

TITLE	SDL Community Facility, Shinfield
FOR CONSIDERATION BY	The Executive on 31 March 2016
WARD	Shinfield North and Shinfield South
DIRECTOR	Heather Thwaites, Director of Environment
LEAD MEMBER	John Kaiser, Executive Member for Planning and Highways

OUTCOME / BENEFITS TO THE COMMUNITY

Increased community facilities within Shinfield.

RECOMMENDATION

The Executive is asked to:

- 1) agree to the utilisation of the following S106 contributions from developers on the community facility jointly delivered by Wokingham Borough Council and Shinfield Parish Council on the former Royal British Legion site in Shinfield:
 - (a) £1,136,000 from the S106 funds for community facilities in the SM4 development area; and
 - (b) up to £1,000,000 from the S106 fund for leisure and community facilities in the SM4 development area.
- 2) authorise the Director of Finance and Resources to forward fund the scheme through borrowing.

(To note: the interest costs will be funded by the reserve for infrastructure 'bridging loans' if it cannot be accommodated within existing Treasury Management budgets. The borrowing costs are estimated to be £75K if the scheme is commenced in 2016/17 or £23K if the scheme is commenced in 2017/18.)

SUMMARY OF REPORT

This report provides the Executive with the appropriate assurances for the ongoing development of the community facility within Shinfield that is being jointly delivered by Wokingham Borough Council and Shinfield Parish Council. These assurances centre on the outline business case and feasibility study produced by Shinfield Parish Council on behalf of the Shinfield Community Centre Management Committee.

Background

In July 2015, the Council agreed a preference for working jointly with Shinfield Parish Council to develop a new community facility on the former Royal British Legion site in Shinfield utilising S106 contributions from developers to support the SM4 Strategic Development Location. At this time the Council identified specific progress and assurances it would require in the development of the community facility before committing resources to it. These were:

1. Agree in principle to develop the new community facilities to serve the South of the M4 SDL on the Royal British Legion site in Shinfield Village Centre subject to, the Director of the Environment and Executive Member for Planning and Highways receiving from Shinfield Parish Council (SPC) before the 31st December 2015 a satisfactory form of:
 - a. business case for erection of a community facility and its ongoing operation;
 - b. agreement to contribute funds towards project;
 - c. agreement to suitable governance arrangements with WBC to enable provision of services which are consistent with 'Shaping Our New Communities' principles
 - d. evidence of wider community support for the community facility
2. Agree that subject to above being satisfactorily concluded, initial feasibility, costings and other details to be worked up and reported back to the Executive to enable a planning application to be progressed

On 14th September 2015 Wokingham Borough Council and Shinfield Parish Council formalised the joint working arrangements for delivering the new community facility, including the establishment of the Shinfield Community Centre Management Committee.

On 22nd December 2015, the Council received a correspondence from Shinfield Parish Council detailing their progress on the development of the new community facility against the requirements specified in point 1 above. This information provided the Council with satisfactory assurance in terms of the progress being made and this was confirmed to Shinfield Parish Council in January 2016.

Shinfield Parish Council has secured the use of the Royal British Legion site through a 125 year lease from the University Of Reading which was completed on 29th September 2015. This lease is subject to the payment of an annual peppercorn rent and is not subject to any rent reviews during the period of the lease. Shinfield Parish Council is also in the process of agreeing a longer lease of at least 60 years for the existing Shinfield Parish Hall which is located next to the Royal British Legion site.

Analysis of Issues

Since the completion of the lease transaction the Shinfield Community Centre Management Committee (SCCMC) has engaged Ayre Chamberlain Gaunt Architects and BDS Surveyors to develop designs for the new centre and up to date construction costs. Details of the Business Case including a Marketing Strategy and Revenue and Expenditure Assessment are included in Appendix 1 and summarised below. The

SCCMC has decided to omit the additional background information from the Business Case, but will make these available upon request.

The architects have developed five design options for the SCCMC to consider for a 560 m2 centre. The options explored include use of both pieces of land leased by Shinfield Parish Council and are intended to support the development of a coherent public centre at School Green for the community in Shinfield. The options are shown in the table below:

Option	Description	Key issues	Shortlist
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	RBL building does not have a viable 125 year life. Internal RBL design not suitable for proposed uses. Foundations not sufficient for best design options	No
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Does not fully utilise building height opportunity	No
3	New two storey build on RBL site with open courtyard to SPH	Separates the buildings and doesn't make route to the health centre as inclusive as options 2 and 4.	No
4	New build on RBL and SPC sites incorporating the existing SPC premises with enclosed courtyard to SPH with maximum 2 storey build	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Fully utilises building height opportunity	Yes – Maximum build option
4a	New build on RBL site SPH with maximum 2 storeys build, enclosed courtyard to SPH and additional car parking.	Assumes the health centre access road is relocated north and further land rented from the Consortium at peppercorn rent. Separates the buildings and route to health centre.	Yes -maximum build option on RBL site

The options have been evaluated at high level by SCCMC based on whether the proposal would provide long term viability. The option of retaining the Royal British Legion building has been rejected as it is both physically restrictive and would increase building costs.

Options 2 and 3 did not provide the maximum development opportunity for the site either in the short or long term. Options 4 and 4a provide a means to maximise development opportunity by considering future expansion issues.

Development Costs

Based on the design options, survey reports and cost plans the estimated building costs of the options are shown below:

Option	Description – See appendix	Estimated Capital cost	VAT	Estimated Total
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	£1,136,238	£227,247	£1,363,486
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	£1,566,893	£313,378	£1,880,272

3	New two storey build on RBL site with open courtyard to SPH	£1,550,980	£310,196	£1,861,176
4	New build on RBL and SPC sites with enclosed courtyard to SPH with maximum 2 storey build	£2,014,436	£402,887	£2,417,324
4a	New build on RBL site SPH with maximum 2 storey build, enclosed courtyard to SPH and additional car parking	£2,094,791	£418,958	£2,513,750

These costs include construction costs with 10% construction contingency, 12% professional fees and 12% Optimism Bias to manage client scope development.

