

	<p><b>Assets, Regeneration and Growth Committee</b></p> <p><b>4 September 2017</b></p>
<p style="text-align: center;"><b>Title</b></p>	<p style="text-align: center;"><b>Grahame Park Community Hub</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Deputy Chief Executive</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>Colindale</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: center;"><b>Key</b></p>	<p>Yes</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>Appendix A - Outline Business Case Annex A – accompanying appendices to OBC</p>
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## Summary

This document sets out the Outline Business Case (OBC) for the Council’s proposed redevelopment of a new Community Hub at Grahame Park. A detailed Planning Application for Stage B Grahame Park (Plots 10, 11, 12) was submitted in April 2017 with planning Application (RIBA stage 2) for the new Grahame Park Community Hub in Plot 10 forming an integral part of Stage B application.

The Grahame Park Community Hub (GPCH) is a single building co-locating a health centre, children’s centre, nursery, office, café, and community centre. Its re-provision is scheduled for completion in 2020 as it is required to be ready for occupational use prior to the demolition of existing health centre, children’s centre and community centre on the Concourse (Plot 11) in 2020.

This OBC has been completed in accordance with HM Treasury’s Green Book ‘five-case’ business case principles and outlines the preferred option of a community hub at Grahame Park

## Recommendations

**That the Committee:**

- i) **approve the Outline Business Case for the Grahame Park Community Hub**
- ii) **agree proposals to identify and procure an effective management organisation for the new hub to ensure the timely implementation of**

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| <p>iii) <b>appropriate subletting and licensing arrangements and;<br/>agree on-going work to identify an appropriate rental structure which ensures the Hub's viability and access to the wide range of local community organisations</b></p> |
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## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The new community hub will replace and enhance the existing buildings and provide a step change in quality and the opportunity for greater integration of children's health and community services. The building is being designed by Mae architects, appointed by GHA. The proposals have reached RIBA stage 2 which means the outline shape, height, dimensions and location of the building have been agreed. The building has been the subject of thorough community consultation and display information is permanently available within the community building (No 15) in the Grahame Park concourse. The SOBC describes the detailed development of the hub to date and indicates the future programme, risks, options and challenges in its delivery
- 1.2 The Council is facing financial pressures and has a duty to ensure that it is realising best value from current and future 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.
- 1.3 The Community Asset Strategy (CAS) outlined the need for a number of purpose built community hubs and although the Grahame Park hub has been delivered separately as part of the Grahame Park Regeneration programme it is important that its delivery is consistent with the CAS as on completion the hub will transfer to the Council's estates team and be managed alongside the other hubs
- 1.4 Community Hubs have a number of benefits for the Council:
  - 1.4.1 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
  - 1.4.2 Community groups gain opportunities to work together, by networking, cooperating with and supporting one another
  - 1.4.3 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
  - 1.4.4 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.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The council has allocated a headline budget for the community Hub of £13m through the annual capital programme, agreed by full council on 7th March 2017 based on the RIBA stage 2 cost plan. At its April meeting this committee agreed to underwrite the design and planning fees for the community hub to a total of £640,000 to take forward the design to RIBA stage 3 and submission with the council's main planning application for the concourse (plots 10,11,and12). Following consent and a final cost estimate a final business case will be submitted to the Assets and Regeneration Committee for approval to build. If the Council decides not to proceed with the build it will meet the design and planning costs to that point.
- 2.2 The GPCH is more significant than a 'like for like' replacement of existing facilities, it is an innovative solution for health, children and community services to meet demand from population growth and a changing demographic in Grahame Park and the wider Colindale area.
- 2.3 The GPCH will be situated on a key crossroads at the centre of the Grahame Park redevelopment. It will be adjacent to the Diocese of London's redevelopment of St Augustine's Church (approx. 60 new homes and replacement parish) and the new Heybourne Park, as well as neighbouring new primary/secondary school developments.
- 2.4 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 with other VCS groups and using the hub as a base from which to develop community led approaches to solving local challenges.
- 2.5 The approach set out in the CAS supports the Council's vision 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.
- 2.6 This OBC 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 Council’s Corporate Plan, Community Asset Strategy, arrangements and the case for change, constraints and investment objectives;
- Economic Case – appraising the options for a community hub at Grahame Park 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.

- 2.7 The OBC outlines the preferred option of a community hub rebuild at Grahame Park. A cost plan has been undertaken on the existing RIBA stage 2 proposal and forms the basis for the draft budget for this scheme. A sum of £13m has been included in the council’s capital programme following agreement at Full council Budget meeting on 7 March 2017.
- 2.8 Subject to approval the project is planned to be completed by Spring 2020 with construction commencing in summer 2018, subject to achieving a Compulsory Purchase Order (CPO) without recourse to a public enquiry.

