

EAST BARNWELL COMMUNITY CENTRE

To: General Purposes Committee

Meeting Date: 28 July 2015

**From: Chris Malyon, Chief Finance Officer/ Sarah Ferguson
Service Director, Enhanced and Preventative Services**

Electoral division(s): Abbey

Forward Plan ref: 2015/053 Key decision: Yes

Purpose: To update General Purposes Committee on work undertaken to explore the risks and benefits of revisiting mixed use options for the development of the East Barnwell Community Centre site, since a discussion held at the Group Leaders meeting in April 2015.

Recommendation: General Purposes Committee is asked to agree one of the following options in relation to East Barnwell Community Centre:

- (a) Continue with the current proposal for redevelopment;**
- (b) Develop a Council only site mixed development including the redesigned community facilities; and**
- (c) Develop proposals for a wider development including the redesigned community facilities.**

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1.0 BACKGROUND

- 1.1 The East Barnwell Community Centre forms part of the Community Hub programme. The redevelopment of the Centre offers to bring together teams and services currently located on County Council premises Barnwell Road (East Barnwell Library) and Malta Road (Children's Locality Team), alongside redeveloped community facilities. The project represents a close collaboration of partners over a number of years, and seeks to balance the commercial interests of the County Council with the need to secure high quality services to a community characterised by a high level of deprivation.
- 1.2 The project has been under development for two years in a context of complex stakeholder negotiations. One of the principle objectives in the partnership work has been to ensure the local community remain engaged and invested in the proposals, as they are seen as critical to the long term future of the building. Aside from the County Council (in particular Libraries and Children's Services), the key partners have involved Cambridge City Council, local community groups, (East Barnwell Community Association and Abbey People), Marshalls and the local Churches. All City and County Council Members for the Division/Ward have been closely involved.
- 1.3 Through the developed partnership a number of funding sources were secured in 2013/2014, resulting in a total budget of £2.25 million to create a community hub in East Barnwell. These were as follows:

East Barnwell Community Hub project funding			
Funding source		Amount (£)	Outcome
Cambridge shire County Council	Capital Programme Community Hub contribution	1,145,000	Statutory service provision and enhancement of community space
	Capital receipts	500,000	
	Children, Families and Adults Capital Programme	300,000	Improvement of on-site Preschool
	Youth Service Capital receipts	50,000	Contribution toward youth space within building
Cambridgeshire County Council contribution		1,995,000	
Cambridge City	Section 106 developer contribution	255,000	Additional 80 m ² of hireable community and youth space available for community hire for a minimum of 50 hours a week.
Total funding		2,250,000	

- 1.4 Since the original figures agreed in January 14 there have been some revisions to the final totals which are reflected in the table above. Capital receipts are anticipated from the sale of the existing Barnwell Road library site and Malta Road Children and Young People's Services (CYPS) locality team base. These receipts are estimated at generating circa £500,000 and (as agreed at the time) included in the total budget for the building.
- 1.5 Once provisional funding had been secured, more detailed discussions were held to explore options about whether this should be a mixed use scheme or solely community use. **Appendix One** outlines the options considered. Based on all the information available at the time, a decision was made to pursue the Community hub option without

mixed use (Option 2 of the attached). The capital bid for this project received full Council approval in February 2014.

1.6 Progress 2014 - 2015

1.6.1 Building Design and Development

- 1.6.2 Significant work has taken place since the final approvals to progress were given in February 2014. A design brief was agreed with the stakeholders during 2014, through a process facilitated by Faithful & Gould in 2014, and with the full involvement of LGSS Property Services team and other corporate partners. A tender was run for the appointment of the contractor for the building work during the latter part of 2014 and Coulson/Pick Everard were instructed by LGSS Property on 5th January 2015 to work on the building design in more detail. Options of floor plans have been developed by Pick Everard and consultation with internal and external stakeholders taken place. The final design was due to be agreed in May 2015 prior to seeking full planning permission, with the intention to start building in December 2015. This was with a view to having the work completed by September 2016 to ensure good timing for the start of the school year for the pre-school provider.

