

Business Case (BC): Community Hub – Tarling Road

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1. Executive Summary

This document is the Business Case for London Borough of Barnet's (LBB) proposed redevelopment of the "Old Barn" community centre at Tarling Road.

It follows the approval to proceed with an outline preferred option in May 2015 by Assets and Capital Board. This option was for a single community hub at Tarling Road, replacing the current unsuitable facilities at the Old Barn centre. The purpose of this document is to approve the business case for the preferred option for the scheme.

In 2014 Barnet Council supported a local interest group of residents to revert the lease for the Old Barn Community Centre back to the Council, after difficulties were encountered with the management of the centre (previously managed by the Old Barn Youth and Community Association). Working alongside the Charity Commission and a community participation and engagement partner, Mobilise, the Council put in place a plan to ensure the Old Barn could be brought back into use for the benefit of the community as soon as possible.

In June 2013 the Council's community hall in Coppetts Road N10 was subject to an arson attack. At the time the primary user of the hall was the Somali Bravanese Welfare Association ("SBWA"), a local community group registered with the charity commission. There were no other Council buildings available to relocate the SBWA following this event. The group is currently using Barnet House as a temporary base for their activities. This is not a satisfactory solution due to the increased usage of Barnet House by Council staff and the desire to support local charitable groups to continue their activities in community settings. The Council provided a budget, partly comprised of the insurance monies, to re-provide the facilities at Coppetts Road and its tenants.

In December 2014 the Assets, Regeneration and Growth Committee approved to re-provision the facilities of Coppetts Road at the Old Barn site at Tarling Road following the surrender of the Old Barn Youth and Community Association's lease. This was identified as the option that will provide a Community Hub, to give the greatest flexibility of use to the local community and provide the best value for money.

Development of community hubs across the borough is a core part of the Council's Community Asset Strategy (CAS). Hubs present opportunities to ensure that the Council's community estate is being used in the most effective way by maximising the time during which assets are being used, as well as presenting opportunities for co-location of services in one building to facilitate integration and opportunities for voluntary and community (VCS) organisations to be at the heart of a holistic approach to meeting local needs. Co-location within an asset could involve VCS organisations co-locating with public services, or developing partnerships other VCS groups and using the hub as a base from which to develop community led approaches to solving local challenges.

Following extensive engagement with the local community, which included public meetings in November 2014, February 2015 and July 2015, the Council approved the option of refurbishing the Old Barn to create a new Community Hub for the area with provision for the SBWA to continue their activities in the new space.

This business case therefore appraises a number of options, as per the outline report at ACB in May 2015.

- **'Option 1 – Do Nothing'** as a baseline – continuing with the current arrangements with the SBWA
- **'Option 2– Refurbish'** Refurbish the Old Barn with an annex for additional facilities ear marked to re-provide the facilities of Coppetts Road and its tenants.

- **‘Option 3 – Old Barn Refurbishment with build over’** Provision of an additional floor for the Old Barn centre with an overall refurbishment of the building. The facilities of Coppetts Road would be re-provided for its tenants on the top floor.
- **‘Option 4– Rebuild’** Demolish and rebuild, with new larger Community Hub based on the site of the Old Barn. This would contain facilities that re-provide those of Coppetts Road and its tenants alongside other community groups.

Option 1 - Do Nothing represents the current status quo, and in the short-term continues to licence part of Barnet House to the SBWA for community activities and does not address the management or building status of the Old Barn Centre on Tarling Road. Longer-term, alternative provision would have to be found for the SBWA alongside securing additional funding to refurbish the Old Barn.

This does not meet the principles of the Community Asset Strategy (outlined in section 3.2) and assumes an alternative site could be found in the area for the re-provision of previous Coppetts Road tenant activities, such as the SBWA. Whilst funding could be identified for the refurbishment of the Old Barn to bring it up to a usable state, this would not change the inherent design therefore even on the assumption community funding could be sought, it would be many years before the Old Barn would be functional as a Community Hub.

Option 2 - New build with Old Barn refurbishment would offer a way fulfilling the Council’s commitment to the SBWA and allow for community provision at the Old Barn site. Whilst it would enable future utilisation of the Tarling Road Community Hub as part of the Community Asset Strategy, the increased operating costs of taking this approach would mean that the local groups providing community activities would be unlikely to be able to support themselves without subsidy. Additionally to this, there is no identified Council capital available for the refurbishment of the Old Barn and potential external capital funding streams are based on principles of community integration, which would be challenged by the provision of separate facilities for use by the SBWA.

Option 3 – Old Barn Refurbishment with build over’ would enable an integrated facility that would meet current building regulation with an additional floor provided for the re-provision of SBWA activities. This option would present the highest cost due to the capital of the additional floor alongside the refurbishment works. There would also be challenges over the management of centre and the issues over integration that this segregated option would present.

Option 4 – Old Barn Demolition and New Build will allow for the provision of an integrated Community Hub with reduced capital and operating costs. It would also allow for the cessation of the current arrangements with the SBWA and Barnet House, relieving the pressures on that as an accommodation option. The opportunities presented by a rebuild would significantly improve the building’s ability for community use and the integrated approach could potentially unlock additional community funding. There are increased risks centred on the management of the building as a solution would have to be provided that ensured the SBWA would have room for continuation of their activities whilst facilitating the best use of the centre for community purposes. The economic analysis in this business case (Economic Case) has shown that Option 4 is the preferred option.

2. Introduction

A decision was approved by Assets, Regeneration and Growth Committee (ARG) in December 2014 to re-provision the activities of the SBWA at Tarling Road subject to consultation and planning consent. An options appraisal was presented to Assets and Capital Board in May 2015. This recommended that the Old Barn demolition and new build

as outlined above (option 4), is the preferred option and deemed most cost effective. Further to this Business Case (BC) has been developed for consideration at ARG in Nov 2015. This BC has been completed in accordance with HM Treasury's Green Book 'five-case' business case principles and therefore includes the following:

- Strategic Case – setting out the context both in terms of the Community Asset Strategy, Community Participation Strategy, Customer Access Strategy and Corporate Plan. It also outlines current arrangements and the case for change, constraints and investment objectives;
- Economic Case – appraising the options for a community hub at Tarling Road for Barnet, and the preferred option;
- Commercial Case – indicating the commercial implications of the option;
- Financial Case – indicating how the preferred option could be funded; and
- Management Case – outlining the initial plans for delivery to manage the way forward.

3. Strategic Case

This section details the strategic context and case for change for London Borough of Barnet's Tarling Road Community Hub options. It also sets out the risks, constraints and dependencies in which the business need will be taken forward alongside the investment objectives.

3.1. Strategic Context

Strategic drivers

The Council's Corporate Plan 2015-2020 has an objective to create 'more involved, resilient communities', arguing that:

Greater community participation, engagement and involvement will be an essential part of the change the Council will need to achieve over the next five years.

The Council will work with residents to increase self-sufficiency, reduce reliance on statutory services, and make the best possible use of community strengths and knowledge to tailor services to need.

The Council's vision is to develop a new relationship with residents that enable them to be independent and resilient and to take on greater responsibility for their local areas. This is not about the Council shifting its responsibility to residents – it is about recognising that residents want to be more involved in what happens in their local areas.

The Council currently owns 141 sites across the Borough which can be classed as 'primarily used for community purposes' as defined by the Community Asset Strategy (CAS) that was approved by ARG in September 2015. This strategy defines these as council-owned land and buildings which are used for social, recreational or leisure purposes, and are occupied by a variety of organisations ranging from charitable and voluntary groups to commercial leisure organisations.

The Council is facing severe financial pressures and has a duty to ensure that it is realising best value from all its assets, including those that are used for community purposes. A key challenge is to ensure that the social and wider economic value provided by community assets is properly taken into account whilst maximising their contribution to helping the Council balance its books. To do this the CAS outlined Community Hubs as being an

efficient way of managing the Council’s community estate by encouraging community groups to co-locate within an asset.

This approach has a number of benefits:

- Residents are more easily able to access a number of different services if these are provided in a single location – which can facilitate a more holistic approach to residents’ needs
- Community groups gain opportunities to work together, by networking, cooperating with and supporting one another
- Services can be grouped together to meet the needs of a local area and share infrastructure, which enables community groups to operate in a more sustainable way
- It also enables the Council to rationalise its estate – using assets more efficiently could allow the disposal of those which are surplus to requirements and reinvestment in the remaining estate to improve the condition of community facilities.

The approach set out in the CAS supports the Council’s vision and Customer Access Strategy that, by 2020, local services will be more joined up, with public sector agencies - such as the Council, NHS, Job Centre, police and health and education advisers - embracing co-location and taking a more integrated approach by pooling resources, sharing staff and assets and developing joint solutions. It also supports the aim of the Council’s Community Participation Strategy to develop neighbourhood level approaches that empower communities to have a greater role in designing or delivering services, harnessing the expertise of communities to identify the best solutions to local challenges.