The SCCMC has been advised that VAT will be recoverable on the new build schemes (options 2 to 4a).

The equipping of the facilities will amount to an additional sum of approximately £185,000 +VAT i.e. £225,000, applicable to all options above. VAT will not be recoverable on fittings and equipment.

Total budget for option 4a (including fittings and equipment) = £2,320,000 including non-recoverable VAT.

Timescale and Funding Options

There is a desire by the local community in Shinfield to complete the development of the new community facility as early as possible. An indicative timescale for developing the community facility shows that the formal design phase and planning application could be completed during 2016/17 with the build taking place in 2017/18.

In order to deliver the community facility within this timeframe the Council will need to forward fund the development ahead of receiving the expected S106 for the SM4 SDL. It is expected that the S106 detailed within the recommendation for the new community facility will be received by the Council in during 2018/19 and 2019/20.

If the project is delivered within this timeframe, the interest cost to the Council will be £75,000. This cost would need to be covered by the Council through a Supplementary Estimate. However, if the timeframe from the project is delayed for a year, the interest cost to the Council for forward funding the development is reduced to £25,000, and it is envisaged that this cost could be consumed within the Council's overall Treasury Management processes.

Operating Costs

Since providing the Council with the required assurances by 31st December 2015 and identifying a high level design preference for the new community facility, the Shinfield Community Centre Management Committee have been developing the required initial feasibility, costings and other details to enable a planning application to be progressed.

The projected cost and revenue figures for the new extended community site are based upon the known costs and revenue figures for the existing facilities (including Shinfield Parish Hall and Spencers Wood Pavilion). Based on the cost and revenue figures from these two sites, the new School Green facility totalling 850m² including the current Shinfield Parish hall would be in surplus by 2020/2021

	Pre-opening	Year 1	Year 2	Year 3	Year 4
Revenue	17,700	101,620	108,620	115,620	122,620
Costs	-46,000*	-115,000	-117,000	-119,000	-121,000
Surplus	-28,300	-13,380	-8,380	-3,380	1,620

The pre-opening of new community centre includes an assumption of some staffing costs to market the centre to attract new business and no additional revenue.

SCCMC will develop a charging policy that recovers the running costs of the building and it is anticipated by Shinfield Parish Council that an initial deficit will be financed through Shinfield Parish Council precept.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	NA	NA	NA
Next Financial Year (Year 2)	£200K	Yes £200K Shinfield PC contribution	Capital
Following Financial Year (Year 3)	£2,120K	No £85K Shinfield PC contribution	Capital
	Up to £75K	£2035K (S106) Capital Programme Forward Borrowing	Revenue

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

None

List of Background Papers

None

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Date 18 March 2016	Version No. 1



**Business Case to
Build a new Community Centre at
School Green, Shinfield**

For approval by Shinfield Parish Council
For approval by Wokingham Borough Council

Version	Date	Author	Status	Approved by	Date
V0		Andrew Grimes	1 st Draft		
V1		Peter Hughes	Revised draft		
V2		Peter Hughes	Revised draft		
V3		Peter Hughes	Final draft		26.02.2016
				SPC	
				WBC	

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9	Public Engagement	
10	Project Risk Register	
11	Project Initiation Document (PID)	
12	Land Registry record of SPC lease	
13	Minute of SCCMC approval of business case – Feb 2016 Minute of SPC approval of business case – March 2016	To Follow

1.0 Executive Summary

Introduction

This business case covers the construction and operation of a new Community Centre at School Green in Shinfield. This case demonstrates that the new community centre has affordable capital and revenue costs and, therefore, approval is sought of the business case to build the new centre with Section 106 contribution funds held by Wokingham Borough Council (WBC) and financial reserves of Shinfield Parish Council.

WBC Executive agreed in principle to support the new community centre by approving the recommendations of item 42 of the Executive meeting of 30th July 2015 (Appendix 7).

Condition 2 of the Executive recommendation required the delivery of the following from SPC:

- A) Business case for erection of a community facility and its ongoing operation;
- B) Agreement to contribute funds towards project (to be determined);
- C) Agreement of suitable governance arrangements with WBC to enable provision of services which are consistent with “Shaping our New Communities” principles;
- D) Evidence of wider community support for the community facility.

Condition 4 required condition 2 to be satisfied by 31st December 2015.

The business case demonstrates that SPC have satisfied Condition 2 and Condition 4 as amended by a subsequent exchange of letters between SPC and WBC (Appendix 8).

1.1 Strategic Case

Housing Development

Shinfield Parish will receive some 3,000 new homes by 2026.

The parish council has, through the development of the Neighbourhood Development Plan, given much consideration to the ways in which the new and existing communities can be integrated, and this new community centre forms a central part of our vision for the future.

As part of the planning consents for the west of Shinfield and North of Hyde End Road/Three Mile Cross developments the land owners/developers have signed planning (Section 106) agreements which legally commit them to fund and /or deliver certain community benefits should they implement these consents.

The west of Shinfield consent includes a Section 106 Agreement, as amended by Deed of Variation in 2015, to fund a new 560m² Community Centre on the Royal British Legion site at School Green.

The north of Hyde End Road/Three Mile Cross developments includes a Section 106 Agreement to provide a range of community benefits.

The west of Shinfield development includes the creation of a Local Centre at School Green (Appendix 2). SPC considers the new Local Village Centre, community centre and existing health centre should be arranged to provide a coherent public centre to School Green.