1.7 Community Engagement and Development of Future Governance Models

- 1.7.1 There is great potential for the Community Hub to have long term community involvement in the management and income generation for the building, which is part of the sustainability plan for the building. 'Locality', a national consultancy firm, was appointed in November 2014 to support on the development of a governance model which will secure this longer term ambition. The target date for completion of this work was May 2015. The aim is to have a robust model which will have oversight of the facilities once redevelopment has taken place. i.e. a library, a pre-school, community rooms and sports facilities be available for hire. Locality have been asked to consider the specific requirements for East Barnwell but to also consider a wider application of governance arrangements for community hubs across the County, as part of the Community Hubs development.

1.8 Current Tenants and Interim Arrangements Required

- 1.8.1 The East Barnwell Community Association have been tenants occupying and managing the Centre over many years, running and providing facilities for local community groups. In addition they are the management committee for the See Saw Playgroup which is run from the site, and which forms part of the future provision from the building. Following a change in legal status of the Association, and to extend their lease to meet the new deadlines of the building work, a short term Tenancy at Will was granted by General Purposes Committee to the new legal body in May 2015.

2.0 MAIN ISSUES

2.1 Review of Options

- 2.1.1 Group Leaders requested in March 2015 that the original decision not to pursue the mixed used option be revisited, to satisfy themselves, particularly in the current economic climate, that the full commercial value of the Council's assets are being realised. As a result an on-site workshop was convened in May to allow Group Leaders to meet with local stakeholders and key Members to explore further the risks and benefits of revisiting options for development of the site. In addition, further enquiries and approaches have been made to partners which are outlined below.

2.2 Workshop

- 2.2.1 On the 15 May a workshop was held on the site of the Centre. Group Leaders, the Division County Councillor and Ward City Councillor, and Members of the Treasury Working Group were invited along with Members of the East Barnwell Community Association and Officers of both the County Council and City Council. The cover of skills and interests was extensive, including planning, Housing, Estates and Community leadership.
- 2.2.2 In spite of a huge amount of passion and frustration the workshop was held in good spirit and was participative with all sides being able to express their views. A visit to the location of the current library which is to be relocated was also included as this asset would become available for other purposes as part of the project. At the end of the workshop the Group were asked to identify the reasons that they felt the project should either continue as per the latest proposal (Go) or reasons why a more detailed review of alternative options should be evaluated (Pause). The following was the outcome from that challenge, and are recorded here largely as they were noted at the meeting:

2.2.3 Go:

- It's been a two-year process to get here
- There has been significant positive community engagement to date
- All the options have been evaluated in coming to the preferred proposal
- The case has already been "accepted" not to have mixed residential
- Huge effort and resources have been expended in getting us to where we are
- This would result in a huge waste of time and effort if it didn't proceed
- There would be a potential loss of community support
- There is already a plan in place
- The funding is already in place
- The contractor is in place
- The risks with this proposal are limited
- The project is ready to go
- The proposal provides youth space that is not currently available elsewhere in the community
- There is community interest in ongoing delivery which could be lost if alternative options are pursued
- There is a sustainable community association in place
- Any uncertainty may reduce that support
- Better to proceed in isolation due to delays of potential partners
- There would be risks of planning challenge for any alternative options
- Delays could risk the loss of S106 contributions (currently based on existing provision)

2.2.4 Pause:

- An alternative mixed scheme proposal would enable the assets to deliver an essential revenue stream
- The current proposal hasn't tested the bounds innovative thinking – such as developing underground
- The current funding gap could be addressed through a different mix
- There is a huge housing need in the City – every opportunity should be taken to contribute towards meeting this need
- It is good project management practice to review proposals before they have been implemented. Time has moved on since the project was first conceived. We are in a worsening climate with increasing financial challenges we must

maximise the commercial opportunity of the site. We owe it to all residents of the County

- The current proposal lacks imagination for the locality with some master planning an overall improved proposal could be produced that improves the commercial outcome for partner organisations yet still retains the community requirements of the scheme – this has to be the win-win scenario that we should promote
- Given the Planners positive engagement a pause for review would allow pre-planning application discussion in order to develop the optimum solution to be brought forward.

