester in 1231, with the current farmhouse having seventeenth-century origins and significant eighteenth-century additions.

The site takes its name from the nearby Grayling Well, a natural spring that has historically shaped the landscape and identity of the area. The farm was occupied by a succession of prominent local landowners and tenants, including the Miller family, before becoming associated with Graylingwell Hospital following the acquisition of the estate by West Sussex County Council in the late nineteenth century. The site also has cultural significance through its association with Anna Sewell, author of *Black Beauty*, whose family lived at Graylingwell House during the 1850s.

The existing farm buildings were largely rebuilt in the 1890s as part of the development of Graylingwell Hospital, designed by the notable architect Sir Arthur Blomfield. Historically, they formed part of the working farm that supplied the hospital with food and agricultural products and later played a role in therapeutic and occupational activities for patients.

Although the buildings have experienced significant deterioration and alteration, several important historic features survive. These include areas of original Flemish bond brickwork with vitrified headers, former cart entrances, stable doors, evidence of horse stalls, cast-iron ventilation grilles, tethering rings and the historic courtyard arrangement that illustrates the site's agricultural origins. Collectively, these features contribute to the understanding of the building's former function and development over time.
The significance of Marchwell Stables derives not only from its surviving historic fabric but also from its relationship with Graylingwell Farmhouse, the wider historic landscape and the former hospital estate. Together they illustrate the evolution of the site from medieval manor and agricultural holding to a pioneering psychiatric hospital and now, a community-led heritage regeneration project. The restoration and reuse of the buildings will secure the long-term future of this historic farmstead while allowing its history and character to remain legible and accessible to future generations.

3.2 Conservation and restoration

The restoration programme has safeguarded the historic fabric of the building and is approaching completion of the shell-and-core phase. The remaining works comprise the final conservation repairs, completion of services and infrastructure, and associated fit-out works required to bring the building into occupation. These works have been developed in consultation with specialist heritage advisers and are designed to preserve the significance of the asset while ensuring its long-term viability.

3.3 Heritage opportunity
Marchwell Studios will demonstrate how a historic building can meet contemporary economic and community needs without losing the character and significance that make it valuable. Occupiers, visitors and participants will encounter the building as a working heritage asset rather than as a preserved but underused structure.

4. Why Chichester Needs Marchwell Studios
Chichester has experienced significant housing growth and wider development, while opportunities for affordable creative enterprise, small-business incubation and professional workspace have not kept pace. CCDT's consultation and engagement with artists, creative businesses, residents, educators and community organisations identified demand for:

- Affordable studios and workspace
- Creative business incubation
- Practical makerspaces and workshops
- Graduate studio provision
- Enterprise support
- Training and learning opportunities
- Exhibition and event space
- Community-focused creative activity

The project has therefore been designed in response to an identified local gap rather than as a speculative conversion of the heritage asset.

5. Vision and Objectives
The vision is to create a thriving centre where creativity, enterprise, sustainability and community benefit intersect. Marchwell Studios will support people at different stages of their creative and professional journeys: graduates taking their first steps, emerging enterprises, established makers, social enterprises and people seeking opportunities to learn new skills.

The ambition is to create a community of makers, educators, entrepreneurs and learners who collectively contribute to the social and economic life of Chichester.

6. The Proposed Use
Marchwell Studios will provide a flexible creative enterprise hub with 19 affordable maker studios alongside shared workshop, training and community facilities.

6.1 Target occupiers
Social enterprises and community organisations: Workspace for organisations delivering social value, specialist services, creative programmes and community benefit.

Creative businesses and makers: Flexible studio and workshop accommodation for established businesses in creative, cultural and making sectors.

Artists, designers and independent creatives: Affordable professional workspace for individuals and small creative businesses developing their practice and careers.

Enterprise and graduate incubation: Space for emerging businesses, recent graduates and early-stage creative enterprises, with opportunities for mentoring, peer support and development.

Learning and skills development: Shared workshop and training facilities for courses, mentoring, demonstrations, community workshops and skills-sharing.

6.2 Occupier-led fit-out

CCDT will provide completed shell-and-core accommodation while occupiers will be expected to invest in fitting out their own spaces to meet their operational requirements, subject to appropriate controls. This approach reduces CCDT's future capital liabilities, encourages occupier commitment and allows spaces to evolve.

7. Market Demand and Occupancy

The business model is based on a flexible occupancy approach. CCDT will not commit to a fixed tenant mix in advance; instead, studio allocation will reflect demand, affordability and community benefit at the point of occupation.

Demand has been tested through consultation, engagement and market research. The September 2026 Open Day generated strong interest, with 60 attendees.