Public engagement

SPC has engaged with the public on several occasions to establish support for the project:

1. Village centre workshops held at Oakbank School in March 2014, arranged by the Development Consortium (University of Reading, Taylor Wimpey and David Wilson Homes; developers of west of Shinfield , north of Hyde End Road and Three Mile Cross developments)
2. Neighbourhood Forum in early 2014 and which supported the location of the Community centre on the RBL site.
3. Public meeting with Allies Morrison – 14 May 2014
4. Neighbourhood Forum in October 2015.
5. Consultation sessions at SPH on 13th and 20th February 2016 which supported the scheme (Appendix 9).

1.2 Economic Case

SPC appointed a Project Board in 2013 (now known as the Shinfield Community Centre Management Committee per Appendix 1) to develop a case for a new Community Centre funded through Section 106 agreements.

The West of Shinfield consent specifies the provision of 560m² of a community hub at the new School Green Local Centre. WBC amended this requirement at its Executive meeting on 30th July 2015, item 42, to enable the developer to discharge this condition by payment of £960,000 to the borough for an off-site provision (Appendix 8) to be developed.

Condition 4 of the Executive recommendation required Condition 2 to be satisfied by 31st December 2015. The exchange of letters between SPC and WBC (Appendix 8) extends Condition 4 to 31st March 2016.

The Chair of the Council, Clerk and Project Director met with the WBC's Executive Member for Planning and Highways, Executive Member for Economic Development and Finance and senior officers on 10th August 2015. WBC confirmed that it had a requirement to provide 560m² of new community facilities at School Green.

The University of Reading, SPC and WBC completed contracts on 29th September 2015 to facilitate the delivery of the community facilities obligation on the Royal British Legion site at School Green.

The purchase of the RBL site by SPC, onward sale to the UoR, and leaseback for 125 years was completed on 29th September 2015. This lease is subject to the payment of an annual rent of one peppercorn and is not subject to any rent reviews during the period of the lease.

Shinfield Parish Hall (SPH) stands on land adjoining the RBL. SPC leases the site from Shinfield United Charities (SUC) and the lease expires in 2031. Negotiations are in progress to extend the lease to a minimum of sixty years and SUC have confirmed in writing their agreement, in principle, to this extension, subject to final negotiation on rent payable. This will be resolved prior to any further decisions being taken on this land. Additionally SPC have a lease from UoR for a strip of land at the rear of the parish hall. SPC is aiming to deal with the ransom strip either by adding this to the lease on the Legion site on the same terms or purchasing the land from UoR.

Since the completion of the lease transaction the Shinfield Community Centre Management Committee (SCCMC), chaired by Wokingham Borough Councillor Anthony Pollock, has engaged Ayre Chamberlain Gaunt Architects and BDS Surveyors to develop designs for the new centre and up to date construction costs.

The architects have developed a total of 5 design options (Appendix 5) for the SCCMC to consider for a 560 sq m centre. Structural, asbestos (invasive) and ground contamination surveys have been carried out (Appendix 6). The options explored include use of both pieces of land leased by SPC and are intended to support the development of a coherent public centre at School Green. The options are shown in the table below:

The options have been evaluated at high level and the short list of options below is to be taken forward. The criteria for short listing was based on whether the proposal would provide long term viability. The option of retaining the RBL building would only postpone the inevitable date of demolition and increase costs and reduce funding options.

Options 2 and 3 did not provide the maximum development opportunity for the site either in the short or long term. Options 4 and 4a provide a means to maximise development opportunity by considering future expansion issues.

Option	Description	Key issues	Shortlist *
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	RBL building does not have a 125 year life. Internal RBL design not suitable for proposed uses. Foundations not sufficient for best design options	No
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Does not fully utilise building height opportunity	No
3	New two storey build on RBL site with open courtyard to SPH	Separates the buildings and doesn't make route to the health centre as inclusive as options 2 and 4.	No
4	New build on RBL and SPC sites incorporating the existing SPC premises with enclosed courtyard to SPH with maximum 2 storey build	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Fully utilises building height opportunity	Yes – Maximum build option
4a	New build on RBL site SPH with maximum 2 storey build, enclosed courtyard to SPH and additional car parking.	Assumes the health centre access road is relocated north and further land rented from UoR at peppercorn rent. Separates the buildings and route to health centre.	Yes -maximum build option on RBL site

*The options have been evaluated at high level by the SCCMC and by WBC property services officers, architects ACG and chartered surveyors BDS. The short list of options above is to be taken forward.

1.3 Financial Case

Based on the design options, survey reports and cost plans the estimated building costs of the options are shown below

1.3.1:

Option	Description – See appendix	Estimated Capital cost	VAT	Estimated Total
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	£1,136,238	£227,247	£1,363,486
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	£1,566,893	£313,378	£1,880,272
3	New two storey build on RBL site with open courtyard to SPH	£1,550,980	£310,196	£1,861,176
4	New build on RBL and SPC sites with enclosed courtyard to SPH with maximum 2 storey build	£2,014,436	£402,887	£2,417,324
4a	New build on RBL site SPH with	£2,094,791	£418,958	£2,513,750

	maximum 2 storey build, enclosed courtyard to SPH and additional car parking			
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These costs include construction costs with 10% construction contingency, 12% professional fees and 12% Optimism Bias to manage client scope development.

Please note the figures shown in the ACG feasibility study (appendix 5) are base cost plus 5% contingency, plus 12% professional fees, but EXCLUDE 12% optimism bias, and so are understated.

1.3.2 BDS advise that VAT will be recoverable on the new build schemes (options 2 to 4a).

1.3.3 The equipping of the facilities will amount to an additional sum of approximately £185,000 +VAT i.e. £225,000, applicable to all options above. VAT will not be recoverable on fittings and equipment.

