



Asset, Regeneration and Growth Committee

16 March 2015

Title	Daws Lane
Report of	Interim Chief Operating Officer
Wards	Mill Hill
Status	Public
Enclosures	None
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Summary

80 Daws Lane was originally built to provide space for the Civil Defence, and was constructed in 1939 with an intended use as a cleansing centre in the event that Hendon suffered a gas attack during World War Two. The building is in need of significant investment, and this report sets out a number of alternative uses for the site as options for consideration.

The Council has recently received a proposal from members of the local community to take possession of the site for redevelopment to form a new community hub which could ultimately be designed, built, operated and managed by members of the community. This recent proposal has prompted the Council to evaluate the options it has available with regards to the site.

The original 1930's building (Civil Defence) is a significant structure which has been extended with a single storey annexe to the rear. Latterly, a school accommodated the ground floor who since vacated the building to more purpose built accommodation. Until recently, a detachment of Sea Cadets occupied the first floor.

Given the current condition of the building a significant amount of investment is needed to meet modern standards. A recent condition survey identified an estimate of £875,500 of works required to bring the building to modern standards.

Officers have considered a number of options and believe that the site is a valuable asset to the Council. Although challenging, the site has potential to be developed for residential use with a residual land value of £1,417,815.

While the site offers development potential, officers are conscious of the local community's desire to see a provision of local services at this site..

Officers are therefore recommending that the Committee approve the principle to develop a community hub on the site, and that officers work with the community group and come back with a detailed community hub proposal for the next committee. This proposal would need to consider:

- Alignment to the community asset strategy;
- How capital investment could be levered in to the redevelopment of the site; and
- How the site could be run sustainably for the community in the future.

In the event that the Committee accepts the recommendation detailed considerations relating to the delivery of a scheme would be investigated further as part of the next stage of the project.

Recommendations

- 1. That the Committee agrees the principle of a community hub on the Daws Lane site and instructs officers to come back to the June committee with detailed proposals around the redevelopment of Daws Lane as a community hub.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The existing site at Daws Lane is in need of significant investment and the Council has subsequently received a proposal from members of the local community requesting the transfer of ownership in the site for redevelopment to provide a new community hub which will ultimately be designed, built, operated and managed by members of the community.
- 1.2 Officers have investigated the options available to the Council in respect of the site. This report sets out the outcome of that investigation and recommends an option for further consideration.

2. REASONS FOR RECOMMENDATIONS

- 2.1 While the recent proposal from the community has been the catalyst for the Council to investigate the options available for the site, officers have not assessed the quality or merits of the community proposal at this stage but the provision of a community facility of some form has been considered.
- 2.2 Officers have undertaken necessary site investigations to understand existing site issues and constraints for consideration. These investigations include the following
- Condition Surveys
 - Valuation Reports
 - Property Planning Constraints Check
- 2.3 Options have been considered in light of the information received from the above investigations. Officers are conscious of the local community's desire to see local services positioned at this site and this has informed the recommendation to approve the principle of a community hub on the site.
- 2.4 The condition of the building is currently poor and a significant amount of investment is needed for it to meet modern standards. The following summarises the costs.

Externals		
1	Roof & Rainwater goods	£59,500
2	External walls, windows, doors & decoration	£93,400
3	External works	£83,300
Internals		
5	Ceilings & walls	£76,500
6	Floors	£64,500
7	Internal joinery	£51,000
8	Decorations	£25,000
9	Sanitary ware	£10,000
Mechanical & Electrical installation		
10	Heating, ventilation, above ground drainage and security	£349,500
Fixtures and fittings		
11	Kitchens (replacement)	£8,000
General Matters		
12	Drainage, thermal insulation & access	£55,000
Total		£875,500

- 2.5 Considering that providing a scheme for 100% residential use would seem most financially attractive but equally would be most challenging to deliver, the option to develop the site for community facing activities is proposed.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

Officers considered the following options but have not recommended these to the Committee:

Leave as is

- 3.1 The current condition of the building is poor, therefore any use by a community group would require significant investment. This could be compensated by granting a rent free period, but it is unlikely that the building would be improved to a standard that maximises the potential of the building.
- 3.2 The current layout of the building is an inefficient use of space and therefore would prohibit maximum effective use of the building.
- 3.3 The Council could choose to leave the asset as is and seek a short term letting. However, given that this could leave the Council with a potential liability and expenditure to meet minimum compliant condition, and that there are alternative options available, this option has been discounted.