7.1 Letting Strategy

Marchwell Studios will be let through an open and transparent application process designed to balance affordability, financial sustainability and community benefit. The Studios will provide approximately 6,800 sq ft of workspace across 19 studios, ranging in size from approximately 168 sq ft to 711 sq ft. The mix of small, medium and large units has been designed to accommodate individual artists and makers, creative start-ups, social enterprises, community organisations and established creative businesses. Rental levels have been informed by benchmarking against comparable studio providers and reflect both the larger average unit sizes at Marchwell Studios and the occupier-led fit-out model. The proposed rental structure is:

Studio Type	Size Range	Rent
Small	Up to 215 sq ft	£8 per sq ft per annum
Medium	216-600 sq ft	£13 per sq ft per annum
Large	Over 600 sq ft	£20 per sq ft per annum

All occupiers will be responsible for their own utility costs through individually metered supplies. Rent levels will be reviewed periodically to ensure they remain affordable whilst supporting the long-term sustainability of the building. Licence agreements will initially be offered on 12-month terms. Occupiers will be selected through an application and interview process designed to ensure studios are allocated fairly and in a way that supports the vision of Marchwell Studios as a thriving creative community. Applications will be assessed by a panel comprising representatives from CCDT, the University of Chichester and independent creative practitioners.

Selection will consider:

- The quality, commitment and development of the applicant's creative practice or enterprise.
- How access to studio space would support current work and future development.
- Suitability of the proposed activity for the available space and facilities.
- Interest in participating in a collaborative creative community.
- Potential contribution to the wider cultural, educational and community life of Marchwell Studios.
- The extent to which affordable workspace would benefit the applicant.
- The need to achieve a diverse and complementary mix of occupiers across the Studios.

Applications will be welcomed from individuals and organisations at all stages of development, including graduates, emerging practitioners, social enterprises and established creative businesses. Selection will be based on overall suitability rather than artistic style, commercial success or formal qualifications, ensuring that opportunities remain accessible to a broad range of applicants. Equal opportunities principles will underpin the entire process. Demand for the Studios has been tested through consultation, market research, engagement with creative practitioners and a dedicated Open Day programme. Strong levels of interest have been recorded from prospective occupiers, helping to inform both the studio mix and pricing strategy. Studio allocations will be undertaken on a phased basis to support the successful activation of the building and establish a sustainable and diverse community of occupiers.

7.2 Comparable Market Evidence

The proposed pricing structure has been informed by research into 25 creative workspace providers across Sussex, Hampshire, Wiltshire, Devon and London. Analysis undertaken by CCDT found an average rental rate of approximately £9.84 per sq ft per annum across the sample, with regional providers typically charging between £12 and £20 per sq ft per annum. Average studio sizes within comparable regional schemes were generally between 170 sq ft and 225 sq ft. Marchwell Studios differs from many comparable providers by offering larger-than-average units, with an average studio size of approximately 360 sq ft, together with a model that requires occupiers to undertake their own internal fit-out. As a result, rental levels have been positioned within the lower to middle range of comparable regional provision in order to maintain affordability while ensuring the financial sustainability of the Studios.

Location	Typical Rent (£/sq ft)
Portsmouth	£20.18
Southampton	£15.00 - £19.00
Winchester	£14.50 - £17.50
Salisbury	£16.00 - £19.00
Havant	£14.67 - £15.00
Marchwell Studios	£8.00 - £20.00 depending on unit size

Market evidence suggests that Marchwell Studios will offer competitive and affordable workspace for creative practitioners and social enterprises within the region. The proposed pricing structure supports CCDT's objective of creating an accessible creative enterprise hub whilst generating sufficient income to meet operational and maintenance costs and secure the long-term future of the heritage asset.

8. Business and Operating Model

Marchwell Studios will operate as a community business. The primary income stream will be studio rental, supplemented by income from shared facilities.

8.1 Core income

The representative financial model forecasts approximately £82,272 of annual studio income at full occupancy. This figure is intended to test viability rather than prescribe a permanent tenant mix.

8.2 Additional income

- Training room hire
- Workshops and courses
- Skills development programmes

8.3 Operating costs
Marchwell Studios has been designed to operate as a financially sustainable community asset. The operating budget includes staffing, utilities, business rates, insurance, compliance, marketing, cleaning, building management and provision for future maintenance and lifecycle replacement. The budget has been informed by CCDT's experience of managing community facilities and heritage assets and has been developed to ensure that the building remains affordable, well maintained and financially resilient.
Operating costs fall into three broad categories:

Cost Category	Examples
Fixed Costs	Staffing, business rates, insurance, compliance, administration and professional services
Variable Costs	Utilities, cleaning, waste disposal, communications and consumables
Lifecycle Costs	Planned maintenance, future repairs and replacement of building components

The current operating model includes provision for a Studio Coordinator and site management support together with annual expenditure on utilities, compliance, insurance, cleaning, marketing and professional services. In addition, the financial model includes an annual contribution of £15,000 to a planned maintenance reserve (sinking fund) to support the long-term stewardship of the building and meet future repair and lifecycle costs. This approach ensures that the full cost of operating and maintaining a historic building is recognised within the business model from the outset and reduces reliance on future grant funding for routine maintenance and replacement works. Detailed operating budgets, cashflow forecasts and sensitivity testing are included within **Appendix 2: Five-Year Financial Forecast**.

8.4 Staffing and management
Marchwell Studios will be managed within CCDT's existing management and governance structure. Day-to-day operation of the building, including tenant liaison, lettings, maintenance coordination and compliance monitoring, will be overseen by CCDT staff, supported by specialist contractors where required.