Total budget for option 4a (including fittings and equipment) = £2,320,000 including non-recoverable VAT

Capital Funding

Sources of capital funding:

- 1) Developer Contribution (Section 106 funding): £2,035,000
- 2) Shinfield Parish council approved use of reserves: £285,000

Total: £2,320,000

Funding for costs to date have been secured from the SPC contribution as detailed in appendix 13

Revenue implications

SPC has experience in managing multiple community facilities. The projected cost and revenue figures for the new extended community site are based upon the known costs and revenue figures for the existing facilities (including Shinfield Parish Hall and Spencers Wood Pavilion). Based on the cost and revenue figures from these two sites, the new School Green facility totalling 850m² including the current SPH would be in surplus by 2020/2021

	Pre-opening	Year 1	Year 2	Year 3	Year 4
Revenue	17,700	101,620	108,620	115,620	122,620
Costs	-46,000*	-115,000	-117,000	-119,000	-121,000
Surplus	-28,300	-13,380	-8,380	-3,380	1,620

***pre-opening of new community centre includes an assumption of 50% staffing costs and no additional revenue**

As the scheme delivers more capacity, the Managing and Developing the New Community Centre Plan (Appendix 3) would be taken forward as a marketing strategy at an early stage, prior to opening, to increase activity levels.

Shinfield Parish Council will develop a charging policy that seeks to recover the running costs of the building.

1.4 Commercial Case

The project risks (Appendix 10) relate to developing a facility that would be too large. The risk of being too large stems from the fact that housing developments represent an approximate doubling of the population south of the M4 whilst the new facility would be 3 times greater than the existing Parish Hall.

Other sources of revenue are to be explored, including offering anchor tenancies/licences to commercial users and offices/facilities for local public services.

The second major area of risk for the scheme relates to handling a project of up to £2.3m through SPC accounts. Shinfield Parish Council manages revenue of approximately £250,000 per annum and currently has reserves. As construction projects can have cost overruns of up to 10% it would not be prudent for the parish to manage the construction procurement, hence it is considered this should be commissioned externally.

1.5 Management Case

The management of both the construction phase of the project and the longer term management of the community centre will be considered in detail at the next stage of the process. It is intended that the SCCMC will continue after completion of construction, to manage the ongoing running of the centre, though its makeup will be revised, as appropriate, over time.

1.6 Preferred option and recommendations

The business case demonstrates that an affordable and sustainable community centre can be created which is adjacent to the Parish Hall and consists of a new building of at least 560m² and up to approximately 750m² depending on estimated costs and finance. SPC has acquired the RBL site on a 125-year lease at a peppercorn rent.

It is recommended that:

- 1) SPC explore with WBC how the procurement of works will proceed;
- 2) SPC continue negotiations with SUC to extend the current lease to a minimum sixty year period at a rental to be agreed, to provide the best design solution for the new and old facilities;
- 3) SPC will provide £285,000 of funds from reserves to contribute to the purchase, demolition, design and construction of the new facility, on part or all of the joint Parish Hall /RBL site;
- 4) WBC allocates sufficient S106 funds to support the delivery of the project, as agreed between SPC and WBC.
- 5) The SCCMS approves the business case and commends it to SPC and WBC for approval.

2.0 Strategic Case

New Community Centre for Shinfield

Introduction

This business case covers the construction and operation of a new Community Centre at School Green in Shinfield. This case demonstrates that the new community centre has affordable capital and revenue costs and, therefore, approval is sought of the business case to build the new centre with Section 106 contribution funds held by Wokingham Borough Council (WBC) and financial reserves of Shinfield Parish Council.

WBC Executive agreed in principle to support the new community centre by approving the recommendations of item 42 of the Executive meeting of 30th July 2015 (Appendix 7).

Condition 2 of the Executive recommendation required the delivery of:

- A) Business case for erection of a community facility and its ongoing operation;
- B) Agreement to contribute funds towards project (to be determined);
- C) Agreement of suitable governance arrangements with WBC to enable provision of services which are consistent with "Shaping our New Communities" principles;
- D) Evidence of wider community support for the community facility.

Condition 4 required condition 2 to be satisfied by 31st December 2015.

The business case demonstrates that SPC has satisfied Condition 2 and Condition 4 as amended by a subsequent exchange of letters between SPC and WBC (Appendix 8).

Strategic Case

Shinfield Parish contains the South of M4 Strategic Development Location (SDL) which is one of four development areas which provide in excess of 80% of Wokingham Borough Council's (WBC's) housing supply until 2026. The South of M4 SDL and other local developments within the parish will supply some 3,000 new dwellings, bringing 8,000 new residents (Based on average occupancy rates) to the current parish population of 11,000.

As part of the overall Core Strategy, Wokingham has developed community infrastructure plans for the SDLs with its "Shaping our new communities" (SONC) strategy.

The new dwellings are being developed by a range of land owners and developers including the West of Shinfield scheme promoted by the University of Reading (UoR) who own the land and the North of Hyde End Road / Three Mile Cross Consortium consisting of Taylor Wimpey and David Wilson Homes

As part of the planning consents for the west of Shinfield and North of Hyde End Road/Three Mile Cross developments, the land owners/developers have signed planning (Section 106) agreements which legally commit them to fund and /or deliver certain community benefits should they implement these consents.

The Chair of the Council, Clerk and Project Director met with the WBC's Executive Member for Planning and Highways, Executive Member for Economic Development and Finance and senior officers on 10th August 2015. WBC confirmed that it had a requirement to provide 560m² of new community facilities at School Green.

