

 Executive 1st July 2015		Agenda Item No. 8
Title	Funding for Bishop's Tachbrook Community Centre	
For further information about this report please contact	Chris Elliott, Chief Executive 01926 456000 Chris.elliott@warwickdc.gov.uk	
Wards of the District directly affected	Bishop's Tachbrook	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive Committee Meeting 30 th May 2012 Executive Committee meeting 5 th November 2014	
Background Papers	As above	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	Yes/No (If No state why below)
None required for the provision of the Community Centre	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	11.06.15	Chris Elliott
Head of Service	11.06.15	Richard Hall,
CMT	11.06.15	Andy Jones, Bill Hunt
Section 151 Officer	11.06.15	Mike Snow
Monitoring Officer	11.06.15	Andy Jones
Finance	11.06.15	Mike Snow
Portfolio Holder(s)	11.06.15	Cllrs Peter Whiting, Cllrs Moira Ann Grainger
Consultation & Community Engagement		
The proposal has emanated from a significant amount of consultation undertaken by the Parish Council and the Trust.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report, following an earlier one in November 2014, seeks a decision to agree a submitted business plan to provide funding and to underwrite other funding in order to allow the construction of a community centre in Bishop's Tachbrook village to proceed. The report also seeks to address other concerns that had been raised by some members of the local community.

2. **Recommendation**

- 2.1 That the Executive agrees to delegate to the Chief Executive, Heads of Finance and Health/Community Protection in consultation with the Portfolio Holders of Finance and Health/Community Protection to determine the submitted business plan ensuring and detailing how the future running costs will be met and how genuine community access is ensured (at Appendix 2).
- 2.2 That upon the business plan being agreed as provided for above, the Council makes £300,000 available for the Community Centre as a grant and that the underwriting of £150,000 is also made available in lieu of impending grant applications to allow construction to begin this summer.
- 2.3 That, following the completion of the community centre building, the St Chad's Trust submit to the District Council an annual report on financial and community usage performance for 3 years. The report should be reported to a Council Scrutiny Committee to monitor that the intent of the business plan and its delivery is being met. This is a condition of giving the grant in 2.2 above.
- 2.4 That the issues raised by members of the community and the responses are noted.

3. **Reasons for the Recommendation**

- 3.1 At its meeting on 5th November 2014 the Executive agreed in respect of the request for funding for a community centre at Bishop's Tachbrook the following:

"2.1 That the Executive determines whether it wishes to meet the request of St Chad's Trust with the support of Bishop's Tachbrook Parish Council to provide £300,000 of funding and to underwrite a further £150,000 in order to allow the construction of a community centre in the village of Bishop's Tachbrook.

2.2 In the case that the Executive does wish to meet the funding request then it is advised that it should agree that:

- 2.2.1 The funding is made available from the New Homes Bonus Scheme award received in 2015/16 and that no more than the requested will be forthcoming in the event of any cost overrun.
- 2.2.2 The funding is only available for 24 months (from the date of this Executive) before being drawn down in whole.
- 2.2.3 Payments are only to be made on supply of verified invoices of work in proportion to Council/overall funding.
- 2.2.4 It withdraws the current RUCIS funding commitment to the scheme of 27% of the overall project costs up to a maximum of £50,000, which should be returned to the RUCIS pot.
- 2.2.5 The funding is approved when it is agreed by the Parish Council and St Chad's Trust that public acknowledgement of the Council's

support for the scheme is given in publicity about the scheme at all stages.

- 2.2.6 The funding is approved only when a full acceptable Business Plan for the centre is received, detailing how the future running costs will be met and how genuine community access is ensured.
- 2.2.7 The funding is approved only when all other funding bids have been completed and determined so enabling confirmation of how the capital costs of the project will be met.

Items 2.2.5, 2.2.6 and 2.2.7 should be delegated to the Chief Executive, Head of Health and Community Protection and Head of Finance in consultation with the portfolio-holders for Finance and Health and Community Protection.

2.3 Officers give consideration to a process for determining funding requests for similar such schemes emanating in the context of the Local or Neighbourhood Plans.”

- 3.2 The reasons for the above recommendation at that time are attached at Appendix 1. There are two reasons why the agreed delegation has not been carried through.
- 3.3 Firstly, since November the Parish Council has agreed to all the conditions and a number of iterations of the business plan have been submitted and its most recent iteration is attached at Appendix 2. Officers are still scrutinising that version and there are at the time of writing issues that are still to be resolved or clarified. Hopefully, that will be the case by the time of the meeting but should it not be the case then delegated authority is sought as before to agree the business plan or to refuse funding if it is found to be unacceptable and is cannot or will not capable of be suitably amended.
- 3.4 Working with the representatives of the St Chad’s Trust, the proposed builder has agreed to hold his estimate for the works so reducing one of the risks of delaying the release of monies toward the scheme. However, some grant applications to a value of £100,000 have been made but are still to be determined and so the previous condition of requiring all decisions to be made on grant applications before the Council releases any of its money is suggested to be relaxed in order to allow construction to begin this summer and offset the risk that the contract value currently agreed expires and inevitably increases. This is not however, within the scope of the agreed delegation so needs to be a decision of the Executive. The underwriting element of the previous decision allows for this issue to be resolved although it runs the risk that the grant applications are unsuccessful and the Council does have to pay.
- 3.5 Secondly, a number of issues have been raised by some local residents about the scheme. I, as Chief Executive, came to the conclusion that given the nature of the issues raised, that people involved on all sides were also candidates at the most recent elections and taking into consideration the Council’s values, that the matter of the release of a significant amount of public money should be made openly and transparently in a democratic manner and certainly not on the eve of an election. Consequently I advised that the matter should be returned to the Executive for a decision. The issues raised are outlined and responded to in return at Appendix 3. The Executive is asked to note the issues and the response, none have an impact on the Council’s decision which is to allocate funds to the scheme or not.