Financial management, rent collection and budget monitoring will be undertaken through CCDT's established finance systems and overseen by the Trustee Board and Management Group.
Building maintenance, statutory compliance and health and safety responsibilities will be managed through CCDT's existing property-management arrangements, including planned maintenance schedules and specialist professional support where required. This approach allows Marchwell Studios to benefit from CCDT's experience managing community assets, while ensuring that operating costs remain proportionate to the scale of the building.

9. Financial Viability and Sustainability
The project has been developed as a sustainable community business designed to balance affordability with financial resilience. The model has been informed by consultation, market research, benchmarking and financial modelling.

9.1 Capital investment secured

The funding to date has been assembled through a combination of developer contributions, heritage funding and charitable investment. Funding has been secured from Section 106 developer contributions, the National Lottery Heritage Fund, the Community Ownership Fund and other charitable sources. The £5,000 Architectural Heritage Fund grant relates to earlier project development work and is included as historic funding within the overall project budget. The current Architectural Heritage Fund application is separate and seeks support towards the completion and activation of the Marchwell Studios project.

Funding Source	Amount (£)	Status
Section 106 Contribution	1,778,567	Secured
National Lottery Heritage Fund	1,278,158	Secured
Community Ownership Fund	250,000	Secured
Meadow Blue	35,000	Secured
Architectural Heritage Fund	5,000	Secured
Interest	48,910	Secured
Total Secured Funding	**3,395,635**	

9.2 Operating forecast

The operating forecast is based on the current studio schedule comprising 19 affordable workspaces together with a shared training room and ancillary facilities. Under the current occupancy and rental assumptions, Marchwell Studios is forecast to generate annual income of £82,271.90 against annual operating expenditure of £75,400, creating an annual operating surplus of £6,871.90. The model includes provision for a planned maintenance reserve of £15,000 per annum, ensuring that future repair and lifecycle costs are incorporated into the operating budget from the outset. This demonstrates that the Studios can operate on a financially sustainable basis whilst maintaining affordable rents and supporting the long-term stewardship of the heritage asset.

Measure	Current Forecast
Annual Income	£82,271.90
Monthly Income	£6,856
Annual Operating Expenditure	£75,400
Annual Operating Surplus	£6,871.90
Lettable Space	Approximately 6,800 sq ft
Planned Maintenance Reserve	£15,000 per annum

9.3 Long-term sustainability

The model is designed to reduce dependence on future grant funding. Occupier-led fit-out limits CCDT's capital exposure, while rental income provides a recurring revenue base. A dedicated maintenance provision is included so that the building's future repair and lifecycle needs are recognised within the operating model.

Operational surpluses will be reinvested into maintaining the asset, supporting occupiers, delivering community programmes and advancing CCDT's charitable objectives.

9.4 Financial resilience

The financial model has been developed to ensure that Marchwell Studios can operate sustainably while maintaining affordable rents and supporting the long-term stewardship of the building. Based on the current operating forecast, the Studios are projected to generate annual income of £82,271.90 against annual operating expenditure of £75,400, resulting in an annual operating surplus of approximately £6,871.90. This surplus provides a modest level of financial resilience while allowing affordable workspace to be maintained.

The operating model incorporates a diversified mix of occupiers, phased lettings, annual rent reviews and a dedicated maintenance reserve of £15,000 per annum, helping to reduce financial risk and support future repair and lifecycle costs. Regular budget monitoring will enable CCDT to respond proactively to changes in occupancy levels, operating costs and market conditions.

Detailed five-year income and expenditure forecasts, cashflow projections, break-even analysis and sensitivity testing are provided in Appendix 4: Five-Year Financial Forecast. These forecasts demonstrate the impact of varying occupancy levels, cost increases and rent reviews and assure that the operating model remains sustainable under a range of scenarios.

10. Heritage Management and Long-Term Stewardship

Long-term stewardship is central to the business model. The building's future depends on having a viable use that generates sufficient income to meet routine operating costs and contribute to planned maintenance and future lifecycle expenditure.

CCDT will retain responsibility for the overall stewardship of the asset and will manage alterations, maintenance and future investment through its governance and property-management arrangements.

10.1 Planned Maintenance and Lifecycle Management

CCDT will be responsible for the long-term stewardship, maintenance and management of Marchwell Studios. Responsibility for statutory compliance, planned maintenance and fabric repairs will sit with CCDT through its established property management and governance arrangements.

A planned maintenance programme will include:

Frequency	Activity
Monthly	Health and safety inspections, fire safety checks, security inspections and routine building inspections
Quarterly	Inspection of rainwater goods, drainage systems, roofs, external fabric and building services
Annually	Servicing of electrical, mechanical, fire and security systems, review of condition surveys and maintenance priorities
Every 3–5 years	External decoration, repairs to historic joinery, specialist inspections and condition assessments
10+ years	Major lifecycle replacement of building systems and significant fabric repairs as required

A dedicated maintenance reserve of £15,000 per annum has been incorporated into the operating budget. This equates to a monthly contribution of £1,250 and is intended to provide a sinking fund for planned maintenance, lifecycle replacement and unforeseen repairs. The reserve will be reviewed annually against actual maintenance requirements and future condition surveys.

10.2 Conservation Management and Heritage Stewardship

As a Grade II-listed building, Marchwell Studios will continue to be managed in accordance with heritage and planning requirements. CCDT will ensure that the significance of the building is safeguarded through ongoing monitoring, maintenance and appropriate controls over future alterations.