3.2. Case for Change

The Old Barn site was identified by the CAS as a site for a potential purpose-built community hub based on four criteria. These are listed below alongside the justification:

Criteria	Justification
1. Proposed location	Following a mapping exercise carried out during the CAS formulation, the Old Barn site along with 2 other sites were identified a potential Community Hubs due to their logical distribution within the borough and good transportation links. Further to this, independent analysis and surveys by the Local Trust (a management arm of the Big Lottery) identified a clear gap in community service provision on the Grange Estate where the proposed development is located and that the lack of a community space inhibited further community cohesion
2. Opportunities provided	The utilisation of the Old Barn as a community hub has the opportunity to draw in additional funding from community sources and also provide additional office space for use on a ad hoc basis for rationalisation of other council services in that area. More detail is provided in Section 5: The Economic Case.
3. Financial sustainability	Following consultation and engagement with interested community groups alongside the formulation of a business case by Mobilise, a community engagement consultancy, the hub is predicted to have its core running costs covered by rental income. It also enables the opportunity for local groups to become more sustainable than smaller specific premises by shared joint back office and booking functions. More detail is provided in Section 4: The Commercial Case.

4. Community management capacity	Following consultation and working alongside Mobilise, mapping of local community groups has revealed significant interest in being part of the proposed hub. More detail is provided in Section 4: The Commercial Case.
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3.3. Organisational overview

Tarling Road Community Hub Working Group

The working group for the Tarling Road development provides guidance and approval of designs, alongside enabling an avenue for the Council to consult with community representatives on a regular basis. The meetings are held monthly and the minutes are circulated to the respective members. The membership consists of two local constituted associations – Grange Big Local and the SBWA. These two groups nominate representatives to attend. There is also occasional representation from community partners such as Mobilise and Peabody, alongside permanent councillors and officer attendees from the London Borough of Barnet. As the Council works alongside the community to understand and define the mix of service provision and usage for the centre, the Working Group membership will be reviewed and expanded.

Somali Bravenese Welfare Association

The SBWA is a long established community organisation in Barnet. It was originally based in the Old Barn from 1996 – 2001 when it moved to Coppetts Road Community Centre and carried out activities there until the centre was burnt down in an arson attack in June 2013. SBWA works with young people from this community to provide educational, leisure and recreation facilities through the Arrahma School. Through work with a number of different communities the Association provide a number of cultural and religious events and activities throughout the year. SBWA also aim to relieve poverty of the Bravenese people by providing free and confidential advice, assistance, representation, and counselling, translating and interpreting services in matters such as asylum, immigration, money, debts, welfare benefits, housing, health, education, training and employment.

Grange Big Local

Grange Big Local (GBL) is an organisation that successfully bid for funding from the Big Lottery Fund as part of the Big Local Programme. GBL were awarded the £1million worth of funding in 2013 to demonstrate achievement of the following outcomes over a 10 year period:

- Communities will be better able to identify local needs and take action in response to them.
- People will have increased skills and confidence, so that they continue to identify and respond to needs in the future.
- The community will make a difference to the needs it prioritises.
- People will feel that their area is an even better place to live

There is potential for this funding to be used to support the redevelopment of the Community Hub at Tarling Road.

3.4 Needs analysis

As part of the Council’s Corporate Plan 2015-2020 there is a clear driver to ensure that services can be commissioned and facilitated that respond to the needs of the community. This is so as to increase self-sufficiency, reduce reliance on statutory services, and make the best possible use of community strengths.

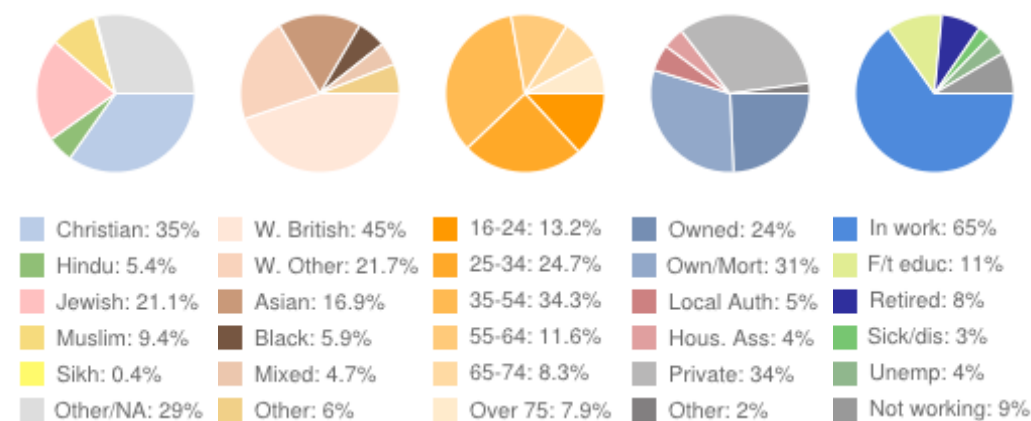
East Finchley – demographics

East Finchley ward, where the current Old Barn is located, has approximately 15,000 residents and 6600 households with a larger number of 15-39 year olds than the Barnet average.

Figure 1 – East Finchley ward age profile compared to Barnet

Age Profile 2012	0-14	15-39	40-59	60-79	80+
East Finchley	16%	43%	23%	13%	4%
BARNET	21%	35%	26%	14%	4%

Figure 2 – demographic data for Golders Green and Finchley constituency



East Finchley - Languages

Similar to the picture across Barnet there is a sizable minority (43%) of school children that do not speak English as a first language at home. The most common languages, other than English, spoken at home by East Finchley pupils attending Barnet schools are Somali, Arabic and Gujarati.

East Finchley - Deprivation

The most deprived Lower Layer Super Output Area (LSOA) in Barnet is located in East Finchley, specifically the Strawberry Vale estate, and falls within the 11% most deprived LSOAs in the country.

East Finchley – Education (GCSEs)

Within the East Finchley ward, average GCSE scores are significantly lower than the Barnet average and the 4th lowest of all of Barnet's wards (by residence of pupils).

East Finchley - Early Education

Due to legislation changes in 2014 which extended the provision of Free Early Education Entitlement (FEE) for 2 year olds Barnet had a shortfall of over 1000 places. As part of the strategic approach of early intervention, FEE has become a priority for the Council (see **Appendix G**). East Finchley has a shortfall of 41 places for 2 year olds and this provision in the medium term will need to incorporate 3 and 4 year olds FEE provision due the amendments of the Childcare Bill. This is currently predicted to mean Barnet will require around 926 extra places.

Barnet – community provision (Integration and Wellbeing)

More generally across Barnet, in line with the CAS, there is a need to facilitate greater community based provision. This is particularly evident in the field of community wellbeing and integration. Barnet's population is more diverse in the south of the borough, where the proposed development is located, than the north. Barnet has a high percentage of households with multiple ethnicities and multiple languages spoken suggesting a higher level of ethnic integration than other parts of London, particularly other Outer London boroughs. Barnet's population is projected to become increasingly diverse and by 2021 the White British population is projected to decrease in proportion to the total population (from 62.9% to 58.4%).

In terms of community wellbeing, priorities in Barnet include reducing smoking rates, reducing obesity and increasing levels of physical activity in both children and adults, and reducing harm due to alcohol. This is further supported by Health and Wellbeing Strategy for Barnet which states two overarching aims:

- Keeping Well – A strong belief in 'prevention is better than cure. Aiming to give every child in Barnet the best possible start to live a healthy life, to create more opportunities to develop healthy and flourishing neighbourhoods and communities and to support people to adopt healthy lifestyles to prevent avoidable disease and illness.
- Keeping Independent –Aiming to ensure that when extra support and treatment is needed, this should be delivered in a way which enables people to get back up on their feet as soon as possible supported by health and social care services working together

Location – Grange Estate

The Grange Big Local area (where the proposed site is located in- see section 3.3 Organisational overview) has around 8000 residents. It is bordered on the north by the North Circular Road and is separated from the larger Strawberry Vale Estate by East Finchley High Road. The estate, which is mainly small blocks of flats, was built in the 1950s and is home to residents both renting and leaseholding. The Newstead Children's Centre is at the heart of the estate and the communal areas are a mixture of car parks and green spaces. The area has a high density of social housing and one of its LSOAs (Lower Super Output Areas) falls in the 30% most deprived in the country (Index of Multiple Deprivation 2010).