Refurbish

- 3.4 As the current condition of the building is in poor condition, The Council could choose to adopt an option which sees investment in the asset (by the Council or another party) in order to enable financial benefits to be realised.
- 3.5 Costs for bringing the property condition to modern standards are in the region of £876k.
- 3.6 The £876k includes no allowance for lift access to first floor level. Depending on the solution this could potentially increase the cost by another £50k.
- 3.7 The same issues remain as with the “Leave as is” option although a reduced capital investment could be made to bring the property up to minimum compliant standards.
- 3.8 The current layout of the building is an inefficient use of space and therefore would be prohibitive to any effective use for the building

3.9 Any worthwhile refurbishment of the asset would need to be extensive as it will involve internal alterations to the layout of the building. The costs for such extensive internal alterations would therefore be high and beyond the £876k costs for solely dealing with condition

3.10 At almost £900k serious consideration should be given to demolition of the existing building and redeveloping the site.

Dispose for 100% Residential Development

3.11 Although this would be a challenging scheme to progress through the planning process, the Council could achieve a scheme on this site that delivers a scheme for 100% Residential Use. To achieve this scheme, the Council would need to justify that there are sufficient or alternative facilities available within the area to provide for community uses.

3.12 Assuming 7 Units at £650,000 per unit, this could return a Gross Development Value of £4,550,000. After considering costs, this option could provide the Council with a residual land value of £1,417,815.

3.13 As officers are keen to incorporate community use within the facility, this option has not been recommended to progress.

4. POST DECISION IMPLEMENTATION

4.1 Following approval of the recommendation, a more in depth study will commence to ensure risks are identified and appropriately dealt with and to provide certainty on the achievability of the scheme.

The following stage will develop the potential designs for the site, test the market, produce a plan for stakeholder/community engagement and review other developing strategies across the Council in order to produce an outline business case for further approval prior to progressing to a procurement stage and any subsequent planning applications.

4.2 The Outline Business Case will be developed in collaboration with the local community and will address the ways in which the proposed scheme can be funded, which may include development opportunities across the Council's estate within the locality.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The development of plans for a community hub at Daws Lane will directly inform the council's community asset strategy, as it is being developed. Opportunities for shared use with public and private sector partners will be explored and where applicable included in the scope. The proposed location is also directly accessible from adjacent sports pitches and children's' play areas so it is hoped it will further encourage the use of these areas.

5.1.2 Overall success will be measured by the project's ability to generate sufficient capital and revenue to be wholly viable, and it is hoped that this will provide a meaningful model for other community facilities in the future.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The funding and residual analysis for the proposed scheme will need to be developed through the next stage of the project.

5.2.2 The next phase of the project will consider the property opportunities and implications across the wider Council's estate.

5.3 Legal and Constitutional References

5.3.1 Any legal issues will be considered following detailed consideration of the recommended option and will be addressed in the outline business case.

5.3.2 Council Constitution, Responsibility for Functions, Annex A – details the terms of reference of the Assets, Regeneration and Growth Committee which includes, “

- Develop strategies which maximise the financial opportunities of growth”
- Asset Management - .all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council

5.4 Risk Management

5.4.1 There is a risk that planning consent may not be achieved for the proposed scheme. The following stage of the project will develop the design further and involve engagement with planners so that potential planning issues can be identified and dealt with at an early stage.

5.4.2 The figures used as part of the assessment of options are based on current market conditions and current market rates. Conditions and rates within the market can fluctuate, therefore the potential costs and returns for the recommended option could move up or down. This does not cause an issue as far as the evaluation of options against one another are concerned as the rates used are consistent across each option. As the next phase develops the design and tests the market further, the certainty around the costs and returns will increase and therefore the associated risk decreases in impact.

5.4.3 The project will maintain an up to date risk register in line with the Corporate Risk Management Framework and will be reviewed and monitored on a regular basis.

5.5 Equalities and Diversity

5.5.1 The impact of this decision on equalities and diversity has been considered and there are no equalities or diversity issues arising specific to the recommendations in this report. An EIA will be undertaken and kept under

review as the project develops and options for the future use of the site are identified and appraised. An EIA will accompany any future proposals which are put to decision makers.

5.6 Consultation and Engagement

5.6.1 The Council is conscious of the local community's desire to see local services positioned at this site and that this has informed the recommendation

5.6.2 The following stages of the project will involve the production of an engagement plan.

6. BACKGROUND PAPERS

6.1 None