Key conservation measures will include:

- Retention and protection of historic fabric, features and architectural character.
- Regular inspection and condition monitoring of significant building elements.
- Use of appropriate materials and conservation-led repair techniques when maintenance works are undertaken.
- Compliance with any Listed Building Consent conditions associated with the restoration works.
- Requirement for heritage assessment and statutory approvals for any future alterations that may affect the significance of the building.
- Management of tenant fit-outs through design guidance and approval procedures to ensure that historic fabric is protected.

CCDT will review the condition of the building as part of its wider asset-management programme and will maintain records of repairs, maintenance works and any heritage-related interventions. This approach will ensure that the building remains both a productive creative workspace and a well-maintained heritage asset for future generations.

11. Community, Economic and Environmental Impact

The impact programme for Marchwell Studios extends beyond the provision of workspace. Through a programme of heritage interpretation, talks, walks, workshops, volunteering and skills development, the project will engage residents, visitors, creative practitioners and volunteers with the history of Graylingwell and the wider heritage of the site. Activities include heritage open days, guided walks, talks, oral history projects, exhibitions, volunteering opportunities and artist-led workshops, creating opportunities for learning, participation and community cohesion. Detailed targets and activities are set out in the Marchwell Studios Activity Plan.

Through affordable workspace, heritage engagement, volunteering, skills development and community participation, Marchwell Studios will generate both economic and social value while ensuring that the benefits of the asset remain within the local community.

11.1 Economic impact

Marchwell Studios will support creative businesses, makers, graduates and social enterprises to establish and grow locally. Affordable workspace can support self-employment, business development and local employment while retaining creative talent within Chichester.

11.2 Community and skills impact

The Studios will provide opportunities for workshops, skills programmes, exhibitions, events, volunteering, mentoring and peer support. This will broaden access to creativity, learning and enterprise and strengthen connections between occupiers and the wider community.

11.3 Environmental impact

Bringing a historic building back into productive use demonstrates the environmental value of reusing existing assets. The focus on sustainable making, repair, reuse and circular-economy activity will support environmentally responsible practices among occupiers and participants.

11.4 Impact measures

CCDT will monitor the performance of Marchwell Studios through a combination of financial, heritage, learning and community impact indicators. Targets have been informed by the Marchwell Studios Activity Plan and will be reviewed annually as the project develops.

Area	Indicative Annual Measure
Occupancy	Maintain high occupancy across 19 studio units
Creative Enterprise	Support up to 19 artists, makers, creative businesses and social enterprises
Heritage Engagement	Deliver heritage talks, walks, tours and interpretation activities
Heritage Learning	Collect and preserve up to 20 oral histories relating to Graylingwell Farmhouse and the Stables
Volunteering	Recruit and train volunteers to support heritage interpretation, events and engagement activities
Skills Development	Deliver volunteer and staff training programmes in heritage, interpretation, oral history collection and facilities management
Community Participation	Deliver workshops, talks, exhibitions and public events that engage local residents and visitors
Young People and Learning	Provide opportunities for work experience, placements and skills development activities
Environmental Impact	Promote reuse of a historic building and support sustainable making, repair and creative enterprise

More detailed outputs will include heritage open days, guided walks, talks, artist-led workshops, volunteer training, interpretation projects and community engagement activities as set out within the Marchwell Studios Activity Plan. Monitoring will combine participation data, feedback, volunteer records, occupancy information and financial performance to measure both the operational success of the Studios and their contribution to heritage, learning and community outcomes.

12. Governance and Management

Marchwell Studios is being delivered and will be operated by CCDT, an established charity and community development trust with experience of acquiring, restoring and managing community assets.
CCDT's Trustee Board provides strategic oversight, ensuring decisions align with the Trust's charitable objectives and long-term strategy. The Board has expertise across finance, business, property, governance and community development.

Day-to-day delivery is led by the senior management team, supported by specialist consultants, professional advisers and contractors where required. Established project management, financial control and risk-management systems are applied to major projects and reviewed by the Board.

As the future owner and operator, CCDT's interests are aligned with the long-term success of Marchwell Studios. The objective is not simply to complete the capital project but to establish a financially sustainable, accessible and community-beneficial asset.

13. Risk Management

Risk	Potential Impact	Mitigation
Capital cost increases	Additional funding requirement, project delays or reduction in scope.	Maintain an up-to-date cost plan, monitor contracts and procurement closely, and continue to secure remaining funding to complete the project.
Delay to project completion	Delayed occupation, reduced income generation and increased project costs.	Active programme management, contractor monitoring and regular oversight by the CCDT Board and project team.
Lower than anticipated occupancy	Reduced rental income and pressure on operational sustainability.	Evidence-led letting strategy, phased occupation, active marketing and maintenance of a diverse occupier pipeline.
Increased operating costs	Reduced operating surplus and pressure on maintenance budgets.	Annual budget reviews, cost control measures, periodic rent reviews and prudent financial management.
Major repair or lifecycle replacement requirement	Unplanned capital expenditure.	Planned maintenance programme, annual sinking fund contribution and regular monitoring of building condition.
Tenant turnover and void periods	Temporary loss of income and occupancy fluctuations.	Diversified tenant mix, transparent application process, active tenant management and ongoing marketing of available space.
Failure to secure remaining capital funding	Delay to completion of fit-out works and opening programme.	Active fundraising programme, trust and foundation applications and phased delivery approach where appropriate.
Heritage compliance or conservation requirements	Additional costs or delays associated with listed building obligations.	Ongoing engagement with conservation specialists and adherence to agreed conservation and maintenance plans.