The West of Shinfield consent specifies the provision of 560m² of a community hub at the new School Green Local Centre. WBC amended this requirement on 30th July 2015 to enable the developer to discharge this condition by payment of £960,000 to the borough for an off-site provision (Appendix 8).

The north of Hyde End Road developers and other developments within the South of M4 SDL are committed to providing S106 funds for community and sports provision of which approximately £2m will be spent at the Ryeish Green Sports Hub (RGSB). Other parts of this funding supports the Shinfield Community Centre project.

The west of Shinfield development includes the creation of a Local Centre at School Green (Appendix 2). SPC considers the new Local Centre, community centre and existing health centre should be arranged to provide a coherent public centre to School Green.

The west of Shinfield consent has also resulted in the transfer of a piece of land, at the rear of Shinfield Infants and Nursery School (SINS) and adjoining the Health Centre, to the school, for the provision of additional capacity, including a new hall. The position of the new hall enables future changes to the access routes to enable the creation of a pedestrian friendly area outside the Parish Hall.

School Green Local Centre

The West of Shinfield consent requires the developer to create a new local centre to the north of the British Legion and Health Centre sites at School Green. The local centre is specified to include a 25,000 sq ft. supermarket and ancillary retail units. The community centre originally specified in the scheme is to be developed on the RBL site by SPC using Section 106 and SPC funding.

Adjoining land owners

Since the consent, the two neighbouring buildings to the local centre have come onto the market. Shinfield House has been purchased and has been converted into a 66-bed care home with a dedicated dementia unit. The planning consent obliges the owners to discuss variations to access routes to support the development of a pedestrian friendly School Green.

Shinfield Infants and Nursery School has been granted planning consent for its new hall. A condition offering alternative access avoiding School green should be investigated.

The purchase of the RBL site by SPC, onward sale to the UoR and leaseback for 125 years was completed on 29th September 2015.

The Shinfield Parish Hall (SPH) stands on land adjoining the RBL. SPC leases the site from Shinfield United Charities (SUC) and the lease expires in 2031. Negotiations are in progress to extend the lease to a minimum 60 year term.

Public engagement

SPC has engaged with the public on several occasions to establish support for the project:

- 1) Village centre workshops arranged by the Development Consortium (University of Reading, Taylor Wimpey and David Wilson Homes; developers of west of Shinfield , north of Hyde End Road and Three Mile Cross developments) and Neighbourhood Forum in early 2014 which supported the location of the Community centre on the RBL site.
- 2) Public meeting with Allies Morrison - 14 May 2014
- 3) Neighbourhood Forum in October 2015.
- 4) Consultation sessions at SPH on 13th and 20th February 2016 which supported the scheme (Appendix 9).

3.0 Economic Case (Initial marketing strategy –see appendix 3)

The concept of the community hub has been considered across the parish over the last 3 years.

Shinfield Parish Council will seek to establish the community centre as a destination place for local residents. The council will seek to achieve a balance between commercial activity to make the centre financially viable, and the provision of inclusive community facilities at an affordable price for residents and local groups and organisations.

SPC has drafted an initial marketing plan, with a number of objectives (see appendix 3). Objectives include:

- The recruitment of a community centre manager, prior to the completion of the building, to promote the centre through means such as establishing new activities, classes and groups and develop interest and activities to drive revenue from the outset.
- Open days for local companies and organisations to view what is on offer. This building, close to Junction 11 of the M4 and south Reading's industrial areas, is in an excellent location for a wide range of meetings for businesses and other organisations. SPC aims to make the centre's accessibility and facilities rival those of similar professional operations, and at competitive rates.
- The main halls and meeting rooms would be available to clubs, societies and commercial organisations throughout the day, evening and weekends.
- A range of different booking facilities will be made available, to include online reservations and payment as well as personal contact.
- Rooms would be equipped with Audio Visual (AV) equipment to allow for the widest possible use. Halls and rooms would have Wi-Fi.
- Refreshments and catering will be available from a cafe during opening hours and vending machines when the cafe is closed.
- The community centre could operate social events open to all, where entry covers the cost of provision and provides an incremental income for use of the facility. For example concerts, shows, educational events (such as lectures and U3A activities) and talks.
- There is no general youth provision in Shinfield Village currently and we will be considering what can be done to provide an appropriate weekly meeting place for teenagers. The AV system could include installation of a large screen system with a mini cinema or theatre, for educational or entertainment/leisure use.

The Community Centre Building design

SPC aspires to design a community centre that integrates the whole site to ensure it becomes an attractive and desirable place to visit that encourages both local people and visitors and attracts footfall to the centre.

- The building is envisaged to be a two storey building, which could be linked physically, or by courtyards or covered walkways to the existing parish hall, allowing the existing parish hall to integrate with the new, and continue to provide additional space over that proposed in the new building.
- The design and specification of the building is currently being scoped, with the aim of providing a flexible, usable space, accessible for all (see development options on page 13).
- The design will provide the opportunity for extending the building, for example, extending the second floor of the new building, if demand warranted the need for further space.
- The internal finish of the building will be modern, high quality both in image and materials used. We envisage use of as environmentally friendly methods as can be justified by cost/benefit to reduce energy and maintenance costs. SPC aspires to achieve high environmental standards in the building and will investigate how we may design an iconic building showcasing modern technology.
- We would seek to use an interior designer during the final stages of construction and fitting out to ensure an integrated design concept with complementary colours, flooring and lighting.
- The overall design of the building will incorporate multipurpose, flexible spaces and storage, including an area for use as a Children's Centre. This space would be available for other uses, such as for children's parties, which is a fast growing market and provides a substantial part of our income stream for ad hoc hire.
- A suitable self-catering facility linked to the halls and separate from the cafe kitchen will also be considered so the building can be used for receptions, parties and other events.
- We will investigate how the building will incorporate a library facility of some kind, perhaps as part of the cafe.
- The upper floor could include enlarged parish council offices with a reception area with separate offices for the staff and dedicated meeting space. Within this area it is envisaged that a number of small meeting rooms will be available for hire.
- A small kitchen and additional toilets would be provided on this floor both for use by the public when hiring facilities, and by council staff.
- We aim to offer hot desks to local people for business use or study with Wi-Fi and accessible computer stations.
- Provision of children's play facilities on-site may enhance the accessibility of these services at the centre

Linking with the Parish Hall

The development of the new community hub is complementary to the operation of the existing parish hall and it is the use of the existing facility that has provided guidance to the operational requirements in the future.

