

Appendix A: Strategic Outline Case (SOC): Daws Lane Community Hub

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1. Executive Summary

This document is the Strategic Outline Case for London Borough of Barnet's (LBB) proposed redevelopment of the "Daws Lane" community centre at Daws Lane.

It follows the approval of the principle of a community hub on the Daws Lane Site in March 2015 by Assets, Regeneration and Growth (ARG) Committee. The purpose of the document is to approve the business case for the preferred option for the scheme, and move to the next stage in the process i.e. further design work, consultation and development of an outline business case.

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.

The existing site at Daws Lane is in need of significant investment and the Council has subsequently received a proposal from a local community group requesting to work with the Council to develop plans for a community hub that is managed by the community for community benefit.

A condition survey has been carried out which highlighted there were significant costs in bringing the building back into feasible community use. Following the ARG decision in March, officers from the Council's Corporate Programme team have been working alongside the community group, NW7, to capture a community vision for the space and develop a design for a new Community Hub.

Links have been explored with rationalising other Council services and there are currently discussions around the possibility to have a partnership library co-located with a range of other services within the community centre.

This business case therefore appraises a number of options, following on from the ARG recommendation in March 2015.

- **'Option 1 – 'Do Nothing'** as a baseline – leaving the site unoccupied and fallow
- **'Option 2– 'Refurbish'** Refurbish the Daws Lane Centre
- **'Option 3– 'Rebuild'** Demolish and rebuild, with new larger Community Hub based on the site of the Daws Lane Centre. This would contain facilities for management by the NW7 and associated groups. There is also potential to contain a partnership library.
- **Option 4 – 'Redevelop for mixed community / residential use'**. 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 mixed residential and community use. This could include provision for a partnership library and some community space run by a community group.

Option 1 - Do Nothing represents the current status quo. This does not meet the principles of the Community Asset Strategy (CAS). Insufficient community funding is identified for the

refurbishment of the Daws Lane Centre to bring it up to a usable state, therefore even on the assumption community funding could be sought it would be many years before a proposal could be put to the Council and the Daws Lane Centre could be functional as a Community Hub.

Option 2 - Refurbish would offer a way fulfilling the CAS and enabling use by the NW7 group for community based activities. 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, the building once refurbished would present challenges to becoming a fully fledged community hub as the current layout is not conducive to community usage.

Option 3– Daws Lane Centre Demolition and New Build will allow for the provision of an integrated Community Hub with reduced operating costs. 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. The opportunity exists for the co-location of a partnership library. There are increased risks centred on the management of the building as a solution would have to be provided that ensures a good mix of community activities.

Option 4 – 'Redevelop for mixed community / residential use' would allow for a rationalisation of council services such as a partnership library and community provision alongside 4 additional homes. This option would rest on demonstrating adequate community provision is available elsewhere and/or that the needs of the area will be met through a smaller community facility. This would result in an estimated in a residual site value of £600,000-£760,000 (dependant on external community funding) based on the development of the residential section.

2. Introduction

80 Daws Lane in the Mill Hill Ward 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 options for the site becoming a Community Hub.

The Council has 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 is a significant structure which has been extended with a single storey annexe to the rear. A school accommodated the ground floor until they vacated the building in 2013 for purpose built accommodation. Until early 2015 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 £875k 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. Following the ARG decision in March 2015 the feasibility of a Community Hub

has been explored and by working alongside the local community group (NW7) designs have been drawn up to align with their consultation and vision.

This paper will highlight the proposed plans:

- 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.

Further to this a Strategic Outline Business Case (SOC) has been developed for consideration at ARG in Nov 2015.

This SOC 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 Daws Lane 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 Daws Lane 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 Daws Lane Centre site was identified by the CAS as a site for a potential of a 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 Daws Lane Centre site along with 2 other sites were identified a potential Community Hubs due to their logical distribution within the Borough and good transportation links.
2. Opportunities provided	The utilisation of the Daws Lane Centre 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, including the potential for a partnership library.
3. Financial sustainability	Following consultation and engagement with interested community groups the hub's vision, put forward by the NW7 group is 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 Section4: The Commercial Case.
4. Community management capacity	Following discussing with the NW7 group, there is significant interest in taking over the management of the centre and this is being supported by the Community Participation team and some in kind and financial support from DCLG's Community Ownership and Management of Assets programme. More detail is provided in Section4: The Commercial Case.