Risks are reviewed regularly by CCDT's management team and Trustee Board as part of the Trust's established governance and financial management arrangements. Risk mitigation measures are integrated into project delivery, operational planning and financial monitoring to ensure the long-term sustainability of Marchwell Studios.

14. Implementation and Timetable

The project is approaching completion of the shell-and-core restoration phase. The next stage is completion of the remaining capital works, occupier recruitment and activation of the Studios.

Stage	Indicative Timing	Key Activities
Remaining Capital Works	Autumn 2026 – Spring 2027	Complete fit-out phase, satisfy planning conditions, undertake dry-lining works, complete building services installation and final compliance requirements.
Funding Decisions and Completion Phase	Winter 2026 – Spring 2027	Secure remaining funding package and complete final capital works programme.
Occupier Recruitment	January – March 2027	Open applications, market available studios, assess applicants and agree licence terms.

Stage	Indicative Timing	Key Activities
Occupier Fit-Out	March – June 2027	Occupiers undertake approved fit-out works to individual studio spaces.
Opening and First Occupation	Spring/Summer 2027	Studios become operational, occupiers move into the building and community activity programme begins.
First Year of Operation	2027–2028	Monitor occupancy, financial performance, maintenance requirements and community impact.

15. Monitoring and Evaluation

CCDT will monitor both financial performance and the wider heritage, economic and community outcomes of Marchwell Studios. Monitoring will draw on occupancy and financial data together with the evaluation framework established through the Marchwell Studios Activity Plan. Performance will be reviewed regularly by the management team and Trustee Board to ensure the project continues to meet its heritage, community and financial objectives.

Outcome	Measure	Indicative Annual Target
Heritage Secured	Building maintained in active use and planned maintenance programme delivered.	Occupation of all studio units and annual maintenance programme completed.
Financial Sustainability	Occupancy, rental income, operating surplus and maintenance reserve.	High occupancy levels, annual income target achieved and £15,000 maintenance reserve maintained.
Creative Enterprise	Number and type of businesses, artists and makers supported.	Up to 19 studio occupiers supported through affordable workspace provision.
Heritage Engagement	Heritage talks, walks, tours, interpretation activities and oral history collection.	6 heritage open days, heritage talks and walks delivered, and 20 oral histories collected.
Skills and Learning	Workshops, training sessions, volunteers and work placements.	Delivery of volunteer training programmes, work experience placements and skills development activities.
Community Benefit	Participation in events, exhibitions, workshops and engagement activities.	Delivery of public events, workshops and community activities in line with the Activity Plan.
Volunteering	Volunteer recruitment, training and participation.	Volunteer induction programme delivered and volunteers trained to support heritage interpretation and engagement.
Environmental Benefit	Reuse of a historic building and support for sustainable making, repair and creative enterprise.	Building maintained in productive use and environmental benefits promoted through occupier activities.

16. Conclusion

Marchwell Studios represents a significant investment in the future of Chichester's historic environment, creative economy and community infrastructure. The project has already secured substantial capital investment and brought the Grade II-listed former stables into community ownership.
The restoration has created the foundations for a viable new use. The next challenge is to establish a sustainable operating model that fills the building with creative enterprise, learning and community activity while generating sufficient income to support its ongoing stewardship.

The proposed model combines affordable workspace, flexible occupation, occupier-led investment and earned income. It is designed to reduce future grant dependency while retaining the social purpose of the asset. Rental income will support operating costs and planned maintenance, with surpluses reinvested in the building and wider community benefit.

Marchwell Studios therefore offers a long-term solution to two connected challenges: how to secure a sustainable future for a significant heritage asset and how to meet local demand for affordable creative workspace, enterprise support and skills development. Its success will be measured not only by the completion of the restoration, but by the building's ability to remain occupied, financially sustainable and useful to the community for generations to come.

Appendices

The following appendices provide supporting financial, market and operational information referenced throughout this business plan.

Appendix 1 – Project Budget and Funding Plan

Detailed capital budget, funding secured to date, remaining funding requirement, funding strategy and Architectural Heritage Fund funding request.

Appendix 2 – Five-Year Financial Forecast

Five-year income and expenditure forecast, cashflow projections, forecast assumptions, break-even analysis and sensitivity testing.

Appendix 3 – Studio Market Benchmarking

Evidence of market demand, Open Day attendance, consultation findings and benchmarking of comparable creative workspace providers.

Appendix 4 – Studio Pricing and Occupancy Model

Studio sizes, rental structure, occupancy assumptions and pricing rationale informed by market research and affordability considerations.

Appendix 5 – Artist and Maker Selection Process

Application process, selection criteria, panel composition, equal opportunities approach and studio allocation arrangements.