Grange Big Local Community Profile

During consultation by the Local Trust (who coordinate the Big Local funding) and reiterated through community engagement, residents suggest one weakness of the area is a lack of a 'community heart', a place to bring its diverse population together. The Local Trust reported that their surveys of residents in the area highlighted a strong desire to see more community events and activities specifically for young people and children but this was inhibited by the lack of a centrally-located community space. GBL's community mapping also highlighted the lack of services for children and young people. As part of the ongoing mapping exercise, surveys of the local community were carried out. These listed the following top priorities those surveyed wanted to see more of:

- Playgrounds/ Play parks – 27%
- Provision for youth and young people – 19%
- More events / Activities – 13%
- Environmental management – 9%
- Sports activities – 8%

Further to this those surveyed by GBL highlighted the following as key priorities that needed to change:

- Crime, safety and security,
- Litter, dog mess, cleanliness and appearance.

Needs summary

Looking at the needs of the area, alongside the community mapping undertaken by organisations such as GBL (see **Appendix F**), the following are recommended to be identified as key areas in which will seek to commission services in the proposed community hub:

Children and Young People :

- Language based classes for school children
- After school and additional educational support for young people
- Events & activities for young people
- Additional FEE provision for 2 year olds

Wellbeing & integration:

- Activities that create circumstances which enable residents to be healthier
- Increase inclusion into local communities, overcome language barriers and develop stronger inter-generational support
- Community cleanup activities

Current arrangements

At present the Old Barn site has not been occupied following the recovery of the lease by the Council in 2014. This is due to the current building condition being unsuitable for continued community use without additional works. Community groups use the premises provided by a smaller community facility in the local area but this is reportedly at capacity with little scope for additional activities.

The SBWA are currently utilising space at Barnet House in the evenings for some community based activities. Due to the pressures on space, resulting from increased council usage of the building, room availability is limited and the location is some distance away from the Association's traditional clients. This presents challenges to the SBWA's ongoing sustainability and limits the Council's ability to make full use of the Barnet House asset.

3.4. Constraints

There are a number of constraints for LBB to consider in its approach to the proposed Community Hub at Tarling Road:

- Spring 2017 is the earliest date for delivery of proposed Community Hub arising from major works, either from a refurbishment or new build;
- The development will be constrained by the availability of funding
- The current arrangements for the SBWA at Barnet House are not sustainable following the proposed LBB office accommodation move to Colindale

3.5. Dependencies

The project is dependent upon the procurement of management arrangements for the proposed development is dependent on the successful procurement of the Social Benefit consultant and the subsequent delivery of the Community Benefit Assessment Toolkit (CBAT).

This is due to be piloted from December 2015 – March 2016 with the end product being a universal tool that can be used to calculate the community benefit that a community group's activities provide and the resultant amount of rental subsidy that may be applied to an LBB lease.

3.6. Risks

The Strategic Risks for LBB to manage and mitigate as it considers the proposed Community Hub at Tarling Road are:

- Reputational impact of failing to deliver an acceptable solution in line with the CAS criteria
- Objections from the local community about the new Community Building during planning approval process, which may defer planning consent.
- Failure to obtain sufficient commitment from community organisations to ensure the proposed Community Hub is sustainable
- Potential cost and time overruns resulting in new accommodation not being available on time and budgetary pressures

Detailed risk analysis, with mitigations is found in Section 7, Management Case.

3.7. Equalities and Diversity

Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.

We anticipate that the planned new Community Hub will have a positive impact on equalities because it will provide facilities and be designed to reflect the needs of the broad diversity in the community. The options have been evaluated against the principles of fair treatment as

outlined in the Equalities Policy and the Strategic Equalities objective and at this stage there are no equalities and diversity issues relevant to this decision. The equalities impact will be kept under review and updated as the proposals develop,

The proposed works will comply with all current relevant legislation including disability requirements.

The proposed works will enhance the Borough's reputation as a good place to live and work.

3.8. Conclusion

This section has set out the strategic context for the proposed Community Hub at Tarling Road and demonstrated there is alignment between the Council's Corporate Plan, strategic framework (i.e. CAS) and the proposals. By analysing the criteria outlined in CAS for development of Community Hubs and the limitations of current arrangements this section has set out the strategic case for investment in a new community Hub at Tarling Road. This will enable the Council to increase community participation, reduce reliance on statutory services and develop a new relationship with residents.

4. Economic Case

The Strategic Case set out the rationale, context and constraints for proposed Community Hub at Tarling Road for The London Borough of Barnet. The Economic Case sets out the Critical Success Factors (CSF's) for the decision, appraising the short-listed options to indicate the preferred option.

4.1. Critical Success Factors

Based on the strategic drivers, business needs and constraints, the following Critical Success Factors (CSFs) have been established for LBB's approach to the proposed Community Hub at Tarling Road:

- **CSF1: Is financially sustainable** for the Council
- **CSF2: Devers a fit for purpose solution that facilitates community usage and management**
- **CSF3: Alignment with the wider strategic aims** of LBB (including likelihood of responding to community needs and reducing inequality)

4.2. Introduction to options

At Assets and Capital Board in April 2015 an options appraisal was presented for the Community Hub proposal at Tarling Road. The following section outlines the options in more detail and outlines the preferred option.

- **'Option 1 – Do Nothing'** as a baseline – continuing with the current arrangements with the SBWA
- **'Option 2– Refurbish'** Refurbish the Old Barn with an annex for additional facilities ear marked for use by the SBWA
- **'Option 3 – Old Barn Refurbishment with build over'** Provision of an additional floor for the Old Barn centre with an overall refurbishment of the building. This would contain facilities for use by the SBWA alongside other community groups

- **‘Option 4– Rebuild’** Demolish and rebuild, with new larger Community Hub based on the site of the Old Barn. This would contain facilities for use by the SBWA alongside other community groups

No further site options have arisen since ACB and therefore the list above will be appraised in further detail at this BC stage.

A summary of options is presented in **Appendix H**.

4.3. Do Nothing appraisal

Do Nothing involves maintaining the status quo, i.e. continuing with current arrangements for the SBWA at Barnet House and leaving the current Old Barn site closed due to the building’s condition.

Qualitative appraisal

Do Nothing will have low implementation costs, but not achieve any of the benefits outlined in the Critical Success Factors in terms of meeting the requirements of the CAS, delivering a financially sustainable solution, increasing the community usage and providing a viable option to fulfil the Council’s commitment to replicate the facilities utilised by the SBWA at Coppetts Road Community Centre.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1 -Is financially sustainable for the Council	-No implementation costs, as there is no change	-Will not be utilising the existing estate efficiently -Does not reduce current estates operating costs	Red
CSF2 -Devers a fit for purpose solution that facilitates community usage and management		-Does not increase or facilitate community usage	Red
CSF3 -Alignment with the wider strategic aims of LBB		-Is not in alignment with the CAS or the Corporate Priorities	Red

Quantitative appraisal

The Do Nothing option has no direct cost impact except for the ongoing maintenance of the facility. Hidden costs are the depreciation of the asset and the risk of costs arising from the securing of the property to prevent illegal usage. There would also be the impact of exploring another site to fulfil the Council’s commitment to re-provide the facilities at the Coppetts Road Centre.

A condition survey is available in Appendix C which highlights the costs for bringing the building in community usage (**Appendix C**)

4.4. Option 2 - New build with Old Barn refurbishment

This option proposes the refurbishment of the Old Barn community centre alongside the building of an additional facility in the grounds adjacent to the Old Barn as a means of re-providing the facilities of the Coppetts Road Centre.

Qualitative appraisal

This option would offer a way fulfilling the Council’s commitment to re-provide the facilities of Coppetts Road and allow for community provision at the Old Barn site. It would also allow for the cessation of the current arrangements with the SBWA and Barnet House, relieving the pressures on that as an accommodation option. Whilst it would also enable future utilisation of the Tarling Road Community Hub as part of the Community Asset Strategy, the increased operating costs of taking this approach would mean that the local groups providing community activities would be unlikely to be able to support themselves without subsidy. The divided nature of the facilities provided would also offer significant challenges in facilitating community usage of the proposed centre alongside not being in alignment with the wider strategic aims of the council around integration and participation. There are also increased risks centred on the management of the building, as a solution would have to be provided that ensured the SBWA would have room for continuation of their activities whilst facilitating the best use of the centre for community purposes.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1 -Is financially sustainable for the Council	-Would utilise the asset at a lower capital cost than option 3	-Will not be utilising the existing estate efficiently -Does not reduce current estates operating costs - The centre is unlikely to be sustainable for a community group to manage without subsidy from the Council -There is a risk that insufficient funding can be secured for this option	Amber
CSF2 -Devers a fit for purpose solution that facilitates community usage and management	-Would offer limited opportunities for community management and activities	-The opportunities for the community to draw in additional revenue to support the running costs could be limited. -The division of the centre for different usage would likely increase issues of division between community groups thereby reducing the ability to manage the centre effectively	Red
CSF3 -Alignment with the wider strategic aims of LBB	-Offers the opportunity for limited community usage and partial rationalisation of the Council’s estate -Offers the opportunity for the Council to fulfil it’s obligation to re-provide the facilities at the Coppetts Road Centre	-Unlikely to meet the criteria in the CAS for best use of community strengths	Amber

Quantitative appraisal

This option is estimated to be delivered for £2.95m. There is no identified capital available for the refurbishment of the Old Barn and potential capital funding streams, are based on

principles of community integration which would be challenged by the provision of separate facilities for use by the SBWA.