To link the two buildings will require agreement with the landlords of the Parish Hall, Shinfield United Charities (SUC). SPC has entered into discussions with SUC and has established that the charity is able and willing to provide a minimum 60 year lease on the land. We are now entering into further negotiations in order to agree the terms of the lease. The outcome of the negotiations will define the final design solution but will not impact on the viability of the new community facilities.

Additionally there is a lease with UoR over a small ransom strip at the back of the parish hall adjoining the Health Centre. We are currently negotiating with UoR to resolve this issue in order to clarify ownership of each site.

The two sites could be linked physically, or by courtyards or covered walkways, allowing the existing parish hall to integrate with the new centre.

Development options

Since the completion of the lease transaction the Shinfield Community Centre Management Committee (SCCMC), chaired by Wokingham Borough Councillor Anthony Pollock, has engaged Ayre Chamberlain Gaunt Architects and BDS Surveyors to develop designs for the new centre and up to date construction costs.

The architects have developed a total of 5 design options (Appendix 5) for the SCCMC to consider for a 560 sq m centre. Structural, asbestos (invasive) and ground contamination surveys have been carried out (Appendix 6). The options explored include use of both pieces of land leased by SPC and are intended to support the development of a coherent public centre at School Green. The options are shown in the table below:

The options have been evaluated at high level and the short list of options below is to be taken forward. The criteria for short listing was based on whether the proposal would provide long term viability. The option of retaining the RBL building would only postpone the inevitable date of demolition and increase costs and reduce funding options.

Options 2 and 3 did not provide the maximum development opportunity for the site either in the short or long term. Options 4 and 4a provide a means to maximise development opportunity by considering future expansion issues.

Option	Description	Key issues	Shortlist *
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	RBL building does not have a 125 year life. Internal RBL design not suitable for proposed uses. Foundations not sufficient for best design options	No
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Does not fully utilise building height opportunity	No
3	New two storey build on RBL site with open courtyard to SPH	Separates the buildings and doesn't make route to the health centre as inclusive as options 2 and 4.	No
4	New build on RBL and SPC sites incorporating the existing SPC premises with enclosed courtyard to SPH with maximum 2 storey build	Provides a coherent frontage to School Green Provides a secure rear area for children's activities Fully utilises building height opportunity	Yes – Maximum build option

4a	New build on RBL site SPH with maximum 2 storeys build, enclosed courtyard to SPH and additional car parking.	Assumes the health centre access road is relocated north and further land rented from the Consortium at peppercorn rent. Separates the buildings and route to health centre.	Yes -maximum build option on RBL site
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4.0 Financial case

The project has two areas of finance to be considered: Revenue and capital implications.

An analysis of risk indicates that the size of the build will determine the:

- Revenue impact
- Capital impact

The aim for the centre would be to arrive at breakeven point or deliver a small surplus after the initial period whilst the new homes are built and occupied.

Shinfield Parish Council will develop a charging policy that seeks to recover the running costs of the building.

Appendix 4 includes analysis of the revenue and capital costs.

The financial analysis of capital cost reviewed 5 options. 3 of the derivatives expand option3 adding various amounts of floor area

Based on the design options, survey reports and cost plans the building costs of the options are shown below:

Option	Description – See appendix	Estimated Capital cost	VAT	Estimated Total
1	Refurbish and extend existing RBL building with enclosed courtyard to SPH	£1,136,238	£227,247	£1,363,486
2	New single storey build on RBL and SPC sites with enclosed courtyard to SPH	£1,566,893	£313,378	£1,880,272
3	New two storey build on RBL site with open courtyard to SPH	£1,550,980	£310,196	£1,861,176
4	New build on RBL and SPC sites with enclosed courtyard to SPH with maximum 2 storey build	£2,014,436	£402,887	£2,417,324
4a	New build on RBL site SPH with maximum 2 storey build, enclosed courtyard to SPH and additional car parking	£2,094,791	£418,958	£2,513,750

These costs include construction costs with 10% construction contingency, 12% professional fees and 12% Optimism Bias to manage client scope development. Quantity surveyors BDS, appointed by SPC to provide outline costings, has advised that VAT will be recoverable on the new build schemes.

Please note the figures shown in the ACG feasibility study (appendix 5) are base cost plus 5% contingency, plus 12% professional fees, but EXCLUDE 12% optimism bias, and so are understated.

The equipping of the facilities will amount to approximately £185,000 +VAT i.e. £225,000. VAT will not be recoverable on fittings and equipment.