2.2.5 At the conclusion of the workshop, Councillor Count reassured members of the group that if the County Council decided to relook at or progress mixed use options in more detail, there was an enduring commitment to delivering on the community centre facilities and current plans. The debate was focussed on whether mixed use options could be provided *in addition* to the planned community facilities

2.2.6 Options around developing a phased approach to a more widescale development across the area were discussed

2.3 Other Stakeholder Discussions

2.3.1 Whilst potential partner organisations have been approached previously these could not proceed due to a number of logistical reasons. Given the review of the project that was requested by Group Leaders contact has been made with both NHS PropCo, who own the facility off the B1047, and the vicar of the church abutting the current centre to the West. Both of whom expressed a desire to be involved if alternative options were to be considered if this involved a wider site. Design documents are available that were commissioned some years ago when a whole site, including the other church (the Spiritualist Church), was subject to a design brief. It is worth noting that in previous discussions with the Diocese, a significant concern had been raised about the timescales within which agreement could be sought to develop a wider plan across the site given the number of landowners.

2.3.2 Plans are being developed by Cambridge United FC to extend their site in Abbey for community use. Initial proposals are being developed by Grosvenor who are the contracted developers. Consultations with the community are underway to ensure there is good synergy between the planned developments at the football ground and other local facilities.

2.3.3 As context and in parallel a number of discussions have recently taken place with the City Council, health partners, the Cambridgeshire Constabulary, BeNCH Community Rehabilitation Company all of whom are either looking for accommodation in the City or to looking to work collaboratively with partner organisations.

2.4 Planning and Housing Advice – mixed use

2.4.1 Planning

One of the key issues raised by Group Leaders was the issue of whether the site could accommodate mixed use. Some initial planning advice had indicated that the density required on the Council owned site would make the proposal unlikely to be supported. Since that initial contact the City Council has issued a revised local plan which has identified the site for mixed use. Although the plan has not yet been accepted by the inspector the reason for its non-acceptance was that there was a belief that the Council had not been sufficiently bold in its aspirations around the City fringe. The City Council's Head of Planning attended the workshop and was supportive of mixed use on

the site and was constructive in some lateral thinking over the potential of maximising the opportunity. If it was possible to bring the Church land into the equation the options would be significantly enhanced.

2.4.2 Housing

Approaches have been made to relevant developers (Hill and Coulson) to update estimates of costs of a mixed use scheme, and further discussions with City Council Housing departments have taken place (see below). It has been difficult for a number of reasons to procure accurate and updated information about the figure for the development of mixed use provision, given the complexity and variables involved. However, indicative figures haven't significantly changed the value of the latest business plan options presented in January 2014 (**Appendix One**).

- 2.4.3 If there is an appetite from Members to look into a mixed use option in more detail then it is recommended a specific piece of work would need to be commissioned to relook at the feasibility study comprehensively. However, indicative costs have been included in section 5 of this report.

2.5 County Council Business Planning

- 2.5.1 The Council's business planning approach during 2015/16 has defined amongst others three key enablers: Community Resilience, Customer Access to Services and Asset Utilisation. The East Barnwell Community Centre represents an opportunity to bring together these objectives successfully for the County Council. Taking into account the release of two other County Council buildings (Malta Road and the current East Barnwell Library) for commercial benefit, whichever option Members support, will bring fiscal and community benefits to the council. The interplay between the current and long term role of the community in the development and management of aspects of the site, and the commercial and partnership benefits is a finely balanced one.