4.5. Option 3 – Old Barn Refurbishment with build over

This option proposes the provision of an additional floor for the Old Barn centre with an overall refurbishment of the building. It is envisaged that the SBWA could lease the additional floor.

Qualitative appraisal

This would enable an integrated facility that would meet current building regulations with an additional floor provided for the re-provision of SBWA activities. It would also allow for the cessation of the current arrangements with the SBWA and Barnet House, relieving the pressures on that as an accommodation option but there would also be challenges over the management of centre and the issues over integration that this segregated option would present.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1 -Is financially sustainable for the Council	-Would present opportunities for the revenue of the building to cover the core running costs thereby presenting a cost neutral option for the Council	-Would incur the highest capital costs for the build of the options presented. This would increase amount required by community groups to raise which could result in increased subsidy thereby affecting the ability for revenue to cover core running costs -There is a risk that insufficient funding can be secured for this option	Amber
CSF2 -Devers a fit for purpose solution that facilitates community usage and management	-Would offer opportunities for community management and activities although these would most likely be based on two different management organisations	-The opportunities for mixed community management and maximising the usage of space could be limited due to the physical segregation of the building based on the additional floor	Amber
CSF3 -Alignment with the wider strategic aims of LBB	-Offers the opportunity for community usage and partial rationalisation of the Council's estate -Offers the opportunity for the Council to fulfil its obligation to re-provide the facilities at the Coppetts Road Centre	-Unlikely to meet the criteria in the CAS due to the challenges presented by alternative floors for use by differing groups	Amber

Quantitative appraisal

This option would present the highest cost, at approximately £3.3m, due to the capital required for the provision of the additional floor alongside the refurbishment works.

4.6. 'Option 4 – Rebuild'

This option proposes the demolishing and rebuilding of the Old Barn, with new larger Community Hub based on the site. This would contain facilities for use by the SBWA alongside other community groups.

Qualitative appraisal

A complete rebuild would allow for the provision of an integrated Community Hub with reduced capital and operating costs. It would also allow for the cessation of the current arrangements with the SBWA and Barnet House, relieving the pressures on that as an accommodation option. The opportunities presented by a rebuild would significantly improve the building's ability for community use and the integrated approach could potentially unlock additional community funding. There are increased risks centred on the management of the building, as a solution would have to be provided that ensured the SBWA would have room for continuation of their activities whilst facilitating the best use of the centre for community purposes.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1 -Is financially sustainable for the Council	-Offers the opportunity of a cost neutral option to the Council in terms of running costs through the revenue generated by the Community Hub	-There is a risk that insufficient funding can be secured for this option -There is a risk that the Community Group will be unable to put forward a schedule of leases / activities that enables the centre to support itself without subsidy	Amber
CSF2 -Devers a fit for purpose solution that facilitates community usage and management	-Would offer good opportunities for community management and activities	-There is a low risk a range of community activities and usage will not be developed	Green
CSF3 -Alignment with the wider strategic aims of LBB	-Offers the opportunity for mixed community usage and rationalisation of the Council's estate through the potential for a partnership library -Likely to meet the criteria for CAS		Green

Quantitative appraisal

This option was originally proposed at a capital cost of approximately 2.65m without contingency. The option presents good opportunities for a mixed management organisation to run the centre at a cost neutral solution for the Council.

4.7 Conclusion

The analysis in this business case shows that 'Option 4 - Rebuild' represents the greatest public value for money (see table below). Although there will be more disruption than other

options, due to the construction time involved in a new build, it is the only option that meets all of LBB's strategic objectives.

Table – economic comparison of options

	Option 2 - New build & Old Barn Refurbishment		Option 3 - Old Barn Refurbishment with build over		Option 4 - New Build	
Indicative cost						
Demolition					✓	£0.1m
Old Barn refurbishment	✓	0.9m	✓	Inc. below		n/a
New Build	✓	£0.6m	✓	£1.6m	✓	£1.6m
External Works	✓	£0.4m	✓	£0.4m		£0.4m
Total cost (inc. Prelims/fees)	930sqm	c. £2.95m	904sqm	c.£3.3m	904sqm	c.£2.65m
Operations cost	Running costs will be higher for option 2 which involves refurbishment of the Old Barn as well as running 2 buildings.					

5. Commercial Case

The Economic Case set out the preferred option for the proposed Community Hub at Tarling Road. This section details the commercial case the preferred option by demonstrating how this option could be sourced through procurement and its viability once delivered as a financially sustainable solution.

5.1. Required services

As described within the Economic Case, the preferred option centres on rebuilding the Old Barn centre as a new purpose built community hub for 2017, with sufficient space for a mix of community groups including the SBWA.

Design and build of the new Community Hub

LBB is able to utilise its existing contractual arrangements with CSG to facilitate the redevelopment of the Tarling Road site as a Community Hub through a Design and Build Contract. Additional services will be required comprising three principle areas as follows:

- Full development support services
- Development contractor
- Provision of funding

Building services and facilities management

During the finalisation of a management arrangement for the Community Hub it is envisaged a management organisation would take on these responsibilities.

5.2 Development sourcing approach

Design and build of the Community Hub

The physical development will be undertaken through a JCT (Joint Contracts Tribunal) Design and Build contract project managed by the Council's technical experts. The appointment of the contractor will be managed by the Corporate Programmes team and in line with EU public procurement regulations and the Public Contracts Regulations 2015. Corporate Programmes will provide the following development support services for the programme:

- Preparation of the outline design
- Submission of a full planning application
- Cost consultancy
- Project management;
- Development management

5.3. Procurement approach and implementation timescales

Proposed contractual arrangements

There is an aggregated procurement solution (APS) which would be a beneficial way of delivering the project. This would add benefits to the project as this is a mechanism that will allow opportunities for tighter cost control. It would also enable delivery through a partnership ethos rather than a 'one-off' procurement approach as this has the potential to be perceived as a combative approach. If timescales do not allow for utilising the APS to deliver the new Community Hub then existing frameworks such as the Southern Construction Framework offers a quick route to market. This does present a risk of market saturation impacting on the cost of the scheme and the ability to find a contractor available. This can be mitigated through employment of technical experts who would be able to design a mechanism to protect the Council's interests ensuring value for money and deliverability. If a framework is not an option the route to procurement would have to follow full OJEU regulations.

Planning permission

Pre-application meetings have taken place between the project team and the Local Planning Authority who are positively engaging in the scheme. Engagement with members, residents and stakeholders has taken place over the proposed designs and consultation will be carried out during the statutory 28 day planning timeframe. The design team will work through the duration of the planning process and are already within the overall project team. Planning has been submitted with the intention to seek a decision at the 27 January 2016 Council Planning Committee.

5.4 Management of the Community Hub

LBB will hold the freehold for the building and is expected to lease to management organisation which will in turn lease/license to a number of tenants in the building, including the SBWA and a number of third sector and community groups. It is desirable that any management organisation leave time/space bookings for use on an ad-hoc basis by residents, or smaller non-constituted groups.

To ensure the solution is financially sustainable and compiles with the CAS criteria for a community hub, the Council worked alongside a community engagement partner to draw together a provisional business case for the management of the proposed hub. This was summarised in a report in April 2015 (**Appendix B**) which highlighted the work undertaken to engage interested leaseholders and that the viability of the centre was financially sustainable.

The approach outlined below seeks to demonstrate that the management of the centre would be cost-neutral to the Council by securing an experienced community management organisation to run the lease. Whilst the figures are still estimates at this stage, the interest generated and the initial cost comparison drawn up present a favourable picture for maintaining the community hub with its core running costs covered by rental arrangements.

Head lease

A lease is a legal document giving the tenant an interest in land. It normally grants an exclusive right to occupy the premises throughout the term of the lease. The majority of leases into which community groups wish to enter will be regarded under the Landlord and Tenant Act 1954 as business tenancies.

The Council requires a head leaseholder to undertake the following activities in management of the building:

- Repairs and maintenance
- Cleaning
- Managing 'tenants'
- Promoting the 'Community Hub' to other community groups
- Waste disposal - waste reduction and recycling
- Building security
- Heating and Lighting – an energy management strategy

The head leaseholder could be an existing organisation, which has experience in running community facilities such as a housing association, or locally formed community management groups. For the purposes of this paper both are referred to as a Management Organisation (MO). It is vital to the function and sustainability of the Community Hub to ensure a robust management structure.