4. **Policy Framework**

- 4.1 The proposal would contribute to helping to make Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy by significantly enhancing the local community facilities available in the village. In this respect it will assist with the key policy priority areas of Health and Well Being, Community Protection and Sustainability and the cross cutting theme of community involvement/cohesion.
- 4.2 The proposal will not have an internal impact on the Council in respect of the 3 strands of Fit for the Future - Service, People and Money.

5. **Budgetary Framework**

- 5.1 The total costs of the scheme are £649,468 of which £139,073 has been raised. This includes the £89,073 expended so far.
- 5.2 As the request is for use of public funds, it is important that the Council shows due diligence before agreeing to release any funds for the project. Accordingly, it was previously agreed that no funds should be released for the project until:-

- Full confirmed total funding for all the capital costs have been received.
- A full business plan has been received that demonstrates how the project will be financially sustainable into the future and that community access can be ensured.

Both are being are being scrutinised at the time of writing as explained in paragraph 3.2 above.

- 5.3 In considering the funding request, members should be aware of other known and potential demands upon the Council's resources which have all been subject to reports to the Executive. These include:-

- Equipment Renewals and ICT Reserves
- Maintenance liabilities for the current asset base of £4.29m to March 2018 and £22.79m for the 30 year period to March 2044.new ICT Reserve
- Maintaining the fabric of the Council's three multi storey car parks
- Funding for the Open Spaces Strategy
- Work on the Council's Play Areas

The Council currently does not have sufficient funds at present to finance all of these items but is developing plans to tackle these issues.

- 5.4 With the Council still needing to find over £1m to balance the Council's Medium Term Financial Strategy, it will not be possible to fund any of this work from revenue.
- 5.5 The Council will receive over £1m New Homes Bonus Scheme (NHBS) in 2015/16. The Council treats this as one off money as there is uncertainty as to whether the NHB will continue in future years. The sum requested has been provided for within the budget for 2015/16.

6. Risks

- 6.1 The main risks arising from this scheme is that in the event the Executive agree to fund the scheme include:-
- Its implementation is poor
 - The costs of the scheme escalate
 - Funding is not secured to complete the project
 - The project is not financially sustainable into the future
- 6.2 The Council's mitigation financially is to make it clear that cost over runs are the responsibility of the Trust and Parish Council not this Council, that it should only pay in arrears on the basis of verified invoices. The other conditions in the previous decision would mitigate the risks referred to.
- 6.3 The officer's assessment of the submitted business plan is that it is ambitious in its intent and whilst there is nothing against ambition, as there is no previous record in the village of running a community centre, then there must be the risk that the plan is too ambitious and so runs a risk that it may be able to attain everything the Trust intends and that may have a revenue implication. That itself has no impact on this Council as its not the responsibility of this Council to run such a facility, rather the onus is likely to fall on the Parish Council should there be a revenue shortfall. However, it would seem advisable that the Trust be asked to report annually for 3 years (i.e. the life of its current business plan) on its performance both financially and in terms of community usage, so that the Council can be reasonably assured that its capital investment is being properly utilised. This will also allow for learning to be shared with a wider audience.
- 6.4 There is a risk in that expectations will be raised by this decision amongst other communities and the Council may not be able to fund all or indeed any other similar proposals. The previously agreed recommendation to report back on how the Council may deal with such proposals resulting for the Local Plan and Neighbourhood plans will help to mitigate this risk. However, should a new Government decide to discontinue the NHBS, it would put at risk the Council's position.

7. Alternative Option(s) considered

- 7.1 The Executive may be minded not to support the Funding request in which case it may be some time before the local community can raise enough funds to build the community centre. This is an option before it.

Appendix 1 – Reasons for Recommendations in the Report on 5th November 2014.

- 3.1 St Chad's Trust with the support Bishop's Tachbrook Parish Council has been developing the concept of a new community centre over a period of time. A summary of the scheme is attached at Appendix A as are site location and related plans. A site adjacent to the Parish Church has been agreed and a lease issued; planning permission for the new centre has been given; the construction has been tendered and subject to an evaluation report; and indeed some works on site have been undertaken. The scheme costs are:

£89,073 on the professional fees (inc. VAT) to undertake the detailed design work and tender evaluation (already raised and spent):

£510,396 for construction of the scheme including further professional fees (inc VAT) (outcome of a tendering exercise and an evaluation report.