Appendix 1 – Project Budget and Funding Plan

Project Budget Overview
Project Cost Summary

Budget Area	Cost (£)
Construction Costs	3,598,119
Professional Fees	414,000
Total Project Cost	**4,012,119**

The construction budget includes enablement works, shell and core restoration, planning conditions, dry-lining and fire protection works, studio fit-out and contingency provision.

Funding Secured
The project has secured substantial investment from public, charitable and commercial sources.

Funding Source	Amount (£)	Status
Section 106 Contribution (Linden Homes)	1,778,567	Secured
National Lottery Heritage Fund	1,278,158	Secured
Community Ownership Fund	250,000	Secured
Meadow Blue	35,000	Secured
Architectural Heritage Fund (Development Support)	5,000	Secured
Interest Earned	48,910	Secured
Total Secured Funding	**3,395,635**	

Funding Position
The project has already secured approximately **85% of the total project cost**, demonstrating significant commitment from public, charitable and commercial partners. The secured funding package has enabled delivery of the Enablement and Shell & Core phases and establishment of the building in community ownership. Forecast expenditure indicates that approximately **£200,000 of the approved National Lottery Heritage Fund grant will remain available following completion of the Shell & Core phase and will contribute towards the subsequent Fit-Out Phase and final project delivery activities**. This funding forms part of the secured funding total set out above and reduces the level of additional fundraising required to complete the project. The current project budget identifies a remaining funding requirement of approximately **£640,484** to complete the final stages of delivery and bring the building fully into occupation.

These works are critical to the completion of the restoration programme and the activation of the building as a creative enterprise hub. Completion of these works will enable:

- Discharge of planning conditions.

- Completion of the Fit-Out Phase.
- Occupation of the 19 studio units.
- Delivery of training, learning and community activities.
- Generation of operating income to support long-term stewardship of the heritage asset.

Long-Term Sustainability

Once operational, Marchwell Studios will generate recurring income from 19 affordable studios together with shared training and community facilities. The current operating model forecasts annual income of approximately £82,271.90 against annual operating expenditure of £75,400, generating an annual operating surplus of approximately £6,871.90 while maintaining a dedicated planned maintenance reserve of **£**15,000 per annum.

The completion of the funding package will therefore not only secure the physical restoration of the building but also establish a financially sustainable operating model capable of supporting the long-term maintenance, occupation and stewardship of Marchwell Studios as a community-owned heritage asset.

Appendix 2 – Five-Year Financial Forecast

The forecast has been prepared using the Year 1 operating budget and assumes that studio rents increase annually in line with inflation through periodic rent reviews. Operating expenditure has been projected using inflationary increases to reflect anticipated rises in staffing, utilities, insurance, compliance and maintenance costs.

Under these assumptions, annual income is forecast to increase from £82,272 in Year 1 to approximately £92,597 in Year 5, while annual expenditure increases from £75,400 to approximately £81,615 over the same period. The model remains operationally viable throughout the forecast period and generates annual operating surpluses that can be reinvested into the maintenance of the building, occupier support and wider charitable objectives.

The expenditure forecast includes an annual contribution of £15,000 to a planned maintenance and lifecycle reserve, ensuring that future repair and replacement costs are recognised within the operating model from the outset.

Forecast Assumptions

Assumption	Basis
Studio Occupancy	Target occupancy of 90-95% achieved following initial lettings and maintained through active tenant management and marketing
Rental Growth	Annual rent reviews assumed at 3% per annum in line with inflation
Expenditure Growth	Operating expenditure increases by 2% per annum
Maintenance Reserve	Annual contribution of £15,000 maintained throughout the forecast period
Income Base	Year 1 forecast income of £82,271.90
Expenditure Base	Year 1 forecast operating expenditure of £75,400
Operating Model	19 affordable studios plus shared training and community facilities
Occupier Fit-Out	Occupiers responsible for the fit-out of their own spaces, reducing future capital liabilities for CCDT
Financial Monitoring	Occupancy, income, expenditure and maintenance reserves reviewed annually by CCDT

Five-Year Financial Forecast

The forecast does not assume any future grant income and is therefore based primarily on earned income generated through studio occupation and use of the shared training facilities.

Year	Income (£)	Expenditure (£)	Surplus (£)
Year 1	82,272	75,400	6,872
Year 2	84,740	76,908	7,832
Year 3	87,282	78,446	8,836
Year 4	89,900	80,015	9,885
Year 5	92,597	81,615	10,982

Break-even analysis

Measure	Amount
Annual income required to break even	£75,400
Forecast annual income	£82,272
Annual surplus	£6,872
Income above break-even	9.1%

Sensitivity testing

Scenario	Annual Income (£)	Surplus/(Deficit) (£)
Full occupancy (100%)	82,272	6,872
90% occupancy	74,045	(1,355)
80% occupancy	65,818	(9,582)
70% occupancy	57,590	(17,810)

Cost increase scenario

Scenario	Expenditure (£)	Surplus/(Deficit) (£)
Current budget	75,400	6,872
Costs +10%	82,940	(668)
Costs +15%	86,710	(4,438)

Financial resilience

The forecast demonstrates that Marchwell Studios can operate on a sustainable basis whilst maintaining affordable rents and making provision for future maintenance liabilities. Although occupancy levels are the principal driver of financial performance, consultation, market testing and expressions of interest indicate strong demand for affordable creative workspace within Chichester. The mix of studio sizes and occupier types reduces reliance on any individual tenant and provides flexibility to respond to changing market conditions. Annual rent reviews, active occupancy management and a dedicated maintenance reserve further strengthen the long-term resilience of the operating model.