Indicative budget for option 4a = £2,320,000 including non-recoverable VAT

Capital Funding

Sources of capital funding:

- 1) Developer contribution (Section 106 funding): £2,035,000
- 2) Shinfield Parish council approved use of reserves: £285,000
- Total £2,320,000**

Funding for costs to date has been secured from the SPC contribution as detailed in appendix 13

Revenue implications

SPC currently operates Shinfield Parish Hall and Spencer’s Wood Pavilion, which break even when taken together. Based on their figures the new School Green facility totalling 850 sq m including the current SPH would be in surplus by 2022:

	Pre-opening	Year 1	Year 2	Year 3	Year 4
Revenue	17,700	101,620	108,620	115,620	122,620
Costs	-46,000*	-115,000	-117,000	-119,000	-121,000
Surplus	-28,300	-13,380	-8,380	-3,380	1,620

***pre-opening of new community centre includes an assumption of 50% staffing costs and no additional revenue**

As the scheme delivers more capacity, the Managing and Developing the New Community Centre Plan (Appendix 3) would be taken forward as a marketing strategy at an early stage, prior to opening, to increase activity levels.

Shinfield Parish Council will develop a charging policy that recovers the running costs of the building.

It is anticipated that an initial deficit will be financed through Shinfield Parish Council precept.

The revenue calculations in appendix 4 include assumptions relating to anchor tenants/users

5.0 Commercial case

The PID identified a number of high level risks for the project. The key risks to the project were:

Risk ID	Risk Type	Description
CC01	Management	Lack of leadership fails to drive project
CC02	Finance	Failure to agree scope makes project unaffordable
CC03	Viability	Long term operating cost unaffordable
CC04	Finance	SPC may have to commit funds which are then lost due to project not proceeding
CC05	Finance	SPC may have to commit funds which are then lost to ongoing operating losses

CC06	Finance	SPC may have to commit funds which are then lost due lack of external grants
CC07	Resources	SPC has to develop 2 schemes at same time

Of these risks, the key elements related to developing a facility that would be too large.

- The risk of being too large stems from the fact that housing developments represent an approximate doubling of the population south of the M4 whilst the new facility would be 3 times greater than the existing Parish Hall.
- As the developments are spread between Shinfield, Spencer's Wood and Grazeley it is possible that a new 1000m² facility in School Green would be significantly over sized. This oversizing would create on-going revenue losses.
- Furthermore, discussions with WBC and its report (Appendix 8) indicate that there is insufficient capital available.
- Borrowing against a weak revenue stream would not be prudent. External funding will be sought where possible but cannot assumed at this stage.
- Other sources of revenue are to be explored including offering anchor tenancies/licences. s.
- The general marketing of the centre is described in Appendix 3. It is assumed that charges to other public sector bodies would be at break even on running costs, administration costs, maintenance and depreciation costs and would not subsidise unused space in the building.

The second major area of risk for the scheme relates to handling a project of up to £2.3m through SPC accounts which manages revenue of approximately £250,000 per annum and currently has reserves.

- As construction projects can have cost overruns of up to 10% it would not be prudent for the parish to manage the construction procurement, hence it is considered this should be handled directly by WBC's property/procurement services team.

Other factors for consideration

Issues have been raised as potential risks with regard to the new Community Centre, which include:

- Future parking requirements for the users of the centre
- Unavoidable delays in delivering the new Community Centre (planning permission, appointment of a suitable contractor etc.)
- Impact on other projects whilst elements of the new community centre are still to be determined
- A lack of approved design for the overall village centre

6.0 Project and Operational Management case

The PID has identified robust Project Management arrangements for the construction procurement. It is intended that the SCCMC will continue after completion of construction, to manage the ongoing running of the centre, though its makeup will be revised, as appropriate, over time.

Public Support

A series of meetings, workshops and presentations has demonstrated that WBC, the local borough councillors, the parish councillors and the majority of local residents consulted, all agree that demolition of the existing RBL building and construction of the new community centre linked to the existing parish hall, together with a pedestrian space outside, is the best solution (Appendix 9). The SPC outline design

presentation documents demonstrate that the community centre can and should be the focal point of the new village centre. A key feature of this new development is its ability to link the commercial, residential, community, health facilities and Village Green together to protect and enhance the appearance, safety and sustainability of the new centre of the parish.

Operating the new Community Centre

It has been assumed that the new Community centre would be owned and managed by either SPC or a community trust. Early indications highlight that SPC may be best placed to manage the new centre cost effectively; but further work is needed to explore other management options.

SPC already funds the Parish Hall and supports local organisations who provide recreational and social activities to the community. The overall level of precept settlement is expected to grow with the increase in households, hence the rise in available funding for the centre will be reflected in SPC's future budgets, emphasising the parish council's ability to manage the community facility longer term.

SPC recognises that the centre is likely to require financial support in the early years whilst the local population grows. The parish council has the experience, financial and management skills to run and operate public properties and already owns and manages a range of land and property. SPC will develop its financial planning strategy as part of a medium and long-term business plan.

Management of a facility of this size will need additional staffing in addition to the natural expansion of our workforce to cater for the new residents. SPC will be looking to employ staff dedicated to running and managing the centre as it develops

7.0 Preferred option and next steps

The business case demonstrates that an affordable and sustainable community centre can be created which is adjacent to the Parish Hall and consists of a new building of between 560m² and up to 760m² is recommended that:

- SPC has acquired the RBL site on a 125 year lease on a fixed rental of one peppercorn for the entire period;
- SPC explore with WBC how the procurement of works will proceed;
- Undertake negotiations with SUC to extend the current lease for a minimum period of 60 years at terms to be agreed to provide the best design solution for the new and old facilities;
- SPC will provide £285,000 of funds from reserves to contribute to the purchase, demolition, design and construction of the new facility on part or all of the joint Parish Hall /RBL site;
- WBC provides funds of £2,035,250 to support the construction of the project.
- The SCCMS approves the business case and commends it to SPC and WBC for approval.

Approval of the business case will permit the full appointment of a design team and commencement of the construction procurement and planning processes.