3.3. Needs analysis

Some opportunities for a community hub at Mill Hill to meet local needs and achieve Council commissioning priorities have been identified through consultation with the Council's commissioning leads and delivery units. This is not a confirmed or exhaustive list of services to be provided from the hub at SOC stage, but rather sets out some priority areas to develop plans around by Business Case stage. Having the NW7 Hub team as a partner in developing plans further presents an opportunity for the community to have a leading role in identifying need at a neighbourhood level, and in identifying how the hub could provide a base for development of solutions that draw on local assets (in a wide sense of people, organisations and physical facilities) and existing community capacity.

Location

Daws Lane is located in Mill Hill Ward in the centre of the Borough. It is the largest of Barnet's wards with an area of 9.4 square kilometres. As of 2012 it had 18,261 residents and is expected to grow by 8% in the next decade, to 19,843 residents, becoming Barnet's 3rd largest ward. The site is located alongside Mill Hill Park's northern boundary close to A1/A41, Mill Hill Broadway train station. The 240 bus route passes the site and the 113 bus is within 400 yards. A public car park is adjacent to the site.

Partnership Library

There is an opportunity to offer a new Partnership Library at Mill Hill as part of the Dawes Lane Community development, making the library an integral part of a new community facility. This arrangement allows the library to continue within the local community, in a new, flexible building, linking closely the community aims of providing information, advice and support to local residents and businesses. Partnership Libraries will be located in smaller sites, with a lower number of transactions and visitors.

In addition to achieving core outcomes for the library service, there are further opportunities to explore how a library service in the Daws Lane community hub could integrate with other services within the Hub. Co-location and service integration have resulted in positive outcomes for the BOOST project, which is helping residents in Burnt Oak find work by co-locating a multidisciplinary team, including Job Centre staff, in the library. There may be opportunities to develop a similar model to deliver solutions to local needs in Mill Hill and subject to approval further work will need to be undertaken to explore opportunities for management of a partnership library in the Daws Lane community hub.

Childcare

Analysis of local needs against a number of the Council's strategic early years outcomes suggests a number of particular opportunities for childcare provision in the Daws Lane community hub to deliver priority outcomes, bearing in mind that Colindale, one of the wards with the highest number of 0-4 year olds, is within travelling distance of the site:

- **Shortage of Free Entitlement to Education for 2 year olds (FEE2) places** – 18 in Mill Hill and 51 places in Colindale for the current school term.
- **Reducing childhood obesity**- 2 of the Lower Super Output Areas (LSOAs) with the highest levels of children overweight at reception age in the borough are in the Mill Hill ward.
- **Facilitating parents' return to work**- the Mill Hill ward contains 1 LSOA with a high number of lone parents and the Colindale ward contains 3 LSOAs with a high number of lone parents. According to a 2014 Policy Exchange report almost 1 in 4 of the UK's lone parent households are not in any kind of paid employment and support is needed to aid lone parents of young children to work.
- **Improving school readiness**- children living in areas of deprivation are more vulnerable to educational underachievement and Colindale contains 4 of the LSOAs with the lowest Index of Multiple Deprivation scores in the borough.

Community management of Mill Hill Park

The physical location of the Daws Lane site is adjacent to Mill Hill Park, which presents an opportunity to use the hub as a base to develop community led management of the park.

The Council's Parks and Open Spaces Strategy is currently under development and due to go out to consultation in January 2016. Building on the success of a number of approaches that have empowered communities in Barnet to shape and manage their open spaces, such as 'Adopt a Place' and activities of Friends of Parks groups, a strategic aim of the Strategy will be development of alternative delivery models for management of parks that empower local communities.

Using the hub as a base for community led management of the park also presents opportunities to achieve borough wide needs identified through the Council's Joint Health and Wellbeing Strategy around physical activity. Barnet has 55.1% physically active adults, similar to the average rate in the London region (56.2%) and nationally (56%). The Barnet rate of physically inactive adults (26.1%) is also similar to the London region and national average rates. One of the ways in which Barnet's Health and Wellbeing Strategy aims to promote physical activity is by taking sport and physical activity outside of the leisure centre and targeting those who do not traditionally engage. Local parks are a key asset to enable delivery of this goal and community groups are ideally placed to develop innovative solutions to encouraging more outdoor activity in their area.

