
Report To:	Regeneration Committee	Date:	1st September 2011
Report By:	Corporate Director Regeneration and Environment	Report No:	R217/11/AF
Contact Officer:	Aubrey Fawcett	Contact No:	01475 712762
Subject:	Development of Community Facility at Inverkip		

1.0 PURPOSE

- 1.1 This report asks for the Committee's consideration of the detailed feasibility for the development of a Community Facility within Inverkip Village and give approval to a range of matters.

2.0 SUMMARY

- 2.1 As a result of the likely funding to be made available from the Section 69 Agreement with Stewart Milne in relation to the planning approval for the Hill Farm, Inverkip, amounting to £600,000, the Corporate Director Regeneration and Environment established a working group, known as the Inverkip Village Community Facility Working Group (IVCFWG), involving local ward members and representatives from local community groups, to review options. The Group, which first met on 20th January 2010, concentrated on looking at the spectrum of accommodation which may be required, possible locations and possible sources of funding available to fund a feasibility study. A successful application was made for Awards for All grant for up to £10,000 by Officers and following this tenders were sought from consultants to undertake a detailed feasibility. The architects, SasanBell, were appointed.
- 2.2 In this regard SasanBell has undertaken the study into the provision of a new community facility and has reviewed a number of options. Following review of the report by the Corporate Director Regeneration and Environment after further dialogue with stakeholders, it was proposed that the two options be investigated further with a preferred option developed in detail prior to going to consultation.
- 2.3 Public consultation took place on 26th March regarding the proposals and the preferred option and feedback is included in Appendix B to SasanBell's Report.
- 2.4 It is proposed that the project is now progressed with authority given to the Corporate Director Regeneration and Environment to negotiate the acquisition of the land interest and procurement of consultants and contractors through appropriate adverts and report progress back to Committee on a regular basis. It is also proposed that authority given to the Corporate Director Regeneration and Environment to establish a new community company with consisting of ward Members and up to six representatives from the local community.

3.0 RECOMMENDATIONS

- 3.1 That the Committee:
1. Approves the project as outlined in this report;
 2. Remit the funding package as outlined in para 5.5 to the Policy and Resources Committee including the provision of advance payment and funding source by the Council in lieu of Tranche 2 from Section 69 Agreement;
 3. Provide shortfall revenue support in addition to funding provided for the library up to £15,000 from the Grants To Voluntary Organisations budget for the first four years;
 4. Authorises the Corporate Director Regeneration and Environment in consultation with the Head of Legal and Democratic Services to engage with the local community and to

- establish a new community company and processes to elect six community representatives following consultation with the Convener and Vice Convener of the Regeneration Committee;
5. Authorises the Corporate Director Regeneration and Environment in consultation with the Chief Financial Officer to engage with the new community company to prepare and submit a final business plan including proposed management arrangements for approval prior to making the funding available;
 6. Authorises the Corporate Director Regeneration and Environment in consultation with the Head of Legal and Democratic Services to negotiate the acquisition of the land interest to enable the construction of the new community facility and thereafter sub-lease to the new community company;
 7. Authorises the Corporate Director Regeneration and Environment in consultation with the Head of Property Assets and Facilities Management and the new community company to select appropriate qualified consultants, novating where appropriate, and contractors and appoint the economically most advantageous to design and construct the new facility;
 8. Authorises the Corporate Director Regeneration and Environment in consultation with the Head of Legal & Democratic Services and Chief Financial Officer to negotiate a development, management and funding agreement with the new community company; and,
 9. Requests the Corporate Director Regeneration and Environment to provide regular progress reports to Committee.

Aubrey Fawcett
Corporate Director Regeneration and Environment

4.0 BACKGROUND

- 4.1 As part of the award of planning permission to develop the Hill farm Development at Inverkip, a S69 Agreement was put into place which provided for a payment of £600,000 towards the development of a Community Facility within Inverkip. The payment was to be paid in two tranches:
- Payment 1 - £300,000 after the occupation of 100 houses within the development (it is envisaged this should be available within the next year) ; and,
 - Payment 2 - £300,000 after the occupation of 200 houses within the development (it is envisaged this should be available within 3-5 years).
- 4.2 In order to progress matters the Corporate Director Regeneration and Environment established the IVCFWG to drive forward with the preparation of a feasibility report in order that proposals could be submitted to Members for consideration. As part of this activity Council officers have been successful in attracting Awards for All funding to fund the feasibility.

5.0 PROPOSALS

- 5.1 The appointed architects, SasanBell were commissioned to undertake the feasibility following a tender process, which included short list consultants being interviewed by IVCFWG. The study was undertaken to assist the community in developing such a facility and makes recommendations on the preferred delivery vehicle. The report, which looked at 17 sites, concluded that there were two options worthy of further investigation, namely:

1. Church Hall and Pavilion site (sites 7 and 8 in SasanBell Report)
2. Football Ground (site 16 in SasanBell Report)

Following review of the report by the Corporate Director for Regeneration and Environment after further dialogue with partners, it was proposed that the preferred option to develop the Football Ground be considered in further detail. A copy of the SasanBell Report has been circulated separately to Members for information.

- 5.2 The total cost of the project is estimated to be in the region of £1,200,000, including fees. This is based on the assumption that the site will not require any abnormal works e.g. piled/raft foundations or decontamination works. The accommodation to be provided includes:

- New Community Centre to have space for:
 - A multi-purpose sports hall
 - Committee / meeting rooms capable of subdivision
 - Caretakers / Admin room
 - Kitchen
 - Café
 - Changing / Shower rooms, toilets, storage, cleaners and first aid.
- External:
 - Adequate car parking
 - Children's play area
 - Space for marquee
 - All weather playing surface

In addition, the Hall could be extended to a two court facility at an additional cost of £272,000 as a future phase of development.