The Council is recommended to seek expressions of interest for a Management Organisation (MO) by submitting a specification of requirements. These will be evaluated and assessed against a set of criteria which will at minimum contain the following items of financial due diligence:

- A 3-5 year business plan
- Cash flow statements
- Statement of accounts for 3 years

In addition to this further criteria will be draw up through engagement with local stakeholders. This is envisaged to contain approaches to conflict resolution, marketing and knowledge of the local community need.

Timeline

Nov 2015 – February 2016

Engagement with interested groups in a series of workshops to define the issues to consider as part of specification of requirements

March / April 2016

The council will work with the community to draw up a management organisation specification which will be submitted to interested parties.

April 2016

Evaluation, assessment & selection

May / June 2016

Head lease drawn up subject to legal guidance

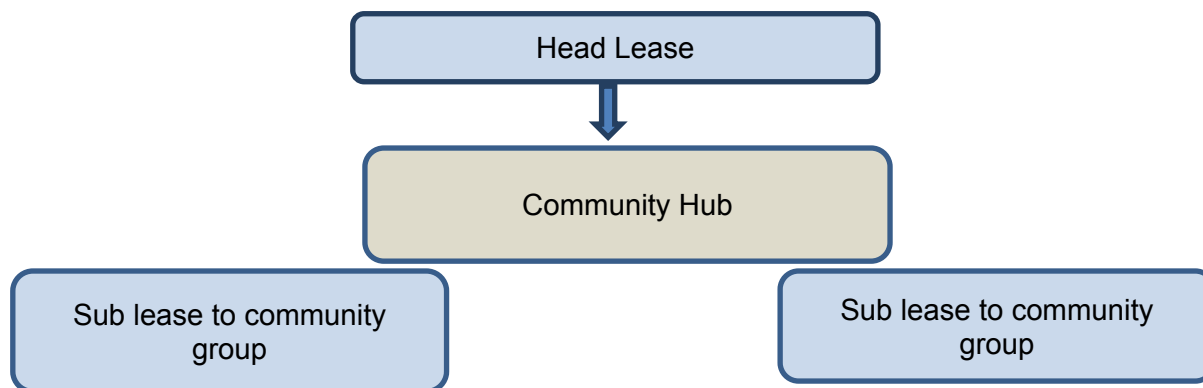
June –August 2016

Sub-leases finalised subject to legal guidance and the input of CBAT (see Social Benefit Assessment Tool)

Spring 2017

Leases commence as build handover is completed

Management Organisation as Head Lease for the Tarling Road Community Hub



The Council will appoint a Management Organisation (MO) who are granted a head lease at market rent to manage the property and undertake the building management functions mentioned.

The MO, with the approval of the Council, would grant subleases to Community Groups. These subleases will be at market rent (subject to any subsidy from the CBAT) and payable under the terms of the subleases to the head leaseholder.

In accordance with the CAS the Council would agree a funding package with each respective community group. The funding package will be in accordance with the procedures of the CAS and the CBAT.

As part of any arrangement with a MO there would be an obligation to develop a resident and user led committee over time which would provide guidance for the management of the Community Hub and could, subject to the appropriate governance, take over the management of the Community Hub.

The Council will monitor and review the performance of sub-leases in terms of the conditions of the rebate. The Council will also have overarching rights within the head lease to ensure fair and transparent management.

Benefits

- Management light as the 'MO' manages the property on behalf of the Council
- This would effectively be a Full Repair and Insurance Lease
- 'MO' responsible for repairs and maintenance, and managing service charge.
- 'MO' pay rent to the Council
- LBB will have overarching rights in the head lease to ensure fair and transparent management.

Issues to be considered and addressed

- A robust management agreement to be put in place.
- The issue of how a contractual relation via the subleases to the Community Group sub leaseholder is established as the Council will not hold the head lease
- Funding and rental payments need establishing in terms of function
- Rental – in reality this will operate on the basis that while the leases refer to a market rent payable, the respective rent demands will make reference to any rebate in place at the time of the rent demand and will act as a credit on the rent demand (in line with the CBAT)
- The rent due under the head lease will reflect the rent payable under the respective subleases having regard to the level of rebate. If the rebate provides 100% credit against the rent due under the subleases, this will be reflected in the rent due under the head lease (100% rebate equates to a nil demand under the head lease)

Community Benefit Assessment Tool

Currently the leasehold arrangements are dependant to the delivery of a **Community Benefit Assessment Tool** (CBAT). This will result in a tool to assess social and community benefit provided by Voluntary and Community Sector (VCS) organisations that occupy- or apply to occupy- Council owned assets. This will allow the Council to consider the level of social and community benefit provided, against clear criteria, when assessing and agreeing the level of rent subsidy for a VCS organisation. In a time of scarce resources, this aims to ensure that the Council's property portfolio will deliver the maximum level of social and community benefit.

The contract for the development of the CBAT was about to be awarded at the time of writing and subsequently there will be a pilot phase to refine the product. It is envisaged there is an opportunity for potential leaseholders to work with the successful contractor to develop the methodology and keep them engaged in the process as part of the pilot phase (due to be completed in March 2016). Following the competition of the pilot phase any potential leaseholders committed in principle to providing community benefit outcomes in line with the CBAT, would be outlined in the specification to a management organisation. The successfully appointed management organisation would then work with these parties draw up sub-leases/licences.

Impact on rental arrangements

The Council will operate a standard policy in which the rental value of each of its community buildings is assessed on the basis of full market rental value for community use. Where the occupier is deemed to be contributing to local priorities and fulfilling other criteria for support, the Council may choose to grant financial assistance in the form of a rebate to provide support (through an agreement with the occupier), at a level which reflects the community benefit the organisation is providing. This will be addressed by the CBAT workstream.

The benefits of this approach are that it:

- Allows a clear assessment of the value of the support the Council is offering the occupier, without this affecting the investment value of the asset
- Allows the level of support to be set in relation to the benefit provided by the organisation
- Enables asset-related support to be weighed up against other kinds of support being offered to community groups
- Allows the Council to support community groups to become more independent and resilient by encouraging them to move towards meeting the rental obligations themselves through a phased withdrawal of the subsidy.
- Encourages full utilisation of the asset

5.5. Estimated rental income / rates for the Community Hub

Mobilise Public Ltd, developed a provisional commercial business case for Community Hub at Tarling Road in April 2015. This section outlines the estimated rental rates for different types of spaces using the current proposed layout of the Community Hub. Potential costs have been calculated by using costs from other facilities and information from the Old Barn itself.

The Mobilise report was based on the design proposals in early March and as such was based on a smaller building footprint. Costs have been calculated as indicative estimates based on market rent per square metre. Where possible the comparators from the Mobilise report have been included, and where appropriate have been uplifted by 35% to represent the increased net internal area of the proposed development.

5.6. Indicative rental rates

Due to the location the current indicative market rent for this type of facility would be approximately £215.20 per square metre (£20 per square foot). For multiple occupied properties, as is the case for the Community Hubs, any space which is not included within a particular tenant's demised area is classed as communal space: entrance lobbies, atriums, communal corridors, communal WCs etc. The landlord receives no rental income for this space. Currently usable community space (as opposed to the atrium, toilets or corridors) account for 554sqm of the facility resulting in a net indicative market rent for the total proposed development to be £119,189.

With regards to service charge, this is a charge which includes any costs incurred by a Landlord in connection with the supply of services, repairs, maintenance, improvements, insurance, management for a building or estate, as defined by the lease or other type of tenancy agreement; basically the running costs of the building. In reality each occupier will be responsible for paying a proportion of the service charge based on a percentage of the area of the building demised to them in their lease. The service charge includes the costs of running and maintaining the communal parts.

As noted in section 5.4, it is envisaged that the community hub will host VCFS organisations that provide a community benefit. All engagement has been with organisations that offer, at least in intended purpose, an element of community benefit and it would be contrary to the CAS to have a community hub which offered no activities that provided an element of benefit to the community. The forthcoming CBAT will enable VCFS organisations to calculate the community benefit provided and its impact on subsidy. It is therefore envisaged the lease/rental costs of the facility will be reduced in line with this tool.

Table – indicative market rent amounts for rooms at Tarling Road

Ground floor		
Room name	Area/sqm	Indicative market rent*
Small Hall	90.78	£ 19,536
Office 1	12.69	£ 2,731
Office 2	13.43	£ 2,890
Office 3	9.75	£ 2,098
Training	35.70	£ 7,683
Learning Space 1	46.30	£ 9,964
Learning Space 2	34.59	£ 7,444
Kitchen 1	15.97	£ 3,437
Ground floor total	259.21	£ 55,782
First floor		
Room name	Room size (sqm)	Indicative market rent*
Meeting hall	100.76	£ 21,684
Office 4	24.62	£ 5,298
Office 5	13.09	£ 2,817
Kitchen 2	10.71	£ 2,305
Meeting Room	10.96	£ 2,359
Main hall	134.50	£ 28,944
First floor total	294.64	£ 63,407
Total	553.85	£ 119,189

*not including any service charge arrangements

5.7. Indicative running costs

To estimate the costs of running the Old Barn, a real budget from a similar centre (The Froud Centre) was analysed. Real costs were then inserted from information found at the Old Barn regarding previous running costs or, estimated costs for Old Barn in proportion to the difference in size of the buildings. For both of these methods, they have been adjusted for inflation. Due to the proposed development having a 35% larger net internal area than the previous Old Barn, costs have been uplifted from the Mobilise report by 35% where appropriate. Further information is provided in **Appendix H**.