Delivering services and activities that reduce social isolation

Barnet's Joint Strategic Needs Assessment (JSNA) identifies Mill Hill as a possible hotspot for social isolation in the future. A piece of analysis carried out by the Barnet Customer Support Group Insight Team identified that social isolation was most common amongst women, aged 75 and over who are living alone. Mill Hill has one of the highest projected increases in people aged over 75 in the borough, as well as having a higher than borough average number of single person households that are people aged 65 and over.

Barnet's draft Joint Health and Wellbeing Strategy sets out aims to:

- Build on good practice within the voluntary and community sector to develop targeted initiatives to encourage greater social contact, including befriending schemes and promoting ways for people to get involved in local activities.
- Increase accessibility of social networking opportunities through increased community transport links.

Activities that aim to reduce social isolation could be built into the schedule of activities for the Daws Lane community hub. This may involve developing activities such as lunch clubs or social events that are community led and happen in a café or other flexible spaces in the Hub, or licensing or sub leasing space in the hub for established services that seek to reduce social isolation to be based, either permanently or for a weekly slot, at the hub.

Development of a community transport offer that operates out of the Daws Lane community hub would be a further way that a business case for management of the hub could seek to address this need.

Delivering services and activities that identify and support carers

Barnet's JSNA identifies that by ward, Mill Hill has the highest number of carers in Barnet (1,800, which accounts for 9.7% of the total population of Mill Hill).

Barnet's draft Joint Health and Wellbeing Strategy makes promoting wellbeing for carers a priority. It sets out borough wide needs to:

- Increase identification of carers, including young carers- the JSNA identifies that although Census data indicated there were 32, 256 residents who classified themselves as a carer in Barnet in 2011, only 5,500 were registered with the Council's commissioned lead provider for carer support services.
- Support carers to have a life of their own and achieve positive health and wellbeing.

As with the identified needs around social isolation, activities that aim to identify and support carers could be built into the schedule of activities for the Daws Lane community hub. This could involve developing activities such as dementia cafes or wellbeing cafes that happen around a café or other flexible space in the hub, or by sub licensing or sub leasing space in the hub to an established carer support service to be based, either permanently or for a weekly slot, at the hub.

3.4 Current arrangements

At present the Daws Lane Centre site has not been occupied following condition survey and the subsequent departure of the Sea Cadets group that were using the premises. This is due to the current building condition being unsuitable for continued community use without additional works.

Daws Lane Community Hub Working Group – NW7

The working group for the Daws Lane 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 attended by the project team and the

minutes are circulated to the respective members. The group have letters of support from the Mill Hill Neighbourhood Forum and the Mill Hill Preservation Society, two local interest groups. The NW7 group have actively assisted with mapping the needs of their local area with expressions of interest of 22 local groups and charities. Over 300 responses were received to the NW7 consultation survey in May 2015 of which 86% respondents reported they strongly agreed with the proposal to use 80 Daws Lane as a community venue. Further information can be found in **Appendix E** which lists the results of the NW7 engagement activities.

3.5. Constraints

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

- 2017 is the earliest date for delivery of proposed Community Hub arising from major works, either from a refurbishment or new build;
- Any provision of a partnership library (see Section 5: Commercial Case) would need to be realised by April 2018 to fit into the provisional timeframe for the Libraries strategy – any incorporation of a library as part of this scheme would need to align with wider libraries strategy
- The development will be constrained by the availability of funding

3.6. Dependencies

The project has the following dependencies:

- The provision of a partnership library (see Section 5: Commercial Case) would be dependent on approval of the libraries strategy (envisaged to be Full Council in April 2016)
- The procurement of management arrangements for the proposed development is dependent on the successful procurement of the Community Benefit consultant and the subsequent delivery of the Community Benefit Assessment Tool (envisaged to be November 2015 for consultant appointment and CBAT delivery March 2016)

3.7. Risks

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

- Reputational impact of failing to deliver an acceptable solution in line with the CAS criteria
- Delays to the project caused by multiple expressions of interest from community groups during the moratorium period for disposal of the site (25 year lease or more).
- Objection from the local community on new Community Building during planning approval process, which may defer planning consent.
- Inability to attract sufficient funding to deliver the preferred option
- Failure to obtain sufficient commitment from community organisations to ensure the proposed Community Hub is sustainable

Detailed risk analysis, with mitigations is found in Section 8, Management Case.