3.0 SUMMARY OF OPTIONS TO BE CONSIDERED

3.1 Options Available

- 3.1.1 The following options are available to the Council with a commentary on the potential benefits and issues associated with each option. There may be others which the Committee would want to consider:

3.2 Option 1: Continue with current proposal

3.2.1 Advantages:

- Extensive and long term work already invested through project management and Lead Officer time in stakeholder consultation and engagement on the proposals
- Funding secured
- Project approval received and confirmed at Full Council in February 2014
- Community association fully supportive and engaged
- Contractors have been appointed and are ready to start
- Doesn't preclude the development of the wider site as part of a phased approach to developing the land and facilities
- No additional revenue costs for the County Council, assuming disposal of Malta Road and East Barnwell Library and relocation of teams to the new community centre.

3.2.2 Disadvantages:

- Doesn't provide additional housing

- Doesn't provide the Council with a revenue stream
- Misses the opportunity of a bigger more commercial scheme.

3.3 Option 2: Develop a Council only site mixed development proposal

3.3.1 Advantages:

- Retention of the proposals to develop community facilities and co-location of library and Locality services
- Scheme can proceed at the pace we set
- Will provide additional housing (potentially key worker for Council staff)
- Will provide on-going revenue stream

3.3.2 Disadvantages:

- Would add further delays
- Would jeopardise community support for the scheme
- Could potentially affect agreed funding streams from other sources such as Section 106 and the partnership with the City Council
- Fear that re-design could put at jeopardy some of the community facilities already agree.

3.4 Option 3: Develop proposals for a wider development

3.4.1 Advantages:

- Retention of the proposals to develop community facilities and co-location of library and Locality services
- Maximises the potential for enhanced facilities in deprived community
- Could facilitate the engagement and integration of other agencies in to the proposal
- Will maximise the opportunity for housing (potential key worker for Council staff).

3.4.2 Disadvantages:

- Adds further delay
- Risks losing community support
- Could affect funding streams
- Getting agreement with partner organisations always requires a degree of compromise
- Will require an alternative governance arrangement to be established

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

- 4.1.1 Abbey ward in Cambridge is the most deprived ward in the City, with multiple factors affecting outcomes for local residents. Locating services provided by the County Council closer to the community will be beneficial to local residents. Pursuing a mixed use option with affordable housing could be of benefit to priority members of the workforce such as key workers.

4.2 Helping people live healthy and independent lives

- 4.2.1 The County Council's commitment to improved community facilities on the East Barnwell site will extend the opportunities for the local community to get involved and play an active part in social and leisure activities.

4.3 Supporting and protecting vulnerable people.

- 4.3.1 Improving access of local people to a wider range of services and support will support the County Council's agenda to support and protect.

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

- 5.1.1 Section 1.3 outlines the current committed funds from the County Council and partners. The capital funds for the development of the site are identified in the County Council's Business Plan. The total budget assume that the section 106 funding of £255,000 agreed by Cambridge City Council is retained.
- 5.1.2 Pursuing the plans as currently agreed would incur no additional investment of the total amount secured of £2,250k (which includes the S106 funds), but would not provide a revenue stream for the County Council in the future.
- 5.1.3 Costs and revenue streams associated with the possible development of a mixed use scheme have been explored. Alan Carter, the City Council's Housing lead and MD elect of the new Housing Delivery Agency has provided some broad costings using the financial model developed within the City Council. Whilst some broad assumptions on cost and density had to be made the follow outputs were identified:
- 5.1.4 Assumptions:
- 20 flats (10 one bed, 10 two bed)
 - 1000 sq m Community Centre
 - Total Scheme Cost £4.8m
 - Cost Community Centre £2.250m fully funded as per sources identified in May 2015 Position Statement.
 - Cost residential £2.530m funded by prudential borrowing @ 4%
- 5.1.5 Option 1 - 20 flats let at 80% market rent (includes affordable housing)
- Borrowing repaid in 27 years.
 - Alternatively if the debt is refinanced at 27 years the following revenue returns result;
 - Year 1 - £26,457
 - Annual revenue surplus by Year 5 - £40,769
 - By Year 10 - £74,536
 - Average annual return over 30 years – 2.8%
- 5.1.6 Option 2 - 20 flats let at 100% market rent
- Borrowing repaid in 20 years.
 - Alternatively if the debt is refinanced at 20 years the following revenue returns result;
 - Year 1 - £75,441
 - Annual revenue surplus by Year 5 - £105,218
 - By Year 10 - £149,620
 - Average annual return over 30 years – 3.9%
- 5.1.7 Notes
- Option 1 would be more favourable in planning terms and a good argument could be