In summary, it is estimated that the following are the costs of running the Community Hub:

Table – indicative costs for running the Community Hub

Item	Estimated Costs*
Total Staff Costs	£62,300
Total Administration Costs	£7,398
Total Property Costs**	£29,774
Total Finance Costs	£200
Total Governance Costs	£3,240
Total Fundraising and Publicity Costs	£1,350
Total estimated costs	£104,263

*The costs assume that the building will be staffed by a manager/community developer 3 days per week; a support worker 4 days per week; a book keeper 1 day per week; and a caretaker 35 hours a week. In addition an allowance for a cleaning contract is given within the budget.

**Excluding rent – to be confirmed as part of the CBAT and management organisation discussions

5.8. Potential tenant and activity scenarios

From the work Mobilise undertook with potential tenants and activity providers at the Old Barn, there were a wide array of potential tenants and activities identified for the Community Hub. This is a snapshot from April 2015 and further work will be undertaken prior to the build to work with potential leaseholders alongside the developments in the CBAT workstream. The below however provides an indication as to the viability of the Community Hub in terms of ongoing running costs. These scenarios are not representative of any final decision as to the mix of provision in the proposed Community Hub and the Council will work alongside interested users and the community to understand the requirements of potential users and how their activities could meet local need. A series of workshops and engagement will take place to feed into a specification for a management organisation which is envisaged to seek to create a management committee made up of local users and other key stakeholders.

5.8.1 Alzheimer’s Society as anchor tenant scenario or similar (scenario 1)

In this scenario, the Alzheimer’s society would be permanently assigned a number of rooms comprising of approximately 30% of the building. Again, due to the needs of the client group, it is likely that a tenant like this will want to limit access to their space in the building while operating. Remaining space would be assigned for Art Against Knives, East Finchley Altogether Better, Barnet Lone Parents, an afterschool club, the Monday Club, and the East Finchley Theatre Group. Classroom space would be needed by the theatre group for storage of props, staging and equipment for roughly 20 weeks per year. The SBWA would lease a number classrooms and a large hall space for educational classes for key stages 2-4 alongside cultural/religious events.

5.8.2 Nursery as anchor tenant scenario (scenario 2)

In scenario 2 the Old Barn pre-school or other nursery could become an anchor tenant and would be assigned around 20% of the building comprising of a meeting room alongside office and hall space. . The nursery would also need use of the kitchen during hours of operation, the toilet area designed for use by a nursery, an external area accessible from the nursery for outdoor play, and the ability to secure their area of the building during hours of operation. Similarly to the first scenario, the Old Barn should still be able to accommodate the needs of an afterschool club, the Monday Club and the East Finchley Theatre Group in the large hall. This scenario would also be able to accommodate the local music school but there would not be space for the Alzheimer’s society or Barnet parenting courses. As per the first scenario the SBWA would lease a number of classrooms and hall space.

5.9. Business Case based on Scenarios 1 & 2

Based on the indicative costs of running the Community Hub the following tables represent the Business Case for each of the scenarios. Individual rental amounts have not been included as these will be subject to the forthcoming CBAT (see section 5.2):

Scenario 1	Alzheimer’s Society or equivalent as Anchor Tenant
Groups interested	
Afterschool club	
Alzheimer's Society	
Art Against Knives	
Barnet Lone Parents	
East Finchley Theatre Group	

East Finchley Altogether Better		
Newstead community activity		
SBWA		
The Monday Club		
Total income (service charge and rent)*	£	223,451
Running Costs	£	104,263
Surplus/Deficit (-)	£	119,189

*This figure assumes all running costs would be passed onto tenants as a service charge – this figure is an estimate based on comparators in the local area and will be refined as part of the procurement of a management organisation

Scenario 2	Preschool/nursery or equivalent as anchor tenant	
Groups interested		
Nursery		
East Finchley Theatre Group		
Music school		
The Monday Club		
Afterschool club		
SBWA		
Income (service charge and rent)*	£	217,008
Running Costs	£	104,263
Surplus/Deficit (-)	£	112,746

*This figure assumes all running costs would be passed onto tenants as a service charge – this figure is an estimate based on comparators in the local area and will be refined as part of the procurement of a management organisation

Based on these estimated income streams there would seem to be a reasonable business case for either of the scenarios above albeit with the overall rent for the facility yet to be calculated.

However, it should be noted that for either of the scenarios, while running costs could be somewhat higher than estimated, none of the following have been taken into consideration when assessing income or business case.

- Any charitable organisation taking on the lease for the Community Hub is likely to engage in some fundraising from charitable sources to supplement the rental income
- -Any organisation taking on the lease for the Community Hub is likely to look for opportunities to bid for the delivery of some local services either alone or in consortium, offering further potential sources of revenue.
- Most significantly, no ad hoc rental revenue has been estimated for the purposes of developing this Business Case. It is reasonable to expect that, on top of the regular tenants and hirers outlined above, there to be an array of ad hoc hires for meetings, short-term activities, parties and other events. There would remain a number of rooms and hours to be hired and it can be expected that any organisation managing the Community Hub would take advantage of this.

5.10. Conclusion and next steps

This Commercial Case has indicated the sourcing approach that the Council proposes to deliver for the preferred option. Next steps are for the Council to procure and appoint a Design and Build Contractor subsequent to finalising all funding sources, to submit a full planning application and for Technical Design (Stage 4) to be developed by April 2016.

In addition the Commercial Case highlights that the proposed Community Centre is an attractive proposition to a management organisation and has sufficient interest from local organisations in the community. This will ensure that the core running costs of the centre are met through revenue streams. The next steps are to continue engagement with potential leaseholders and liaise with the successful CBAT delivery partner to pilot the methodology and build up a framework to put forward into a specification for a management organisation.

6. Financial Case

The Economic Case indicated the preferred option for the Council's proposed Community Hub at Tarling Road. This Financial Case indicates the budgetary, financial and affordability considerations of this approach.

6.1. Funding requirements

Internal funding

The preferred option emerging from the Economic Case requires estimated one-off implementation costs of development of £2.85m. This was subsequently reduced to approximately £2.65m following more detailed costing, designs and change requests but some risk remains.

The Council has allocated a budget for the re-provision of the Coppetts Road Community Centre which stands at £1.645m¹. This consists of £1,045,000 of the Council capital funding and £600,000 insurance money resulting from the damage to the Coppetts Road Centre. The proposed new community hub at Tarling Road is now sized to replace the Old Barn and also re-provide the facilities from Coppetts Road Community Centre, meaning that the above funds are agreed to be utilised for the development of a new Community Hub at Tarling Road.

Refurbishment cost

The current estimated cost of refurbishing the Old Barn centre is approximately £0.9m inclusive of project costs (outlined in Options 2 & 3 in the Economic Case) and is currently ring-fenced in the Capital Asset Management Fund (AMF). As pursuing the preferred option would not incur any cost of refurbishing the Old Barn, it is recommended that £1.006m² also be made available for the preferred option, which is affordable. This would enable the Council to satisfy itself of the continuation of a community facility at the Old Barn site whilst also re-providing the facilities of the Coppetts Road Centre. This mitigates the risk that if requisite funding is not secured from external sources there is no additional delay to the project and that the Council can secure a facility in line with the Community Asset Strategy.

¹ The Council made a public commitment for a re-provision of the Coppetts Road Centre of 1.1m, the remaining funds of £65,000 to fulfil this commitment will be added to the capital ring fenced in the Asset Management Fund (AMF)

² This figure consists of £0.941m with the addition of £0.065m for the remaining Coppetts Road Centre re-provision capital

Implementation costs and funding shortfall table

		Total
Implementation costs		£ 2,640,855
Funding	Coppetts Road Centre re-provision capital	£ 1,045,000
	Coppetts Road Centre insurance	£ 600,000
	Additional capital funding	£ 1,006,000
	Total funding	£ 2,651,000
	Shortfall (-) /Surplus	£ 10,145

Cost profile table to 2017/18

	Total	2014/2015	2015/2016	2016/2017	2017/2018
Cost Profile	£ 2,640,855	£ 122,027	£ 276,923	£ 2,178,785	£ 63,120
Cumulative Spend	£ 2,640,855	£ 122,027	£ 398,950	£ 2,577,734	£ 2,640,855
Cumulative Funding	£ 2,651,000	£ 162,000	£ 1,598,000	£ 2,651,000	£ 2,651,000
	£ 10,145	£ 39,973	£ 1,199,050	£ 73,266	£ 10,145

External funding

The Council is working closely with community groups to develop fund raising opportunities and plans to reduce capital expenditure before construction begins. This is envisaged to be smaller scale funding and will not impact on the realisation of the project's benefits.