£50,000 for furniture, equipment and kitchen fit out.

The scheme needs a further £560, 396 (on top of the £89,073 raised and spent) in order to be completed and so far £50,000 has been raised toward it.

- 3.2 St Chad's Trust with the support of Bishops Tachbrook Parish Council has approached the District Council in respect of funding to help it construct this proposed new community centre in the village. The Council has previously awarded 27% of the overall project costs up to a maximum of £50,000 towards the scheme via its RUCIS grant scheme (this is not included within the £50,000 referred to in paragraph 3.1 above).
- 3.3 The Trust and the Parish Council estimate that construction could begin in April 2015 and the works be completed by November 2015. However, they cannot commit to that timetable at present without more confirmation of funding. A commitment by the Council to fund £300,000 and to agree to underwrite a further £150,000 (in case the other bids being made are not successful) would with the addition of the £50,000 already raised take the Trust and Parish Council to within £10,000 of what they need overall and that should be achievable if in the worst case all of the funding bids come to nought and the underwriting guarantee has to be called upon. The other funding bids being made are listed at Appendix B.
- 3.4 The Parish Council and the St Chad's Trust set up to manage the new centre, have sought to obtain funding from the developers for the housing scheme of 150 homes that has recently been granted planning permission. Regrettably this proved not possible under the current Section 106 regime. On the other hand, that new housing scheme will, if the New Homes Bonus Scheme (NHBS) continues, generate over £1 million for the District and County Councils over 6 years.
- 3.5 The District Council has taken the view that the NHBS should not be used to support the general running costs of the Council but should be used to reinvest in the community in a variety of ways. The new community centre at Chase Meadow in Warwick is one such example of community reinvestment. This scheme would be similar to that one, although the Council would not be involved in any form of project management for its implementation.
- 3.6 Bishops Tachbrook as a parish area will expand significantly, as planning permissions amounting to over 600 new homes have been granted within the

last year and the Local Plan if adopted in its current shape would envisage several hundred more. It should be noted however, that the parish is at the forefront locally of also developing a statutory Neighbourhood Plan (out to consultation at the moment) to help guide more locally the development of the Parish. It is not untypical that such plans would want to develop or create new community facilities and a Parish Council with an adopted Neighbourhood Plan would be entitled to 25% of any Community Infrastructure Levy (CIL) proceeds of development occurring in the Neighbourhood Plan area to use to fund them. However, a CIL charging regime cannot be put in place until a Local Plan is adopted and that is not anticipated now for Warwick District until later next year. This in turn means that even if the Parish had an adopted Neighbourhood Plan, it could not yet require its proportion of CIL to be paid over. As a result of this timing of permission being granted now before a CIL regime is in place, the parish will as a consequence lose out.

- 3.7 Community infrastructure provision or rather the lack of it is an underlying concern of local communities in response to the prospect of such large scale development. Whilst it is possible to ensure that developers will pay for most if not all of the necessary infrastructure even under the current Section 106 regime, it is also clear that the District Council also has an opportunity to help ensure some provision as well. Helping to fund the Community Centre would be a clear demonstration that the Council is sincere in its desire to ensure that new development is accompanied by appropriate community infrastructure and it accords with the Council's record on reinvesting NHBS back into community infrastructure.
- 3.8 Should the Executive be so minded to support the funding request then there are some practical questions that need to be addressed. These are as follows along with the answers:

Where will the funding actually come from?

The funding can be made available from the New Homes Bonus Scheme award for 2015/16.

How long is it available for?

The funding offer is only available for 24 months (from the date of this Executive) before being drawn down in whole.

How are payments to be made?

Payments are only to be made on supply of verified invoices of work in proportion to the Council's overall financial contribution;

Will the Council still pay via the RUCIS scheme as well?

To avoid double counting and to highlight that this is an exceptional scheme the Council should withdraw the current RUCIS funding commitment to the Scheme of 27% of the overall project costs up to a maximum of £50,000, which should be returned to the RUCUS pot.

Will the Council's role be acknowledged?

Public acknowledgement of the Council's support for the scheme should be given in publicity about the scheme at all stages and ought to be a condition of

any award.

How do we know that the building will be sustainable financially?

There is no absolute certainty but the Council can and should require a full business plan to be presented for approval before releasing any of its funds.

Where will the other capital money come from to fund the scheme?

A number of other funding bids have been made. The Council can withhold its funds until it has been demonstrated that the other bids have been made and the outcome known.

What happens if there is a cost overrun?

The Council should make it clear that it is the responsibility of the Trust and the Parish Council to deal with any cost overruns and not this Council. No further financial support should be made beyond that referred to in this report.

Will this set a precedent for this sort of schemes?

Probably it will, so officers need to give consideration to a process for determining funding requests for similar such schemes emanating in the context of the Local or Neighbourhood Plans.