3.8. Conclusion

This section has set out the strategic context for the proposed Community Hub at Daws Lane 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 Daws Lane. 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 Daws Lane 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.

At this SOC stage the costs are not yet fully defined and those listed are indicative costings.

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 Daws Lane:

- **CSF1:** Is **financially sustainable** for the Council
- **CSF2:** Delivers a fit for purpose solution that facilitates **community usage and management**
- **CSF3:** Alignment with the wider **strategic aims** of LBB

4.2. Introduction to options

At ARG in April an options appraisal was presented for the Community Hub proposal at Daws Lane. The following section outlines the options in more detail and outlines the preferred option.

- **'Option 1 – Do Nothing'** as a baseline – leaving the site unoccupied and fallow
- **'Option 2– Refurbish'** Refurbish the Daws Lane Centre
- **'Option 3– Rebuild'** Demolish and rebuild, with new larger Community Hub based on the site of the Daws Lane Centre. This would contain facilities for management by the NW7 and associated groups.
- **Option 4 – 'Redevelop for mixed community / residential use'** would allow for a rationalisation of council services such as a partnership library and community provision alongside 4 additional homes. This option would rest on demonstrating adequate community provision is available elsewhere and/or that the needs of the area will be met through a smaller community facility.

4.3. Option 1 - Do Nothing

This represents the current status quo. This does not meet the principles of the Community Asset Strategy (CAS). Insufficient community funding is identified for the refurbishment of the Daws Lane Centre to bring it up to a usable state, therefore even on the assumption community funding could be sought it would be many years before a proposal could be put to the Council and the Daws Lane Centre could be functional as a Community Hub.

Qualitative appraisal

Do Nothing will have low implementation costs, but not achieve any of the benefits outlined as Critical Success Factors in terms of meeting the requirements of the CAS, delivering a financially sustainable solution or increasing the community usage.

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 –Delivers 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.

4.4. Option 2– Refurbish’

This option represents:

- Refurbishment of the Daws Lane Centre (1000sqm)
- Leasehold arrangements with community groups

Qualitative appraisal

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, the building once refurbished would present challenges to becoming a fully fledged community hub as the current layout is not conducive to community usage.

Critical Success Factor	Benefits	Risks	RAG Rating
CSF1 -Is financially sustainable for the Council	-Would utilise the asset at a lower capital cost than a rebuild	-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	Amber
CSF2 –Delivers 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 opportunities for the	Red

		community to draw in additional revenue to support the running costs could be limited.	
CSF3 -Alignment with the wider strategic aims of LBB	-Offers the opportunity for mixed community usage and partial rationalisation of the Council's estate	-Unlikely to meet the criteria in the CAS	Amber

Quantitative appraisal

The Refurbish option has an initial cost impact of £876,000 however this includes no allowance for lift access to first floor level. Depending on the solution this could potentially increase the cost by another £50k. 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. At almost £900,000 serious consideration should be given to demolition of the existing building and redeveloping the site. The site condition survey can be found in **Appendix C**.

4.5. 'Option 3– Rebuild'

This option represents:

- Rebuild of the Daws Lane Centre (825sqm)
- Potential for provision of a partnership library (175sqm)
- Leasehold arrangements with community groups

Qualitative appraisal

The Rebuild option offers the opportunity to fulfil the CAS workstream on Community Hubs, provide a location for a number of different community groups and services and offer the ability to consider the potential for a partnership library or other rationalisation of the Council's estate. Additional risks are presented with this option due to the higher capital cost impact and the work required to be undertaken by a local community group to support the management of the centre.