The next phase will investigate additional opportunities for external funding such as:

- Grange Big Local (GBL)

GBL have secured £1million over 10 years for community activities in the Grange Big Local plan. Whilst it is unlikely this will be capital funding, it could be provided for running costs or further community base project work. There is also potential for match funding arrangements from other funding organisations if GBL funding can be secured.

- John Lyons Trust

John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs including Barnet. The Charity's main policy is to promote the life-chances of children and young people through education. Whilst grants are generally awarded to registered charities (or equivalent), occasionally grants are awarded to local authorities in the Charity's beneficial area who are working with voluntary sector partners.

6.2. Implementation costs

To implement the project a number of items have been costed including project management, planning and legal. The below table summarises the projected cost implementation for these items and highlights the addition of project contingency.

Item	Notes	Cost (£)
Construction Costs		2,104,009
PCSA costs	Pre-Construction Services Agreement – contractor fees for any procurement or RIBA stage completion	0*
Technical services (design / technical advisors etc)	17% of construction cost	354,970
Surveys	6% of construction cost	115,778
Property	1% of construction cost	16,930
CDMC	Covered within technical estate services	0
QS	Covered within technical estate services	0
Staff - Project Manager	0.25 FTE	26,668
Planning		10,000
Building Control		10,000
BREEAM Registration	Building Research Establishment Environmental Assessment Method - measure used to describe building environmental performance	2,500
Highways		0*
Legal		0*
Diversion work by stats		0*
FF&E allowance		0**
ICT allowance		0**
Total		2,640,855

* Assumption that this would not be required and this will be added to the project risk register to ensure correct governance.

**Assumed ability to cover through operator procurement

Quantified risk

As part of the project governance a quantified risk register is in place for the project. This measures probability, cost and impact with details of mitigation and risk owners. A costed contingency figure of approximately £300,000 is assigned to this which will be managed under the project governance control mechanisms.

More information is found in Section 7 – risks & issues.

Note on capital and one-off costs

The cost estimates in this appraisal are as provided by Council's appointed technical advisors for the new build construction, based on RIBA stage 2 design. These include contractor contingency of 5% to the implementation costs as a cost of risk. Where costs are not known, best estimates have been provided at this stage. Further work will be required to define the following costs in Stage 4.

- Income from tenants; although notional estimates for market rent have been shown in the Commercial Case, further work will be done in liaison with Community Participation Strategy and the CBAT, involving potential tenants to define the actual rental amounts based on the provision of community benefit
- Lifecycle costs for the new building
- More detailed project and implementation costs

6.3. Cost control in construction

The Council's technical advisors have prepared a Stage 3 cost plan which includes all construction costs, all other items of project cost including professional fees and contingency. The objective of cost control is to manage the delivery of the project within the approved budget. Regular cost reporting will facilitate, at all times, the best possible estimate of established project cost to date, anticipated final cost of the project and future cash flow. The Council's technical advisors will be reporting on costs in accordance with the management approach detailed in Section 7 of this business case.

As the scheme progress through the design phases, the following actions will be taken:

- Establishing that all decisions taken during design and construction are based on a forecast of the cost implications of the alternatives being considered, and that no decisions are taken whose cost implications would cause the total budget to be exceeded.
- Regularly updating and reissuing the cost plan and variation orders causing any alterations to the brief.
- Adjusting the cash flow plan to reflect alterations in the target cost.
- Developing the cost plan in liaison with the project team as design and construction progress.
- Reviewing contingency and risk allowances at intervals and reporting the assessments is an essential part of risk management procedures. Developing the cost plan should not involve increasing the total cost.
- Checking that the agreed change management process is strictly followed at all stages of the project.
- Submitting regular, up-to-date and accurate cost reports to keep the client well informed of the current budgetary and cost situation.
- Ensuring that the project costs are always reported back against the original approved budget. Any subsequent variations to the budget must be clearly indicated in the cost reports.
- Plotting actual expenditure against predicted to give an indication of the project's progress.

6.7. Conclusion

This section has outlined the financial case for the preferred option for a Community Hub at Tarling Road. It presents the detailed costing and funding requirements, whilst highlighting the measures required to meet the outstanding funding shortfall through external sources. It is recommended that the Council approves the use of £900,000 of additional funds to for the re-provision of the Old Barn centre subject to officers continuing to work to draw in additional capital to mitigate this.

7. Management Case

The Economic, Commercial and Financial Cases have indicated the preferred option for the Council's proposed Community Hub at Tarling Road. This Management Case provides the

outline plans for project management, governance, risk management and benefits realisation that will be required to ensure successful delivery.

7.1 Overarching governance arrangements

Currently the Tarling Road Community Hub project is managed as part of the Community Hubs portfolio which is reported into the Community Projects Board, chaired by the Interim Assistant Director of Finance. The Senior Responsible Owner (SRO) is the Head of Estates Management. In addition to Project boards, the Council has an internal resource-enabling board – the Assets and Capital Board– and client teams, led by the Head of Estates Management to review costs, scope of activity and assurance of estates delivery plans. Further subject matter expertise and assurance on IS, HR, programme management and change management is provided by the Council’s client team within Commissioning Group. This project will be delivered in accordance with the Council’s established project management toolkit and compliance with the Council’s agreed gateway review methodology and we will put in place a comprehensive plan of programme assurance, including:

- Technical and subject management expertise to be provided by technical experts within Corporate Programmes
- Expertise supplied through well-resourced and skilled project teams, strong governance with clear Terms of Reference, controls and board representation;
- -Project level assurance from the Council’s Corporate Programmes team and reviewed by the Council’s Programmes team;
- -External review and assurance via commissioned internal audit activity and external gateway reviews

Community Projects Board responsibilities

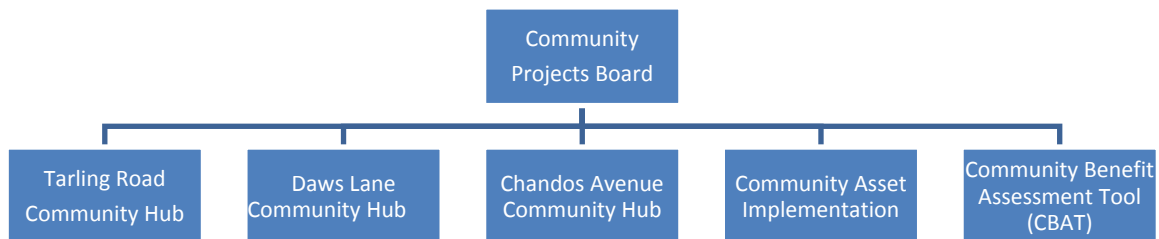


Table – Draft project roles and responsibilities

Role	Role description
Senior Responsible Owner	<ul style="list-style-type: none"> • Accountable for the successful delivery of the project
Technical lead (Design & build)	<ul style="list-style-type: none"> • Responsible for advising the Project Manager on technical risks, issues and dependencies for the build process.
Project Manager	<ul style="list-style-type: none"> • Monitor & update portfolio level risks and issues • Governance and project documentation • Responsible for delivering the project to time and budget

Technical Lead (Planning)	<ul style="list-style-type: none"> • Responsible for the design and successful planning application of the scheme.
Community Engagement Lead	<ul style="list-style-type: none"> • Provision of resources for community liaison and engagement • Identification of potential funding streams / approaches • Advisor on Community Benefit principles
Communications Lead	<ul style="list-style-type: none"> • Provision of resources and strategic direction for communications

7.2. Project plan

Please see appendix D

7.6. Risks and issues

High level risks and issues are outlined in the table below. A separate quantified risk register (Cost/risk/impact) for the project is monitored through the project governance and any spend will be approved through the Community Projects Board chaired by the Director of Resources.