made to support. The housing could be branded as new keyworker housing which would help to fulfil wider obligations for the County Council.

5.1.8 The assumptions in the model are relatively cautious in terms of rental increases and costs have probably been overloaded in the early years – so improved return may be likely in early years. An element of shared ownership or market sale would obviously aid viability but would result in a less sustainable scheme.

5.1.9 Indicative capital receipts of £500k from Malta Road and Barnwell Road Library have been included in the total budget for the development, but it is likely that further exploration of the commercial value of these sites could yield a higher return.

5.2 Statutory, Risk and Legal Implications

5.2.1 There are no significant implications within this category.

5.3 Equality and Diversity Implications

5.3.1 There are no significant implications within this category.

5.4 Engagement and Consultation Implications

5.4.1 As indicated in the paper, there has been extensive and significant consultation and engagement with local residents, community groups and partner agencies over the last two years in the development of the proposals. The development of the Centre has been welcomed by local residents, and there is concern to ensure that whatever the decision of the Committee, plans continue to be progressed without undue delay.

5.5 Localism and Local Member Involvement

5.5.1 The objectives of fostering and developing community led activity is a core part of the project objectives. The local Member for Abbey Division, Councillor Joan Whitehead, has been closely involved in the project throughout, as have local City Councillors.

5.6 Public Health Implications

5.6.1 There are no significant implications within this category.

Source Documents	Location
Appendix 1. Excerpt from Business Case update (January 2014) East Barnwell Business Case (October 2013) Updated East Barnwell Business Case (January 2014)	Marta Maj Marta.Maj@cambridgeshire.gov.uk

APPENDIX 1. OPTIONS APPRAISAL (excerpt from updated Business Plan January 2014)

	Option 1a	Option 1b	Option 1c	Option 2a / 2b
Description	Mixed use scheme	Mixed use scheme	Mixed use scheme	Community hub options 1) Basic 2) Enhanced
Community space	1000 sq m	750 sq m	1000 sq m	Basic – circa 717 sq m (renovation of existing buildings, library new build)
Car parking	14 x residential 17 x community (inc. 2 x disabled)	20 (inc. 2 x disabled)	10 (inc. 2 disabled)	Circa 12
Outdoor space	Limited	MUGA	MUGA	MUGA
Bins / cycles	External	Internal	Internal	External
Residential	20 private units (14 x 2 bed, 6 x 1 bed)	20 private units (14 x 2 bed, 6 x 1 bed)	20 private units (14 x 2 bed, 6 x 1 bed)	None
Estimated total cost of scheme	£4.1m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£3.9m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£4.25m (Planning and design costs, professional fees, finance costs, interests, legal, construction, sales and marketing costs)	£1.25m (Option 2a – basic) Renovation of existing buildings Up to £1,855,000 (Option 2b – enhanced) Renovation / new build
Estimated funding gap (mixed use schemes)¹	£385,000	£195,000	£535,000	£1.25m
Potential funding available	S106: £255,000 ² Early Years: £300,000 County Youth Service: £50,000	S106: £255,000 ² Early Years: £300,000 County Youth Service: £50,000	S106: £255,000 ² Early Years: £300,000 County Youth Service: £50,000	EPAM: £1.25 million S106: £255,000 ² Early Years: £300,000 County Youth Service: £50,000
Capital receipts	Capital receipts: <£700,000 Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: <£700,000 Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: <£700,000 Up to £450,000 (Malta Rd) Up to £250,000 (Library)	Capital receipts: <£700,000 Up to £450,000 (Malta Rd) Up to £250,000 (Library)