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 - Offers the opportunity to rationalise part of the Council's estate through provision of a partnership library	- 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 –Delivers a fit for purpose solution that facilitates community	-Would offer good opportunities for community management	-There is a low risk a range of community activities and usage will	Green

usage and management	and activities	not be developed	
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	-There is a risk that the community management group will be unable to manage the library effectively or to the desired specification -Delivery may present an opportunity cost for the council in that this may be a site that the Council needs to use as part of its core service provision if it is unavailable and there are no other available sites within the councils ownership the council may incur cost in acquiring alternative sites.	Amber

Quantitative appraisal

The rebuild option has a provisional budget of £3.4m based on similar community hub developments such as Tarling Road. Based on the increased fit out costs of educational or library facilities it is estimated that a partnership library of up to 185sqm would require up to £925,000 worth of capital funding.

4.6. Option 4 – ‘Redevelop for mixed community / residential use’.

This option represents:

- A small scale community facility of around (225sqm)
- Potential for provision of a partnership library (175sqm)
- Leasehold arrangements with community groups
- 600sqm of residential development

Qualitative appraisal

The ‘redevelop for mixed community/residential use’ option offers the opportunity to partially fulfil the CAS workstream on Community Hubs, provide a location for a limited number community groups and services and offer the ability to consider the potential for a partnership library. Additional risks are presented with this option due to the challenge obtaining planning for a residential development in green belt and the work required to be undertaken by a local community group to support the management of the centre. An additional risk is that the limited size of the community section of the site might be unsustainable for a community group.

Critical Success Factor	Benefits	Risks	RAG Rating
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CSF1 -Is financially sustainable for the Council	-Offers the opportunity of approximately £600,000 - £700,000 residual land value -Offers the opportunity to rationalise part of the Council's estate through provision of a partnership library	- There is a low risk that the community part of the development might have higher running costs (than Option 3) due to economies of scale. - There is a risk that the site is unable to obtain planning therefore negating the chance of redevelopment	Green
CSF2 –Delivers a fit for purpose solution that facilitates community usage and management	-Would offer limited opportunities for community management and activities	-There is a risk a range of community activities and usage will not be developed -There is a risk that the current interest in running a partnership library is based on a larger community centre business model	Amber
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	-There is a risk that the community management group will be unable to manage the library effectively or to the desired specification -Not in line with the CAS	Amber

Quantitative appraisal

This option estimates around 400sqm of floor space for Community Use or Front Line Operations such as library services.

For information, two valuations have been produced for the mixed use development option. Both are based on the provision of 4 houses and a community building such as a library or other community serving operation within the site.

If the refurbishment of the building structure is carried out and the empty building returned to the Council ready to be fitted out, that plus the land receipt for the residential development, would achieve a residual site value of £603,890. In this scenario it is assumed that the community building would subsequently generate a rent which has a value included in the £603,890 figure.

If the residential part of the site is sold, and the remainder of the site retained for development by a community organisation at their own cost. Officers then estimate that the Council could achieve a residual land value of £767,107. This assumes the site is transferred at a notional value or ground lease to a community organisation who would construct the building at their own expense. Further investigations are required to assess whether the Community Group should have to pay the Council for use of the land.

As with option 3 providing a partnership library would require £925k of capital budget and a subsequent £25,000 to running costs

Further information can be found in **Appendix B**.

4.7 Summary indicative cost table

Summary costs have been estimated using costs from the Tarling Road Community Hub project. Further detailed costing will be based on the design process subject to approval from committee.

At SOC stage project costs and comparisons are based on schemes elsewhere. Total project costs have been assumed to be around 25% in excess of construction costs based on similar schemes (see Tarling Road OBC). Due to the impact of surveys and other unknown factors that will be explored as part of the design process there could be significant fluctuation in costs up to +/- 40%. For the mixed residential/ community use outlined in Option 4 project costs are significantly higher due to the complexities of the planning and development process. Additional costs have been based on valuations carried out in early 2015 and can be found in **Appendix B**.