Appendix 3 – Studio Market Benchmarking

Introduction

Marchwell Studios has been developed in response to an identified shortage of affordable creative workspace in Chichester and the surrounding area. Demand has been tested through consultation, engagement with creative practitioners, benchmarking research and a dedicated public Open Day programme. The proposed studio mix, pricing structure and occupancy model have been shaped by this evidence.

Open Day and Occupier Interest

A dedicated Marchwell Studios Open Day was held in September 2026 to introduce the project, present the proposed studio offer and engage with potential occupiers.

Measure	Result
Invitations Issued	70
Open Day Attendees	58
Attendance Rate	83%

The event attracted artists, makers, creative businesses, social enterprises and community organisations from across Chichester and the surrounding area. Attendance levels provided confidence that there is strong local demand for affordable, high-quality creative workspace and enterprise accommodation. Feedback from attendees informed the development of the studio offer, rent structure, application process and operational arrangements. The level of attendance demonstrated significant local interest in affordable creative workspace and provided confidence in the proposed letting strategy.

A number of attendees subsequently requested further information regarding studio availability, rental levels, application procedures and timescales for occupation, demonstrating active interest in the project ahead of launch.

Consultation Findings

Consultation and engagement undertaken during the development of the project identified demand for:

- Affordable studios and workspace.
- Creative business incubation.
- Practical makerspaces and workshops.
- Graduate studio provision.
- Enterprise support.
- Training and learning opportunities.
- Exhibition and event space.
- Community-focused creative activity. These findings have influenced the design of Marchwell Studios and informed the creation of a mix of studio sizes, shared facilities and community-focused activity spaces.

Studio Market Benchmarking

Rental levels and studio sizes have been benchmarked against comparable creative workspace providers across Sussex, Hampshire, Wiltshire, Devon and London.

Location	Typical Rent (£/sq ft)
Portsmouth	£20.18

Location	Typical Rent (£/sq ft)
Southampton	£15.00 – £19.00
Winchester	£14.50 – £17.50
Salisbury	£16.00 – £19.00
Havant	£14.67 – £15.00
Marchwell Studios	£8.00 – £20.00

Research found an average rental rate of approximately **£9.84 per sq ft per annum**, with many regional providers charging between **£12 and £20 per sq ft per annum**. Marchwell Studios has been positioned within the lower to middle range of the market to maintain affordability whilst supporting the long-term sustainability of the building.

Appendix 5 – Comparable Creative Workspace Providers

CCDT reviewed 25 comparable creative workspace providers across Sussex, Hampshire, London and the South East to benchmark studio sizes, rent levels and operating models.

Provider	Location	Offer	Indicative Pricing (2026)
Art Space	Portsmouth	31 artist studios	£580–£2,904 per annum
Hotwalls Studios	Portsmouth	Artist studios and retail space	£325–£432 per month
Making Space	Havant	70 studios and workshops	£200–£275 per month
A Space Arts	Southampton	Studio and workspace provision	£87–£147 per month
Make Space Studios	London (Waterloo)	Shared and individual artist studios	£285–£1,200 per month
Cell Projects	London	Seven studio buildings	£917–£3,115 per month
Space Studios	London	Large network of artist studios	£250–£900 per month
Wimbledon Art Studios	London	290 artist studios	£150–£400 per month
Spike Island	Bristol	Artist studios and shared space	From £189 per month
Marchwell Studios	Chichester	19 affordable studios, training room and shared facilities	£8–£20 per sq ft per annum

Market benchmarking indicates that Marchwell Studios is positioned within the lower to middle range of comparable creative workspace providers. The proposed pricing structure reflects both the larger average studio sizes available at Marchwell Studios and the occupier-led fit-out model, while maintaining affordability for artists, makers, creative businesses and social enterprises. Research across comparable providers found rental levels typically ranging between £12 and £20 per sq ft per annum, supporting the viability of the proposed Marchwell Studios pricing structure. This is the level of detail AHF usually wants: enough to demonstrate benchmarking but not pages of raw spreadsheet data.

Conclusion
The evidence gathered through consultation, engagement and market research demonstrates clear demand for affordable creative workspace in Chichester. Strong attendance at the September 2026 Open Day, positive engagement from prospective occupiers and benchmarking against comparable providers provide confidence that Marchwell Studios will attract and retain a sustainable mix of artists, makers, creative businesses and social enterprises. This evidence underpins the proposed occupancy model and supports the long-term financial viability of the project.