The OBC also outlines the preferred approach to managing the facility by granting a head lease to a Management Organisation which will ensure the running of the centre. The head lease will oversee a number of sub-leases and licenses to community groups and core organisations all providing a vital range of community services which underpin the successful regeneration of the Grahame Park estate. The OBC outlines the progress so far made in the design and delivery of the building. Intensive work is now underway to further detail the capital and revenue costs and establish a management structure that meets user needs and provides a viable basis on which to proceed. This will be the main purpose of the full business case

### **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Principal Development Agreement (PDA) signed in 2007 between the Council’s development partner and Genesis states that Genesis is obliged to deliver the re-provision of community facilities (health centre, children’s centre and community centre) prior to the demolition of existing facilities on the Concourse (Plot 11).
- 3.2 Consequent to the PDA, the Supplementary Planning Document (SPD) for Grahame Park identified two options in Plot 10 for the delivery of new community facilities: (i) Plot 10B Genesis site adjacent to Heybourne Park; or (ii) Plot 10C Diocese of London’s St Augustine’s Church site.
- 3.3 The Council commissioned Capita Health Partners to undertake an assessment and evaluation of the community facilities requirements in Grahame Park; the appropriateness of the two sites was also considered.
- 3.4 Given the greater requirement for floor space than was envisaged in the SPD, it became apparent that the Diocese of London site could not readily

accommodate additional floor space because of the limited footprint of the site.

- 3.5 Site Analysis study (RIBA Stage 1) considered four different options for delivering the community facilities in Plot 10B Genesis site. Key NHS England stakeholders championed for the one option that co-located health, children and community services in a single hub building adjacent to Heybourne Park which was the option selected.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 The existing RIBA stage 2 design will be subject to further detailed design work by Mae architects, to RIBA stage 3. This further detailed design work will be submitted to planning in Oct/Nov 2017. A section 106 agreement will be completed as part of the full application which will include a contribution of £7.6m from GHA towards the construction costs of the hub
- 4.2 Assuming the planning application is approved there are two scenarios for the delivery of the hub; one assumes the scheme can proceed without the necessity for a CPO inquiry and the other with a CPO inquiry. The former estimates a hub completion in spring 2020 but a CPO inquiry could easily extend that timetable by 12 months. The scheme will be constructed by Countryside under the terms of the existing PDA under a JCT Design and Build contract
- 4.3 The Council wishes to retain freehold interest in the land on which the community hub will be built. This means that LBB will need to agree a 'carve out' with Genesis to amend the existing terms of the PDA under which all the development land (currently including the hub land) transfers to Genesis prior to development. Previous carve outs have been agreed on plots 7 (College) and 8 (council offices). This will require a future variation to the PDA.
- 4.4 In parallel with the planning and construction process the council will be preparing for the ownership and management of the new building. This will include the procurement of a management organisation, establishment of a lettings policy, agreement on fit out and rental agreements with large anchor tenants (NHS, children's centre etc ) and smaller voluntary and community organisations requiring access on a daily ,casual, or occasional basis
- 4.5 The SOBC describes progress in developing the facility in consultation with key users. The council will continue working closely with partners to establish a viable business model for the health element of the hub as well as the children's service and other community organisations as appropriate. This will be detailed in the full business case which will be completed following planning and presented to a future meeting of ARG

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Grahame Park Community Hub project supports the Council's vision for

redesigned local services outlined in Corporate Plan 2015-2020:

- By 2020, public sector agencies will be more integrated – pooling resources, sharing assets and staff, and developing joint solutions.
- Public services will be commissioned jointly for the borough by the council working with partners.
- For residents, this will mean easier access to multiple services in one place.
- For the Council, it will reduce bureaucracy and drive innovation in the way services are designed and delivered.

5.1.2 The Grahame Park Community Hub project supports the Council's priorities outlined in Corporate Plan 2015-2020:

- Responsible growth and regeneration – revitalising communities and providing new homes and jobs whilst protecting what residents love about the borough, such as its green spaces, and generating local revenue as Government funding reduces to zero.
- Managing demand – working across the public sector and with residents to prevent problems rather than just treating symptoms.
- Transforming services – redesigning services to make them more intuitive and integrated, and more efficient to deliver.
- More resilient communities – working with residents to increase self-sufficiency, reduce reliance on statutory services and tailor services to their needs.

5.1.3 Functional integration across health and other public and community services is central to new primary care models that are being developed as part of NHS England's Five Year Forward View.<sup>1</sup>

5.1.4 NHS England have identified Grahame Park Community Hub as an opportunity to fully integrate GP health services with children services, community health, mental health, social services, and the voluntary sector that are already providing a wide range of community services responding to local need.