		Option 2 – Redevelop	Option 3 – Rebuild	Option 4 – mixed residential / community use
Costs	Demolition	x	100k	100k
	Refurbishment	900k	x	x
	New build (community centre)	x	£2.06m (825sqm)*	£550k (225sqm)*
	Partnership Library	x	£700k**	£700k**
	Residential development	x	x	£1.1m
	Construction cost	<u>£900</u>	<u>£2.86m</u>	<u>£2.45m</u>
	Total cost (inc. Prelims/fees)	<u>£1.2m</u>	<u>c. £3.4m</u>	<u>c. £3.8m***</u>

*Based on similar community based schemes where construction cost is approximately £2500/sqm

**Based on similar educational/library schemes where construction cost is approximately £4000/sqm

***As outlined in Appendix B this option would result in a residual site value of approximately £600,000-£700,000 due to the disposal of the residential units

4.8. Conclusion

The analysis in this business case shows that whilst Option 4 (Redevelopment for mixed community /residential use) offers the greatest return in terms of residual site value, it is unlikely to present a viable option for community usage and management. A fully provided community hub as proposed in Option 3 presents the greatest public value for money in terms of the opportunity to provide community benefit. Option 3 however is a higher risk option that the other three due to funding shortfalls and high capital cost of providing the Community Hub. More information will be provided in the Financial Case around options for funding the centre and a timeline for doing so. If external funding is not able to be provided it is recommended the Council consider the opportunity provided in Option 4 for a mixed community / residential development.

5. Commercial Case

The Economic Case set out the preferred option for the proposed Community Hub at Daws Lane. This section details a provisional commercial case the preferred option by demonstrating a high level outline of how this option could be sourced through procurement. Work to identify the range of services offered and the respective revenue will be identified in a Business Case.

5.1. Lease and rental arrangements

Rental value

In line with the CAS 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. The methodology for this will be developed as part of the Community Benefit Assessment Tool (CBAT – outlined below).

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 set the level of rent subsidy for a VCS organisation leasing Council property in proportion to the level of community benefit that they are delivering. =. 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.

Asset of Community Value

In June of 2013 80 Daws Lane was listed as an Asset of Community Value (ACV) on the Council's register of ACVs. Accordingly, the Council can only dispose of the property (a disposition meaning either a freehold sale, or the grant or assignment of a lease granted for a term of over 25 years) in accordance with the provisions of the Localism Act 2011 and the Assets of Community Value (England) Regulations. Prior to making any disposition, the Council will need to observe a 6 week initial moratorium, designed to allow community interest groups to submit requests to be treated as potential bidders. If such a community group makes a request during this interim period, then the full six month moratorium will potentially operate. The legislation is clear that the Council may sell to a community group at any time during the full moratorium period, but otherwise may not dispose of the property until after the full moratorium period has expired.

When disposing to a community group, the Council will still need to comply with its obligations under section 123 of the Local Government Act 1972 and obtain the best consideration reasonably obtainable.

Regulation 12 of the Assets of Community Value (England) Regulations defines what constitutes a community interest group for the purposes of the legislation. There is no clear judicial guidance as to whether a disposal can be made to a company that intends to hold the asset on trust for a community interest group, such an arrangement may well be deemed to be an attempt to circumvent the legislation. Therefore, any disposal made by the Council should be made directly to the community group.

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.

In the case of Daws Lane due to the interest from the local community in the form of the NW7 proposals and the listing as an Asset of Community Value it recommended that the Council work with a local community interest group to take over the head lease and act as a MO.

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. It may be necessary to allow for a parent company or guarantor

to enable community interest groups to act as the MO. This would enable the Council to have security on its asset whilst working to ensure community engagement and ownership.

Community provision

Initial work has been undertaken by the NW7 community group to explore service provision to meet the locally mapped community needs. A draft schedule of activities has been drawn up by the group that could inform the design process.

Key to this is:

- Use of a cafe space to promote social integration
- Community based usage of function rooms with particular links with groups providing services for:
 - Vulnerable adults with Alzheimer's or other dementia conditions
 - Socially isolated older adults
 - Back to work schemes
 - Health and wellbeing
 - Youth activities
- Partnership Library
- Nursery provision with scope for FEE2
- Use of green space

Further information can be found in **Appendix D**. A more detailed list of activities and usage will be provided at OBC stage following the design process and further community engagement.

5.2 Required services

As described within the Economic Case, the preferred option centres on rebuilding the Daws Lane Centre as a new purpose built community hub with sufficient space for a mix of community groups.