Appendix 4 – Studio Pricing and Occupancy Model

Introduction
Pricing Rationale
The pricing structure has been developed to balance affordability with long-term sustainability. Occupiers will be responsible for fitting out their own spaces and paying for their own utility consumption through individually metered supplies. This reduces capital costs to the project while allowing occupiers flexibility to configure their spaces to meet their individual requirements. Market research undertaken by CCDT reviewed 25 comparable studio providers across London, Hampshire, Sussex, Wiltshire and Devon and found:

Benchmark Measure	Result
Average market rent	£9.74 per sq ft per annum
Average studio size	310 sq ft
Typical regional studio size	170–225 sq ft
Average Marchwell studio size	360 sq ft

The proposed pricing structure positions Marchwell Studios within the lower to middle range of comparable regional provision while offering larger-than-average workspaces and a strong community focus.

Proposed Rental Structure

Studio Type	Size Range	Rent (£ per sq ft per annum)
Small	0 - 215 sq ft	£8
Medium	216–600 sq ft	£13
Large	601+ sq ft	£20

The pricing model reflects the differing sizes and configurations of the studios while maintaining affordability for early-stage creatives, makers and social enterprises.

Occupancy Model
Marchwell Studios will provide 19 affordable studios together with shared training and community facilities. The Studios have been designed to accommodate a diverse mix of: Artists and makers, Creative businesses, social enterprises, Community organisations, Graduate and enterprise incubation. The occupier mix will

remain flexible in order to respond to demand whilst supporting a diverse and complementary creative community.

The occupier mix will remain flexible to respond to market demand while maintaining a diverse and complementary creative community.

Rent Reviews

Rents will be reviewed periodically and are expected to increase in line with inflation through annual rent reviews. This approach ensures that Marchwell Studios remains affordable whilst maintaining sufficient income to support building management, planned maintenance and long-term sustainability. Occupiers will be offered an initial 12month licence arrangement, providing both flexibility and security during the early years of operation.

Financial Sustainability

The pricing strategy has been designed to support break-even operation while maintaining accessibility for creative practitioners and community-focused organisations. The combination of affordable rents, occupier-led fit-out and regular rent reviews provides a sustainable operating model that supports the long-term stewardship of the heritage asset and reduces reliance on future grant funding.

Appendix 5 – Planned Maintenance and Lifecycle Plan

Purpose

Maintenance Responsibilities

CCDT, as owner and operator of Marchwell Studios, will retain responsibility for:

- Building fabric maintenance and repair.
- Statutory inspections and compliance.
- Health and safety management.
- Fire safety systems.
- Mechanical and electrical servicing.
- Insurance inspections and recommendations.
- Planned maintenance programming.
- Management of specialist conservation repairs where required.

Individual occupiers will be responsible for:

- Maintaining their own fit-out installations.
- Internal decoration within their studio.
- Compliance with fit-out conditions and tenancy requirements.
- Day-to-day housekeeping and studio management.

All alterations affecting historic fabric or the character of the listed building will require prior approval from CCDT and, where necessary, statutory consents.

Planned Maintenance Schedule

Frequency	Activity
Monthly	Building inspections, fire safety checks, emergency lighting checks, security and access inspections
Quarterly	Inspection of roofs, rainwater goods, drainage systems, external fabric and building services
Annually	Electrical servicing, fire alarm servicing, health and safety review, insurance inspections, condition review of building fabric
Every 3–5 years	External decoration, repairs to historic joinery, specialist conservation inspections, renewal of selected mechanical and electrical components
Every 10–15 years	Major lifecycle replacement works including mechanical systems, drainage repairs, roof repairs and significant fabric conservation works as required

Major Lifecycle Items

The following items are expected to require periodic renewal or major repair during the life of the building:

- Roofing materials and associated rainwater goods.
- Heating, electrical and lighting systems.
- Fire and security systems.
- Internal communal finishes.
- Historic windows, doors and joinery.
- External surfaces and landscaping.
- Drainage and underground services.

Future replacement requirements will be monitored through regular condition inspections and incorporated into CCDT's long-term asset management planning.

Maintenance Reserve

The operating model includes an annual contribution of £15,000 to a planned maintenance and lifecycle reserve.

This reserve has been established to:

- Fund planned maintenance activity.
- Build provision for major repairs.
- Support future lifecycle replacement costs.
- Reduce the need for reactive fundraising.
- Protect the long-term condition of the heritage asset.

The reserve will be reviewed annually alongside occupancy levels, maintenance expenditure and updated condition assessments to ensure that contributions remain appropriate.

Conservation Management

Marchwell Studios will continue to be managed in accordance with heritage and planning requirements following completion of the restoration project.

Key conservation principles include:

- Protection of significant historic fabric and architectural features.
- Use of appropriate materials and conservation-led repair methods.
- Regular inspection and monitoring of heritage elements.
- Retention of the character and appearance of the former stables.
- Control and approval of occupier fit-out proposals.
- Compliance with any Listed Building Consent conditions and future statutory requirements.

Future alterations affecting the significance of the building will be subject to appropriate heritage assessment and approval processes.

Monitoring and Review

CCDT will review maintenance performance annually through its existing asset management and governance arrangements.

Monitoring will include:

- Annual review of maintenance expenditure.
- Condition inspections of key building elements.
- Assessment of lifecycle reserve adequacy.
- Review of statutory compliance requirements.
- Identification of future conservation priorities.

This approach will ensure that Marchwell Studios remains a well-maintained, financially sustainable and actively used heritage asset for generations to come.