



To: Executive Councillor for Community, Arts and Recreation: Councillor Richard Johnson
Report by: Alan Carter
Relevant scrutiny committee: Community Services Scrutiny Committee 16/10/2014
Wards affected: Trumpington

CLAY FARM COMMUNITY CENTRE

Key Decision

It is recommended that the committee resolves to exclude the press and public during any discussion of Appendix One of the report by virtue of paragraph(s)3 of Part 1 of Schedule 12A of the Local Government Act 1972

These sections of the report are exempt from publication because they contain information which, if disclosed to the public, would, or would be likely to, prejudice the commercial interests of any person (including the local authority holding it).

1. Executive summary

This project was considered by the Customer and Community Services Committee in January 2012 and the Executive Councillor approved that the project should proceed. The project has reached the stage where tenders have been received to build the new Community Centre. Due to build cost inflation the budget for the project has increased significantly although the increased contribution required from the Council is more marginal. This is because of the partnership nature of the project and because funding for the project comes from a number of sources, much of which is building cost index linked. Nevertheless, as the project has reached a key point and in view of the budget variation it was felt appropriate for the Committee to scrutinise the project again at this stage.

2. Recommendations

The Executive Councillor is recommended to approve the revised budget for the project of £10,950,000.

3. Background

The City Council is leading the partnership project to provide the new multi-use Community Centre at the heart of Clay Farm. The Community Centre will sit on City Council land and therefore the City Council is the lead partner. Other partners include the local General Practice backed by the NHS; the County Council; and bpha (Affordable Housing provider). A representative from Trumpington Residents Association is part of the partnership Project Group.

Situated at centre of the Southern Fringe Growth site, the Clay Farm Community Centre will be a high profile building that reflects the Council's objectives to promote high quality and sustainable development. By the time the Centre is built in Spring 2016 about 40% (2000) of the new homes on the Southern Fringe will be occupied.

The following facilities were required to be provided in the new Clay Farm Community Centre from the outset of the project.

- **a community centre**: comprising a multi-use hall with sprung floor, suitable for performance and exhibition, and flexible meeting rooms
- **a community café** large enough to be viable
- **a youth wing** with games area, band & DJ room, and space for craft activities.
- **a public library** with internet access and areas for lending and reading materials
- **a health centre** with consultation rooms for eight general practitioners, flexible spaces for primary care support services, waiting areas, and a minor surgery suite
- **residential accommodation** – up to 20 affordable flats
- touchdown facilities and accommodation for **police and social services** and other providers
- **car parking** for essential staff and emergency vehicles with external areas for community use

The Design Code for this part of the Southern Fringe development calls for a building of between three and five storeys in this location. In order to achieve the height and stature required the concept for the building is for the community facilities to occupy the ground and first floors; the Health Centre to occupy the second floor; with the Affordable Housing units on floors three and four.

The following approvals have been agreed to-date;

- To approve that a Design Team be commissioned to design and oversee the delivery of the Community Centre and that a Contractor be procured to build the Community Centre.
- To delegate authority to the Director of Customer and Community Services to sign a contract with both the Design Team and the Building Contractor in liaison with the Director of Resources and the Head of Legal Services and in consultation with the Executive Councillor for Community Development and Health and the Opposition Spokesperson and the Chair of the Community Services Scrutiny Committee.
- To delegate the decision to complete appropriate legal agreements and set up a management company with the County Council to run the planned Clay Farm Multi-use Centre subject to:
 - a) Agreement of lease arrangements and financial contributions with partners.
 - b) Prior consultation with the Head of Finance, Head of Legal Services, Executive Councillor and Spokes for Community Well-being and Chair of Community Services Scrutiny Committee.

The key milestones in the Programme to complete the new Community Centre are as follows;

November 2012 – Design Team appointed

November 2012 to January 2014 – Develop Design for the Community Centre with the Design Team

January 2014 – Submit Planning Application

April 2014 – Planning Approval

April 2014 – Start procurement of Building Contractor

November 2014 – Appoint Building Contractor

January 2015 - Start on Site

March 2016 – Complete new Clay Farm Community Centre

4. Implications

(a) Financial Implications

When the project was reported to Committee in January 2012 the estimated cost was £8.199m. The incumbent Executive Councillor and Opposition spokesperson were briefed on progress with all aspects of the project in June 2013 (briefings have been held more recently specifically in relation to the proposed future management of the Centre). At that point the project

was estimated to cost £8.825 million. Appendix 1 shows the current budget and an estimated cost of £10.950. Appendix 1 also shows the funding streams to meet the estimated costs.

The budget has increased because of building cost inflation (as an illustration of how quickly building costs have increased, tender prices are about 9% higher than anticipated by the Quantity Surveyor for the project had estimated in March 2014).

Approximately half of the funding for the project is provided through Developer Contributions that are build cost index linked. A significant part of the increased cost is therefore covered by this. Also the housing provider will cover the cost of the housing and its contribution has increased accordingly.