Design and build of the new Community Hub

LBB is able to utilise its existing contractual arrangements with Capita to facilitate the redevelopment of the Daws Lane 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

Under the Customer and Support Group (CSG) Contract, CSG is contracted to deliver building services and facilities management. During the finalisation of a management company it is envisaged a management organisation would take on these responsibilities if it presented a commercially attractive option to the Council.

Future lease arrangements

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. 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.

5.3. 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, under existing contractual arrangements:

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

5.4. 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

5.5. Provision of services

Initial high level discussions have taken place around the provision of a partnership library at the proposed Community Hub at Daws Lane. At present designs are working to ensure space is available if this option progresses.

5.6. Conclusion and next steps

This Commercial Case has indicated the high level sourcing approach that the Council proposes to deliver for the preferred option. Next steps are for detailed design work and costing alongside working with the NW7 group to identify activities and revenue projections

6. Financial Case

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

6.1. Funding requirements

Internal funding

The preferred option emerging from the Economic Case requires notional one-off implementation costs of development of £3.4m. This is based on estimated similar schemes such as the Tarling Road Community Hub which is in development. As per the Economic Case these numbers are notional estimates based on cost per square metre of similar schemes – significant cost variation might result from surveys, change requests and a cost design. Due to optimism bias in line with business case best practice, £1.4m has been held in contingency for the risk of cost variations.

No budget has been allocated by the Council for this work and the development is estimated to be in line with other community facilities the Council has built. An exception to this would be any potential partnership library provision which would have a higher fit out cost in line with similar educational facilities.

Item	Sqm	Total capital cost*
Educational facility	2000	£10m
Partnership library	175	£825k

*based on around £5000 per square metre – resulting from the high fit out costs for an educational/library facility.

External funding

Given the estimated costs, external funding is required to be sought to enable the development. In line with the CAS, the Council will seek to explore options for capital provision should sufficient external funding be obtained. This includes appraising the case for a partnership library at a later date once refined proposals have been drawn up.

6.2. Implementation costs

	Item	Sqm	Cost per sqm (£)	Total (£)
Implementation Costs	Partnership library	175	5000	875,000
	Remaining community facility	825	3061	2,525,000
Total	Whole facility	1000	3400	3,400,000

Shortfall (-) / Surplus	-	-	-	- 3,400,000
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*Based on the potential for housing a Partnership library on site subject to the results of the Libraries consultation

** See section 6.3

6.3. Optimism Bias

Due to the indicative costs being based on rough comparator schemes rather than the formal Riba Stage process an optimism bias has been added to this scheme to reflect best practice from the HM Treasury Green Book. This is due to the tendency for project appraisers to be overly optimistic with costings and also reflects the high level of cost uncertainty due to the early stage of the project. The optimism bias given is 40% which will be reduced as the project processes through the Council's gateway process and more information is obtained to provide a greater confidence in the financial appraisal.

6.4. Cost control in design

Due to the significant funding gap and the lack of a clear funding strategy at this stage to resolve this it is planned to proceed with RIBA stages 2 & 3 to develop a design for the site prior to lease arrangements being commenced. Lease arrangements would be conditional on external funding being drawn in by the provisional leaseholder. A period of around 6 months to a year is envisaged as required to successfully demonstrate progress towards obtaining the requisite funding.

Currently costs to Riba stage 3 are projected to be around £300,000 and is currently ring-fenced in the Capital Asset Management Fund (AMF).

	Timeframe	Cost
Stage 2	w/ c 30 Nov 15 – w/c 11 Jan 16	£139,035
Stage 3	w/c 25 Jan 16 – w/c 29 Feb 16	£166,923
Total		<u>£305,958</u>

6.5. Cost control in construction

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 Corporate Programmes team 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.

6.6. Conclusion

This section has outlined the financial case for the preferred option for a Community Hub at Daws Lane. It presents the high level strategic costing and funding requirements, whilst highlighting the measures required to meet the outstanding funding shortfall through external sources.