Appendix	
1	Shinfield Community Centre Management Committee Terms of Reference
2	Shinfield Village Centre Proposals
3	Initial Marketing Strategy Managing and Developing the new Shinfield Community Centre
4	Projected revenue and expenditure
5	Architects and Surveyors Feasibility Report
6	Survey Reports
7	Wokingham Borough Council Executive 30 th July 2015 Item 42 Report and Decision. Contract between WBC and SPC
8	Exchange of letters between SPC and WBC to update Executive Item 42 recommendation 4.
9	Public Engagement
10	Project Risk Register
11	Project Initiation Document (PID)
12	Land Registry record of SPC lease
	Minute of SCCMC approval of business case – Feb 2016 Minute of SPC approval of business case – March 2016

MARKETING STRATEGY

Managing and Developing the new Shinfield Community Centre

The project's objective for the new community centre is to provide multi-purpose, affordable, flexible facilities for the local community. This will be consistent with 'Shaping Our New Communities' principles.

Our current aims include the following:

1. The centre will break even within four years. We have an established group of users for the existing parish hall and more enquiries from hirers during peak times than we are able to facilitate. With the addition of the new building and possibly some reconfiguration of the existing building, we will have flexible spaces of varying sizes, thus allowing more than one group to use the building at the same time. It is anticipated that the halls will be adaptable, to provide more appropriate spaces for smaller groups, whilst at the same time retaining the larger spaces for social events.
2. It is anticipated that some fixed space will exist as part of the agreed planning considerations, including for use as a children's centre, a police contact point and possibly a library facility. The detail of these specialist facilities remains subject to negotiation, as we have yet to get clarification on local needs, but the objective will be to attract further footfall to the centre.
3. Long term core tenants will be sought.
4. Shinfield Parish Council will develop a charging policy that seeks to recover the running costs of the building.

Ideas for use of the building and generation of income include:

- **Meeting space for Shinfield Parish Council**
 - Additional space is anticipated as being needed for the parish offices to allow for the growth of the parish. A charge for provision of this office space will be made to the parish council. Charges will also be made to the parish for use of hall and meeting rooms for council, committee and ad-hoc meetings which take place outside the designated parish office area.
- **A meeting place for residents, local groups, clubs and societies**
 - There will be meeting rooms and halls available for hire by the session, for commercial daytime use and for use by small local groups and committees during the evenings and at weekends. Charges will be by the morning, afternoon, evening periods with optional catering packages available.
- **Facilities to provide services for all, from children to older residents. A local venue for social events**
 - The centre will provide a meeting space for a range of clubs and activities to encourage local residents to visit and use the facility. A lunch club for those elderly people who live alone, classes and courses in a wide range leisure activities for young people to meet, are just a few of things we will look at.
- **External hires**
 - The possibility of becoming licensed for weddings, with the facility for providing a venue wedding receptions
 - A package of facility hire with optional inclusive catering supplied via the cafe could be available.

- **Business users**

- We will consider the possibility of 'hot desks' available by the hour, with Wi-Fi facilities and other services such as copying, hire of meeting rooms and catering from the centre cafe.
- The whole building will have Wi-Fi availability and hopefully be wired throughout for audio visual and sound in meeting areas so providing an up to date facility appealing to a wide range of users.

Catering

A cafe will be incorporated into the building, potentially leased to an outside operator. The cafes kitchen could be separate from any other kitchen facility in the centre. It was always considered that a cafe would be an important element of the new centre, potentially driving some revenue but as importantly acting as focal point for residents to meet and discover the activities that will be available in the centre.

In addition, we would envisage a vending machine operation to cater for visitors outside the cafe operating hours.

Management of the community centre

We consider the appointment of a community centre manager and a robust marketing strategy, as an essential part of delivering a break-even financial situation, to ensure the viability of the centre. The prime responsibility of this position will be to introduce the facilities of the new centre to local residents, groups meeting throughout the parish, potential commercial users and at the same time work to maximise usage of all parts of the facility throughout opening hours.

Shinfield Parish Council will need to give consideration to future management and administration for the centre, including:

- Bookings and invoicing
- Cleaning and caretaking

Further consideration needs to be given to additional staffing requirements and the potential operation of a dual use facility. This will have budget implications and require a further risk analysis.

Working with other local hall facilities

The parish council has taken initial steps to build relationships with the management committees of other halls across the parish and other groups such as local churches. The parish council will be exploring opportunities to collaborate and share information and facilities with these organisations, to benefit the wider community.

APPENDIX 4 - ESTIMATED REVENUE AND EXPENDITURE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Income:				
<u>Existing parish hall</u>				
Regular Hirer income	12700	12700	12700	12700
Ad hoc hirer income	5000	5000	5000	5000
<u>New community centre</u>				
Café	12000	12000	12000	12000
Office facilities SPC	40000	42000	44000	46000
Meeting room space SPC (based on 72 meetings a year of 3 hrs duration at £7 p/h)	1500	1500	1500	1500
hall hire SPC (based on 10 meeting a year of 3 hrs duration at £14 p/h)	420	420	420	420
New space hire	30000	35000	40000	45000
Total INCOME	101,620	108,620	115,620	122,620

Budget for the new community centre

Running cost for the new build (Estimated by BDS surveyors)	-28,000	-28,000	-28,000	-28,000
Anticipated maintenance cost per annum	-6,000	-8,000	-10,000	-12,000
Building renewals fund	-10,000	-10,000	-10,000	-10,000
Running cost of Shinfield Parish Hall	-16,000	-16,000	-16,000	-16,000
Anticipated maintenance cost per annum	-5,000	-5,000	-5,000	-5,000
Salaries and staff costs for new centre	-50,000	-50,000	-50,000	-50,000
	-115,000	-117,000	-119,000	-121,000
Total shortfall / surplus	-13,380	-8,380	-3,380	1,620