Description	Cause/Consequence	Control action(s) in place	Assigned To	Nature	Probability	Impact	Score
<u>Reputation</u> : Reputation risk for the Council due failure to deliver a solution in line with the CAS criteria and meet stakeholders expectations.	<u>Cause</u> : Misalignment of stakeholder expectations with committed budget. <u>Consequence</u> : Reputation damage for the Council and overall programme delay.	Approach parties who could potentially provide additional funding or assist with fundraising opportunities. Engage with all stakeholder groups to agree design principles within the committed budget.	Head of Estates Management	Community / Reputation	3	4	12
<u>Community</u> : Risk of failure to obtain sufficient commitment for activities and management of the centre from community organisations to ensure the proposed Community Hub is sustainable.	<u>Cause</u> : Insufficient engagement with local community and interested parties to define the proposed uses of the community centre in line with CAS criteria <u>Consequence</u> : Delayed planning consent due to design changes requested and overall programme delay.	Engage with all interested parties to define uses to ensure the community hub is sustainable. An initial workshop with potential groups took place in October with follow up meetings to be arranged. Consider inviting local community representatives at these meetings to ensure proposed use meets community needs.	Community Participation Lead	Community / Reputation	3	4	12
<u>Community Cohesion</u> : Risk that the groups using the building will not develop relationships conducive to the ongoing management of the hub	<u>Cause</u> : Lack of joint working and communication between groups prior to the usage of the Community Hub <u>Consequence</u> : Inability to realise the benefits of the Community Hub as poor working relationships will prohibit the ability of groups to effectively market their activities and contribute to long term goal of	Expanding the group engagement through a targeted programme facilitated by a 3 rd party. Use the Working Group and Liaison Meetings to foster relationships between groups, and put in place a robust engagement strategy to ensure ward members can assist with	Community Participation Lead	Community	3	4	12

Description	Cause/Consequence	Control action(s) in place	Assigned To	Nature	Probability	Impact	Score
	community management of the centre.	the process.					
<u>Planning / Time:</u> Planning permission is delayed due to objections from community during planning process, which may defer planning consent.	<u>Cause:</u> Poor communications and insufficient community engagement to agree principles for the building prior proceeding to planning. <u>Consequence:</u> Delayed planning consent.	Two public exhibitions were held in July to obtain feedback from the community. Another public meeting took place in October to respond to previous exhibition feedback.	Technical Lead (Estates)	Time	3	4	12
<u>Cost/time overrun:</u> Potential cost overrun following procurement exercise resulting in new accommodation not being available on time due to budgetary pressures.	<u>Cause:</u> Market conditions identify cost plan in local market not achievable. Insufficient contingency allowance. <u>Consequence:</u> Construction programme delay due to cost pressures.	Identify pre-contract VE items. Commence procurement exercise during planning process to achieve cost certainty. Investigate opportunities for contingency Technical Lead (Estates) allowance increase.	Technical Lead (Estates)	Cost	3	4	12

7.4. Benefits realisation approach

The key benefits from this business case are as follows:

- Create a community hub, which will help to inform the on-going development of the Council's community asset strategy
- Repeating the facilities of the Coppetts Road Community Centre and the Old Barn Centre
- Improve the satisfaction of residents and businesses within the borough as a place to live, work and study
- Promote growth & development across the borough, support families and individuals that need it – promoting independence, learning and wellbeing

The following owners are responsible for ensuring that the proposed target savings are realised alongside the project management and development teams who will monitor both savings / costs and development progress and have primary responsibility for preparing monthly reports.

A draft high level benefits register is shown below. Benefits relating to this project will be reported to the Community Projects Hub on a regular basis. In order to ensure that the benefits are realised, a benefits register will be reviewed monthly and the results reported to the Working Group and Community Projects Board – escalations will be reported into the Assets and Capital Board.

Table: Draft benefits register

Benefit	Owner	Key Performance Indicator	Measurement	Dependencies	Key Risk
Create a community hub, which will help to inform the on-going development of the Council's community asset strategy	Head of Estate Management	To be defined	To be defined	Community Asset Strategy	Funding for a Community Hub which meets the requirements of the CAS might not be available
Repeating the facilities of the Coppetts Road Community Centre and the Old Barn Centre	Head of Estate Management	To be defined	To be defined	Community Asset Strategy	Inability to replicate the facilities and arrangements of Coppetts Road could lead to groups such as the SBWA seeking re-provision elsewhere
Improve the satisfaction of residents and businesses within the borough as a place to live, work and study	Community Participation Lead	To be defined	To be defined	Community Participation Strategy	New Community Hub might be perceived as not in alignment with residents expectations leading to a reputational impact to the Council
Promote growth & development across the borough, support families and individuals that need it – promoting independence, learning and wellbeing	Community Participation Lead	To be defined	To be defined	Community Benefit Assessment Tool	Insufficient interest might be generated in the new community hub, thereby inhibiting the ability for increases community activities to take place

7.5. Communications approach

Communications to potential tenants and residents has begun and a phased communications and engagement plan is in development.

7.5.1. Public events

Four public events have been arranged and the first of these was held in November 2014 and attended by approximately by 100 people.

A further public meeting was held in February 2015 to share the feedback gathered from local organisations about their interest in using the Old Barn and to further understand the community's expectations for the centre and new build proposal. Over 200 residents attended the meeting. Due to feedback from residents over a number of issues, including the integration between community groups, parking and traffic and the impact on the environment, the Council put in place two further consultation events in the summer of 2015.

Two pre-application public exhibitions took place in July 2015 and showcased the revised designs taking into account the feedback from residents at the previous consultation sessions. These displayed the site location alongside options for the architectural layouts. They were attended by approximately 100 people.

To offer residents a further opportunity to engage with the designs and be informed of the proposals, a further non-statutory consultation event was held at the end of October in a local community venue. This was prior to the statutory 28 day planning consultation where the public will be able to comment on the final designs which will then be considered by respective planning committee. A workshop with potential leaseholders was conducted by an independent community participation consultant in October and the regular Tarling Road Working Group provides avenues for key community partners and groups to be consulted on a regular basis.

7.5.2. Communications Channels

Residents were made aware of exhibitions through letters sent to their addresses within the local area (approximately 500 metres from the site of the Old Barn centre). In addition to the letters, the Council also publicised the non-statutory pre-application consultation through other means, including the council's website, Barnet Homes website and a notice in The Archer newspaper, which would ensure as many people as possible were made aware.

7.6. Post project evaluation approach

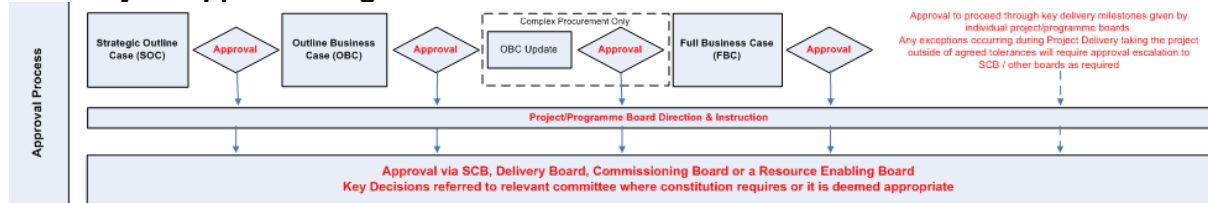
The Programme will be governed in accordance with Council's Project Management Toolkit methodology, and using the Capital Programme Gateway method. Progress will be evaluated at key stages e.g. at the end of the procurement phase and at post-construction. This will include assurance from the Customer and Support Group subject matter experts and Commissioning Group client teams. We will engage a third party to conduct reviews at set gateways for external challenge. Areas for review include:

- The effectiveness of the project management of the scheme – viewed internally and externally (i.e. was it managed to budget and time);
- The effectiveness of the development partner's project management of the scheme – viewed internally and externally;

- Communications and involvement during construction;
- The effectiveness of the joint working arrangements across project teams;
- Effective resource management and supplier management;
- The support provided during this stage from other stakeholder organisations.

It is expected that the evaluation would take place through internal review at key project gateways and report to the Programme Board. The Council already has an established model for ensuring projects are developed and delivered in an effective way, with business cases and recommendations presented to Committees at set points. We will continue to review and challenge the delivery of all projects using a risk-based approach. Larger, more complex or more innovative projects will be subject to internal audit and, where required, external gateway reviews to review overall delivery, benefits, business readiness and other criteria relating to the successful delivery of the benefits desired.

LBB Project Approval diagram



7.10. Conclusion

This Management Case has proposed the implementation, governance and risk management arrangements that will be in place to enable successful delivery of the preferred way for the Council's Community Hub at Tarling Road, and its management once occupied. The Community Projects Board alongside the Working Group are already mobilised; further work is currently to develop a leaseholder group and ensure links with the Community Participation Strategy workstreams.

8.0 Summary

This Business Case has outlined the strategic, economic, commercial, financial and management cases for change for the proposed Community Hub at Tarling Road. Alignment has been shown to the Council's Community Asset Strategy and the criteria set forth for the creation of Community Hubs. A best value option which provides a cohesive community space for a number of groups has been appraised and will be subject to the governance arrangements outlined above. The next steps are to proceed with planning permission, ensure funding is secured and procure a developer for the demolition and rebuild of Old Barn Centre at Tarling Road as a new Community Hub.