5.1.5 NHS England have identified Grahame Park Community Hub as a new building (albeit a replacement) and therefore any business case being submitted to NHS England for the Estate Technology Transformation Fund (ETTF) must meet the following transformative objectives:

- Improving seven day access to effective care
- Increased capacity for clinical services out of hospital
- Increased training capacity
- Commitment to a wider range of services as set out in your commissioning intentions to reduce unplanned admissions to hospital

5.1.6 NHS England have identified multi-disciplinary shared space (clinical and non-clinical) and functional integration across all services

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<sup>1</sup> See NHS Five Year Forward View (October 2014): <https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf>

(health/children/community) as the best way of achieving these Transformative objectives (above) in Grahame Park.

5.1.7 NHS England have also identified that multi-disciplinary shared space lends greater flexibility to services to provide for the future needs of a changing and increasing population in Grahame Park than merely increasing space requirement for health.

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

5.2.1 A cost plan has been undertaken on the existing RIBA stage 2 proposal (available in full in the OBC) and forms the basis for the draft budget for this scheme. A sum of £13m has been included in the council's capital programme following agreement at Full council on March 7 2017. The cost plan is currently being revised and a revised version available by the end of September. Contractor Countryside is meeting the cost consultants Jackson Coles to assist in the process and they will be sending out tender packages to sub - contractors in November to achieve cost certainty and a final price. This will be considered in the Full Business Case

5.2.2 To meet the tight programme requirements of the detailed design work (to RIBA stage 3) it was agreed at the April ARG meeting to release up to £640,000 from the capital budget (funded by section 106 health monies currently being held by the Council) to meet the costs incurred so far and estimated costs up to RIBA stage 3 submission (plus £15k contingency). The current projection is for a full expenditure of the design budget.

5.2.3 Should this scheme not proceed, any abortive costs would need to be charged to revenue.

5.2.4 The OBC considers in some detail the estimated costs of running the hub and the rental levels required to meet those costs. The Full Business case will develop those appraisals further and open negotiations with hub users over rent levels. The council will need to agree, going forward, the business management model it wishes to adopt, to ensure effective financial management.

## **5.3 Social Value**

5.3.1 The Grahame Park Community Hub is an opportunity to encourage complementary health, children and community services to co-locate within a Council asset.

5.3.2 Furthermore the Hub is an opportunity for Council to make more efficient use of its estate by maximising the times during which its assets are being used by different services.

5.3.3 The Hub is also an opportunity for health, children and community services to work together and deliver better, more joined up services.

5.3.4 The Grahame Park Community Hub will result in a number of benefits<sup>2</sup> to this co-location approach:

- 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.

5.3.5 The Grahame Park Community Hub has been designed with a view to:

- Maximising the benefits of co-location and enabling as wide a range of groups as possible to benefit from the use of Council assets.
- Reflect the needs of local communities and the Council's commissioning priorities for the local area.

## **5.4 Legal and Constitutional References**

5.4.1 Section 1 of the Localism Act 2011 provides local authorities with a broad power to do anything that individuals can do subject to any specific restrictions contained in legislation.

5.4.2 The Council will need to agree a "carve out" (removal of the community hub land from the plot 10 land transfer) with GHA to enable the Council retain the freehold of the proposed Grahame Park Community Hub. The "carve out" will require a variation to the existing PDA and any such variation must comply with the provisions of the Public Contracts Regulations 2015.

5.4.3 The Council has power under section 123 of the Local Government Act 1972 to grant a lease to a Management Organisation for the purpose of running the proposed Grahame Park Community Hub subject to the lease being granted for the best consideration obtainable.

5.4.4 Under the Council's Constitution, Responsibility for Functions (Annex A) the terms of reference of the Assets, Regeneration and Growth Committee includes the following responsibilities relevant to the subject matter of this report:

- Develop and oversee a Regeneration Strategy
- Engagement with the business community and measures to support local business
- Oversee major regeneration schemes including those of key social housing estates
- Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council

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<sup>2</sup> See Community Asset Strategy (June 2015):

<https://barnet.moderngov.co.uk/documents/s23454/Community%20Assets%20Strategy%20%20June%202015%20-%20Appendix.pdf>

See Assets, Regeneration and Growth Committee Report (June 2015):

<https://barnet.moderngov.co.uk/documents/s23455/Community%20Assets%20Strategy.pdf>