7. Management Case

The Economic, Commercial and Financial Cases have indicated the preferred option for the Council's proposed Community Hub at Daws Lane. 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 Daws Lane Community Hub project is managed as part of the Community Hubs portfolio which is reported into the Community Projects Board. This is chaired by the Assistant Interim Director of Finance. The Senior Resource Owner 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 teams, led by the Head of Estates Management to review costs, scope of activity and assurance of Corporate Programmes delivery plans. Further subject matter expertise and assurance on IS, HR, programme management and change management is provided by the Council's 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 managed by 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 function and reviewed by the Council's Programmes team;
- - External review and assurance via commissioned internal audit activity and external gateway reviews

Table Community Projects Board



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 and 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

Draft milestone plan – based on approval to proceed by committee

Key milestones	Planned date
Concept Design (RIBA Stage 2)	w/ c 30 Nov 15 – w/c 11 Jan 16
Submit Strategic Outline Case	30 Nov 15
Stage 2 gateway	w/c 18 Jan16

Developed Design (RIBA Stage 3)	w/c 25 Jan 16 – w/c 29 Feb 16
Stage 3 gateway	w/c 7 Mar 16

7.6. Risks and issues

Description	Cause/Consequence	Control action(s) in place	Assigned To	Nature	Probability	Impact	Score
<u>Funding</u> : Funding to cover the cost estimate to deliver the current building option cannot be secured.	<u>Cause</u> : Lack of clear design brief and committed budget prior commencing design. <u>Consequence</u> : Delayed or deferred procurement.	Not to progress with procurement without external funding in place. Lease arrangements to be offered in principle based on an external party leveraging in funding to resolve the gap	Head of Estates Management	Budget /Funding	5	4	12
<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. Work to produce a community business case to demonstrate community benefit and management	Community Participation Lead	Community / Reputation	3	4	12
<u>Time</u> : Risk that more than one community group expresses an interest in leasing the facility	<u>Cause</u> : During the Asset of Community Value moratorium period two community groups could express an interest. <u>Consequence</u> : Delays to the project and securing external funding.	Working closely with Community Participation to identify interested groups and understand local needs.	Community Participation Lead	Time / Reputation	2	4	8

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
- 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 overleaf. 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 7: 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
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

A draft communications plan will be drawn up for the BC.

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:

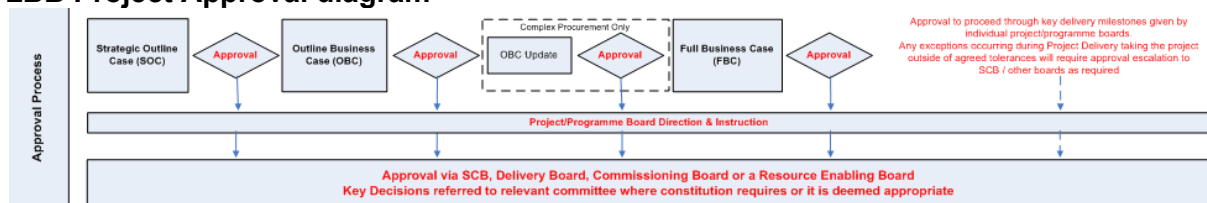
- The effectiveness of the project management of the scheme – viewed internally and externally
- (i.e. was it managed to budget and time);
- The effectiveness of the development partner's project management of the scheme – viewed internally and externally;
- Communications and involvement during construction;
- 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. We will put in place a detailed assurance plan and we will engage expertise and third party assurance through Local Partnerships to give external review.

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



7.7. Conclusion

This high level Management Case has proposed the implementation, governance and risk management arrangements that will be in place to enable the development of the business case for the Council's Community Hub at Daws Lane. The Community Projects Board alongside the Working Group are already mobilised; further work is to develop a wider governance structure, detailed project planning and refine risks and issues.

8.0 Summary

This Strategic Outline Case has outlined the high level strategic, economic, commercial, financial and management cases for change for the proposed Community Hub at Daws Lane. Alignment has been shown to the Council's Community Asset Strategy and the criteria set forth for the creation of Community Hubs. Significant funding gaps remain but the site represents an opportunity to work alongside the community to develop a multipurpose Community Hub.

The next steps, subject to approval, are to proceed with the Stage 2 design, working alongside the community to define the proposed Hub's requirements. Following this the Council will seek to offer provisional heads of terms to a community group on the basis of a community business plan, satisfactory governance structures and the Council's normal financial due diligence. The provisional heads of terms agreement is envisaged to enable a community group to secure external capital funding prior to the development at a later stage of a Business Case for approval by ARG Committee.