¹ Noted that this cost assumes that the provision of community facilities negates the need to provide a percentage of affordable housing. Hill Residential have been asked to provide figures that comply with planning regulations to provide 40% affordable housing; figures not available at this time although this funding gap will increase.

² Funding subject to final design approved by East Area Committee July 2014

The following provides and options appraisal, considering the benefits, disbenefits and risks of each scheme:

	Option 1a	Option 1b	Option 1c	Option 2a / 2b
Description	Mixed use scheme	Mixed use scheme	Mixed use scheme	Community hub options a) Basic b) Enhanced
Benefits	<ul style="list-style-type: none"> Exceeds project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. Provides residential accommodation in an area of demand Provides satisfactory car parking for overall scheme 	<ul style="list-style-type: none"> Meets project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. Provides residential accommodation in an area of demand Provides satisfactory car parking for overall scheme Retains and extends MUGA 	<ul style="list-style-type: none"> Exceeds project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. Provides residential accommodation in an area of demand Provides satisfactory car parking for overall scheme Retains and extends MUGA 	<ul style="list-style-type: none"> Capital bid based on this scheme has been passed by Cabinet/SMT Meets project brief for community space required, co-locating CCC services and extending SeeSaw preschool to increase 2 year old places. Provides satisfactory car parking for overall scheme Retains and extends MUGA Attracts external grant funding (S106 and Early Years) Scheme has met with Member approval, including East Area Committee Scheme is known to be well supported within the local community Planning permission of single storey scheme likely
Disbenefits	<ul style="list-style-type: none"> Limited outdoor space provided, with loss of MUGA Exacerbating existing traffic congestion within this area of Cambridgeshire Known resistance to a mixed use scheme from local residents, committee members and Members Limited dedicated residents' parking bays 	<ul style="list-style-type: none"> Exacerbating existing traffic congestion within this area of Cambridgeshire Known resistance to a mixed use scheme from local residents, committee members and Members No dedicated residents' parking bays Funding gap 	<ul style="list-style-type: none"> Exacerbating existing traffic congestion within this area of Cambridgeshire Known resistance to a mixed use scheme from local residents, committee members and Members No dedicated residents' parking bays Funding gap 	<ul style="list-style-type: none"> Increased use of building could exacerbate congestion within this area of Cambridgeshire Funding gap to be met by CCC

	<ul style="list-style-type: none"> • Funding gap 			
Risks	<ul style="list-style-type: none"> • Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme 	<ul style="list-style-type: none"> • Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme 	<ul style="list-style-type: none"> • Unknown planning outcome – neighbouring church building refused planning permission for two storey extension • Scale of scheme meets with considerable objection by local residents • Likely to lose external funding due to extended timeframes within this scheme (S106 subject to final plan being submitted to East Area Committee by July 2014). This would result in a greater funding gap. • Lack of designated residents' parking affects viability of scheme 	<ul style="list-style-type: none"> • Likely to lose external funding is board decision is deferred. • Level of CCC financial investment required • Significant reputational risk if this project does not go ahead. The project has widespread political interest and support, as well as having a high profile amongst the enthusiastic local community. The centre has been threatened with closure twice in recent years, plus considerable work was carried out in 2008 to investigate the redevelopment of a hub in east Barnwell. Therefore much time and effort has been focused on regaining the trust of the community, whose expectations of what CCC can deliver are now raised.