- 5.3 It is also proposed that the small Library, which is currently located within the Inverkip Primary School, be relocated to within the new community facility. This matter is the subject to a separate report on the Agenda.

- 5.4 The study was undertaken to assist the community in developing such a facility and makes recommendations on the preferred delivery vehicle. In this regard the following delivery vehicles were considered:
- Newly established Community Company
 - Inverkip Community Council
 - Inverkip Community Enterprise
 - Inverclyde Leisure

It is proposed that the nationally recognised exemplar model of the Kilmacolm New Community Centre Ltd be followed and therefore an Inverkip New Community Company be established which is adopted as the preferred delivery vehicle. A Board would be established with representation as follows:

- Inverclyde Council - 3 local ward Members
- Up to six representatives from the Inverkip Community
- Council officers would attend the Board as advisers

Once the Board was established, the Company would be required to:

- Prepare a detailed and sustainable business plan;
- Sub-lease the land interest to enable the construction of the new community facility;
- Negotiate an appropriate development, management and funding agreement with the Council; and,
- In collaboration with the Council select through appropriate tendering procedures appropriate qualified consultants and contractors and appoint or take over responsibility for the economically most advantageous tenderers to design and construct the new facility.
- As with the Kilmacolm New Community Facility engage with Inverclyde Leisure regarding future management arrangements

- 5.5 The capital cost for the project, excluding land lease costs, equates to £1,200,000 (excluding the Hall extension). It is proposed that the project is funded as follows:

Source	Amount
Tranche 1 from Section 69 Agreement	£ 300,000
Advance payment by Council in lieu of Tranche 2 from Section 69 Agreement*	£ 300,000
Payment from Council funded from the SEMP	£ 250,000
Contribution from Community Facility Fund	£ 350,000
Total	£1,200,000

* Council would retain the Tranche 2 payment from the developer once the total number of houses occupied exceeded the trigger of 200, which is likely to be within 3-5 years, however, there Council has no control over this. The Policy and Resources Committee shall identify the source of this funding within the Council.

- 5.6 An outline business plan with associated cash flow has been prepared and it demonstrates that although the facility should be self sustainable in the long term deficit funding up to circa £15,000 per annum for the first 4 years of operation should be made available if the project under performs in relation to projections. Members should be aware that a detailed business plan will be required to be prepared by the Company and submitted for approval to the Corporate Director Regeneration and Environment in consultation with the Chief Financial Officer.
- 5.7 Members should note that it should be made clear to the newly established Board that the Council is expecting that any future phases of development should be funded externally of the Council.

6.0 RISKS ASSOCIATED WITH PROGRESSING THE DEVELOPMENT

- 6.1 Members should be aware that there are a number of risks which may impact on the delivery of the project, including:

1. Acquisition of land interest – Initial dialogue has taken place with the Head Lessee regarding the proposals and the possible sub leasing of the site. Further dialogue will be necessary with the Head Lessee and the owners, Ardgowan Estate. Members will be advised further if this matter becomes problematic. Members should also be aware that the current budget costs do not include purchase costs of the land, however, an allowance has been for a small ground rental payment. A further report will be presented to Members should either the option to purchase the outright ownership becomes a possibility or the acquisition of the site becomes problematic.
2. Site Investigation – The current budget costs are based upon normal ground conditions, however, a full site investigation requires to be undertaken to confirm actual conditions and where these are found to increase costs beyond the budget, if approved, Members will be advised accordingly.
3. Utility/Service Infrastructure – It is apparent that there are a number of service routes through the site which may impact on the precise location of the building and site elements, every attempt will be made to avoid costly site works, however, where these are found to increase costs beyond the budget, if approved, Members will be advised accordingly.
4. Tranche 2 Funds - Members should be aware that there is a potential risk that the Hill Farm Developer may not develop the 200th house for a variety of reasons which may result in the second tranche money not been made available.
5. Other Risks – See SasanBell's Report.
6. Project Timetable – A very optimistic timetable is included within SasanBell's Report, however, Members should be fully aware that the associated risks referred to above can have a significant impact and resultant delay in the project. The objective of the timetable is however to maintain the momentum.
7. Business Sustainability – Members should be fully aware of the challenges of developing a sustainable business plan for a community facility, every attempt will be made to develop a robust detailed business plan, however, where it proves problematic and it is apparent that ongoing support maybe is needed a further report will be brought forward for Members' consideration.

7.0 CONSULTATIONS

7.1 Finance Services

Financial Implications – One Off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
	Community Facilities Fund	2012/13	£350,000		£90,000 anticipated expenditure in 2011/12
	To be determined by Policy and Resources Committee	2012/13	£300,000		Payment in advance of Tranche 2
	SEMP	2012/13	£250,000		Approved by Education and Lifelong Learning Committee

Financial Implications – Annually Recurring Costs

Cost Centre	Budget Heading	With Effect From	Annual Net Impact	Virement From (if applicable)	Other Comments
	GTVO	2013/14	£15,000		Shortfall revenue support for first 4 years from 2013/14

- 7.2 The Head of Regeneration and Planning has been consulted on this Report.
- 7.3 The Head of Legal and Democratic Services has been consulted on this Report
- 7.4 The Head of Property Resources and Facilities Management has been consulted on this Report.
- 7.5 The Head of Environmental and Commercial Services has been consulted on this Report.
- 7.6 The Inverkip Village Community Facility Working Group will be consulted on the final proposals prior to Committee and Members will be provided with a verbal update at the meeting.
- 7.7 In accordance with the consultation process for the Community Facilities Fund, the SOA2 Regeneration Group will be consulted on the final proposals prior to Committee.