## 5.5 Risks Summary

Further detail on risks and issues is available in SOBC appendix F

Risk	Mitigation
Early detailed design work is abortive as the hub fails to be delivered in part or full	LBB agree to underwrite design fees in the event of work being abortive. Full business case submission, post planning , close collaboration with health partners in delivery of health business case, consultation /liaison with community users
Securing tenants for Hub. Ensuring long-term commitment from major users and appropriately priced access for community orgs	Full business case submission , post planning , close collaboration with health partners in delivery of health business case, consultation /liaison with community users
Ineffective management of building	Procuring an effective management organisation
Disruption to health and other services in the area	Pre -planning to ensure the seamless transition of health and other services into the new building
Ensuring long term viability of the hub	Effective long-term business planning

## 5.6 Equalities and Diversity

5.6.1 Equality and Diversity issues are a mandatory consideration in decision making in the Council pursuant to the Equality Act 2010. This means the Council and all other organisations acting on its behalf must fulfil its equality duty when exercising a public function. The broad purpose of this duty is to integrate considerations of equality and good relations into day to day business, requiring equality considerations to be reflected into the design of policies and the delivery of services and for these to be kept under review.

5.6.2 The specific duty set out in s149 of the Equality Act is to have due regard to need to:

- *Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- *Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- *Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

5.6.3 The relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. Health partners as relevant public bodies must similarly discharge their duties under the Equality Act 2010 and consideration of equalities issues

should therefore form part of their reports.

5.6.4 The Grahame Park Community Hub will provide a step change in terms of quality and access to health, children's and community services for local users. It replaces inadequate infrastructure with new facilities geared up to meet the needs of the growing and changing population.

5.6.5 An equalities impact assessment was carried out as part of the Grahame Park SPD process in 2016 which fully considered the impact various elements of the spatial development (which included provision of three new community hubs) will have on each of the protected characteristics. The Council continues to take into account the public sector equality duty at each step of the design process for the Grahame Park Community Hub,

## **5.7 Consultation and Engagement**

5.7.1 Public Consultation: Proposed Changes to health services and facilities in Colindale and West Hendon ran from November 2015 to Jan 2016. Findings Report (March 2017) can be found at: [https://engage.barnet.gov.uk/commissioning-group/colindale-health/supporting\\_documents/Colindale%20health%20consultation%20report%20FINAL.pdf](https://engage.barnet.gov.uk/commissioning-group/colindale-health/supporting_documents/Colindale%20health%20consultation%20report%20FINAL.pdf)

5.7.2 Supplementary Planning Document Grahame Park (SPD) Public Consultation was held in February 2015 and February 2016. SPD Grahame Park was adopted in July 2016 and can be found at: <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/supplementary-planning-documents/Grahame-Park-SPD.html>

5.7.3 (Public) Design Consultation for Stage B Grahame Park was held in June and July 2016 and was followed by Review Design Consultation in November and December 2016.

5.7.4 (Private) Design Workshops with prospective tenants and their respective commissioning bodies ran from February 2016 to August 2017. These workshops informed the Employer's Requirements and RIBA Stage 0-1 and Stage 2 Report for Grahame Park Community Hub. Design Workshops with prospective tenants will continue throughout RIBA Design Stages 3-7 so that tenant's requirements are met, and the building is fit-for-purpose.

5.7.5 (Private) Design Review Panel Grahame Park Stage B held on 16<sup>th</sup> January 2017.

5.7.6 The hub formed a central part of the (Public) Statutory Planning Consultation for Stage B Grahame Park which took place in June 2017. This has been supplemented by public events such as the Grahame Park fun day in July 2017 and updates to the Colindale Community trust. Information /drawings etc are permanently on display at the community office, 15 the Concourse.

5.7.7 In the development of detailed design work the council, partners and design

team have liaised with potential and current service users to assist in the design of facilities.(SOBC Appendix A)

## **6 BACKGROUND PAPERS**

- 6.1 Supplementary Planning Document Grahame Park was adopted by Full Council on 26 July 2016. Can be found at: <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/supplementary-planning-documents/Grahame-Park-SPD.html>
- 6.2 Options Appraisal Study on Health Facilities in Colindale and West Hendon was completed in May 2015. Can be found at: [https://engage.barnet.gov.uk/commissioning-group/colindale-health/supporting\\_documents/Colindale%20and%20West%20Hendon%20Options%20Appraisal.pdf](https://engage.barnet.gov.uk/commissioning-group/colindale-health/supporting_documents/Colindale%20and%20West%20Hendon%20Options%20Appraisal.pdf)
- 6.3 Assets, Regeneration and Growth Committee, Grahame Park Community Hub – 24 April 2017:  
<https://barnet.moderngov.co.uk/documents/s39271/Grahame%20Park%20Community%20Hub.pdf>