Some of the funding streams are not indexed linked to cover build cost inflation and therefore the partners are working together to secure additional sources of income or to reduce the specification and cost of the building accordingly. The notes to the budget shown as Appendix 1 explain that at the time of writing this exercise is not yet completed.

The January 2012 report to Committee explained one of the complexities of the funding of this project which bears repeating at this stage. Developer Contributions are available to part fund the new Community Centre and have begun to be received. These are paid in two ways

- a. In lump sums on the completion of houses on each site. These payments are phased. For example 5% of the total Developer Contribution to the Community Centre from the Clay Farm site is payable on occupation on the 150th home; and a further 5% on occupation of the 250th home etc. These Developer Contributions totalled £3,529,000 when set as part of the section 106 planning agreement but an additional £674,000 is due to be received due to index linking these contributions.
- b. The Developer Contribution in respect of the health centre will be in the form of eight equal annual payments over the first eight years life of the centre (totalling £1,010,770) but is also subject to the health authority agreeing a 15 year lease on the health centre. This revenue contribution is also index linked.

During the section 106 negotiations it was agreed that the City Council will provide development funding for the Community Centre because of the timing of the receipt of the Developer Contributions. The development funding will be repaid by the rent from the health centre. Initially £2.8m development finance was budgeted to be provided. The current budget

estimate requires £2.9m. The initial cash-flow forecasts estimated that the £2.8m would be repaid over 18 years (using 3.11% interest on borrowing). With movement in interest rates the current estimate is for repayment of the £2.9m over 24 years (using 4.1% interest on borrowing).

(b) Staffing Implications

The co-location of services within the Community Centre has led to the consideration of a model that will facilitate shared facilities management arrangements (such as maintenance and cleaning).

As reported to this committee in January 2014, the governance and management model that has emerged is to establish a joint venture leasehold management company between the City Council and the County Council with membership and voting balance reflecting the capital investment of the two local authorities ie a ratio of two to one in favour of the City Council

Due to the requirements of the Health Centre and the Affordable Housing they will be the subject of long term leases to the local GP Practice and to bpha respectively and therefore these organisations will not be party to the joint venture leasehold management company, but will in effect, be long term tenants.

Working with the County an estimated net revenue cost for the Centre has been calculated at £200,000. This is a reduction on an earlier estimate. The City Council's contribution will be £120,000 per annum which will be built into the Council's budget forecasts.

(c) Equal Opportunities Implications

An Equality Impact Assessment has been conducted and has been considered by the Project Board. The conclusions from the Assessment have been built into the development of the design of the new building by the Design Team being mindful that the Centre needs to be fully accessible to the more vulnerable and disadvantaged groups.

(d) Environmental Implications

The Design Team, ADP, has a track record in delivering environmental sustainable buildings. They also have the credentials and are as aspirational as the Council in evolving the development of design; use of materials; and function of buildings to promote low carbon living and the

minimisation of waste. The baseline for the building set some time ago was for the new Community Centre to be designed to at least the 'BREAAAM Excellent' standard. It is the aim to work with the Design Team to deliver a building to as high a standard as we can in relation to the budget and contemporary practice and design.

The new multi-use Community Centre will be located adjacent to an area of land also owned by the City Council that is to be developed as part of the residential development of Clay Farm. The Council is requiring the residential area to be developed as an environmentally sustainable exemplar and therefore the Design Team for the new Community Centre has been cognisant of the inter-relationship of the two sites in terms of environmental sustainability.

(e) Procurement

The Design Team for the project were recruited through OJEU compliant restricted procedure.

The selection of the building contractor is following the same path and is at the stage of evaluation of final tenders.

(f) Consultation and communication

There has been extensive consultation with the local community throughout the design process including displays and presentations at Southern Fringe Forum meetings. Trumpington Residents Association also have a representative on the Project Board.

(g) Community Safety

There are no particular implications for Community Safety of this project. The design of the building has been developed bearing in my good practice in relation to 'Secure by Design' principles.

5. Background papers

These background papers were used in the preparation of this report:

Clay Farm Community Centre: Report to Community Services Scrutiny Committee on 12 January 2014
<http://mgsqImh01/mgChooseDocPack.aspx?ID=530>

Clay Farm Multi-Use Centre – Management Proposal: Report to Community Services Scrutiny Committee on 16th January 2014. See item 16
<http://democracy.cambridge.gov.uk/mgChooseDocPack.aspx?ID=1000>

6. Appendices

Appendix 1 Clay Farm Community Centre Budget – October 2014

Note - Appendix 1 is not for publication as it contains “Information which, if disclosed to the public, would, or would be likely to, prejudice the commercial interests of any person(including the local authority holding it).”

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Alan Carter
Author's Phone Number: 01223 - 457948
Author's Email: alan.carter@cambridge.gov.uk