

A meeting of the **CABINET** will be held in **THE AQUARIUS ROOM, ST IVO LEISURE CENTRE, WESTWOOD ROAD, ST IVES** on **THURSDAY, 22 OCTOBER 2009** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

APOLOGIES


Contact
(01480)

1. MINUTES (Pages 1 - 6)

To approve as a correct record the Minutes of the Cabinet meeting held on 17th September 2009.

Mrs H J Taylor
388008

2. MEMBERS' INTERESTS

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda item. Please see notes 1 and 2 below.

3. CAPITAL PROGRAMME MONITORING 2009/10 BUDGET
(Pages 7 - 10)

To consider a report by the Head of Financial Services outlining spending variations for 2009/10.

S Couper
388103

4. FINANCIAL MONITORING - REVENUE BUDGET (Pages 11 - 16)

To consider a report by the Head of Financial Services outlining spending variations.

S Couper
388103

5. HUNTINGDON TOWN HALL - THE WAY FORWARD (Pages 17 - 34)

To consider a report by the Director of Environmental & Community Services on the findings of an independent report, commissioned by the District Council, into the most effective way to find a viable future for Huntingdon Town Hall.

M Sharp
388300

6. NEW STARTER UNITS, CAXTON ROAD, ST. IVES (Pages 35 - 44)

To consider a report by the Head of Law, Property and Governance regarding the development of new industrial and commercial premises at the former depot at Caxton Road, St Ives.

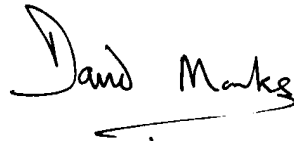
K Phillips
388260

7. SAFETY ADVISORY GROUP

To vary the membership of the Safety Advisory Group to allow Councillor Dakers to be replaced by Councillor Bucknell.

Mrs H Taylor

Dated this 12 day of October 2009



Chief Executive

Notes

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*
 - (a) *the well-being, financial position, employment or business of the Councillor, their family or any person with whom they had a close association;*
 - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
 - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or*
 - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntsdc.gov.uk /e-mail: if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (under Councils and Democracy).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the the Aquarius Room, St Ivo Leisure Centre, Westwood Road, St Ives on Thursday, 17 September 2009.

PRESENT: Councillor I C Bates – Chairman.

Councillors K J Churchill, D B Dew, J A Gray, A Hansard, C R Hyams, T V Rogers and L M Simpson.

APOLOGIES: An apology for absence from the meeting was submitted on behalf of Councillor Mrs D C Reynolds .

38. MINUTES

The Minutes of the meeting of the Cabinet held on 23rd July 2009 were approved as a correct record and signed by the Chairman.

39. MEMBERS INTERESTS

Councillor Churchill and Hyams declared personal interests in Minute No 09/41 by virtue of their former membership of the Luminus Group and the Luminus Homes (parent) board respectively.

40. FINANCIAL FORECAST

Further to Minute No. 09/17 and by way of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Cabinet were acquainted with the financial forecast for the period up to 2018/2019 together with the deliberations of the Overview and Scrutiny Panel (Economic Well Being) thereon.

In considering the information contained in the report, Members have been informed of potential variations in a number of sources of income and other factors that could affect the Council's financial position. Having noted the uncertainty created by the current economic climate and the uncertainties for the next financial year, the Cabinet

RESOLVED

- (a) that the contents of the report be noted;
- (b) that the annuity basis for the calculation of minimum revenue provision as outlined in Annex C be approved; and
- (c) that in considering the Financial Strategy for the period up to 2018/19 the Council's attention be drawn to the

uncertainty created by the current economic and political conditions and their potential effect on the Council's financial position next year.

41. THE HUNTINGDONSHIRE DISTRICT CORE STRATEGY 2008 - DEVELOPMENT PLAN DOCUMENT - THE INSPECTOR'S BINDING REPORT/ADOPTION PROCEDURES

Further to Minute No. 07/73, the Cabinet considered a report by the Head of Planning Services (a copy of which is appended in the Minute Book) which summarised the Inspector's consideration and conclusions regarding the soundness of the DPD, following his examination of the submitted Core Strategy.

The Cabinet were advised that the majority of the changes to the strategy had been proposed by the Council and any changes imposed by the Inspector were negligible. In discussing the contents of the strategy, the Executive Councillor for Operations expressed apprehension about the conclusions reached for Godmanchester regarding housing development, particularly the ability to support new developments with the existing infrastructure and the effect on local services.

Having expressed their thanks to staff for their efforts in achieving such a comprehensive document, the Cabinet

RESOLVED

that the Council be recommended to approve the Core Strategy as part of the Development Plan for the District.

(Councillor C R Hyams requested that it be recorded that he abstained from voting on this item.)

42. PERFORMANCE MONITORING REPORT

The Cabinet received and noted a report by the Head of People, Performance and Partnerships (a copy of which is appended in the Minute Book) which reviewed the Council's performance against targets within "Growing Success" - the Council's Corporate Plan. Of the 37 corporate objectives 8 were priorities and these had been split between the Overview and Scrutiny Panels. Having received explanations for 6 of the objectives being highlighted as not performing, Executive Councillors suggested that where monthly figures were compared against yearly these be coded as amber, rather than red, to show they are on target.

43. GREAT FEN MASTERPLAN

With the assistance of a report by the Director of Environmental and Community Services (a copy of which is appended in the Minute Book) the Cabinet considered a draft illustrative Masterplan for the Great Fen project together with the deliberations the Overview and Scrutiny Panel (Environmental Well-Being) thereon.

Members were advised that the Masterplan outlined where new physical features could be created and existing characteristics

retained showing open water, wetland, woodland, footpaths, cycleways, buildings and car parks. The document would form the basis of a new action plan for the ongoing development of the project.

In discussing the contents of the Masterplan Members' attention was drawn to initial discussions held with Peterborough City Council and Cambridgeshire County Council regarding the project. In that respect, Executive Councillors have requested that they both be formally consulted on the Masterplan with a view to them eventually becoming full partners alongside the District Council, Environment Agency, Middle Level Commissioners, English Nature and the Wildlife Trust for Cambridgeshire. Whereupon, it was

RESOLVED

that the Masterplan for the Great Fen project be approved as a basis of public consultation.

44. NEIGHBOURHOOD FORUMS

By way of a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) the Cabinet considered proposed draft terms of reference for the new neighbourhood forums and panels.

Members were reminded that the forums were intended to improve community engagement and inform, consult and involve local people in the exercise of the functions of the Council and its partners.

In discussing representation, Executive Councillors were advised that each Panel will comprise of up to 10 representatives of local authorities and other public and voluntary bodies in each forum area. Whilst the district council representation would be limited to one ward member, all councillors within each neighbourhood area would be encouraged to attend the meetings. Members were advised that the forums would replace the Police Safer Neighbourhood Panel meetings already programmed after the beginning of the new calendar year. Having noted that in the interim an initial forum meeting would be held in the southern neighbourhood on 28th September 2009, the Cabinet

RESOLVED

- (a) that the terms of reference for the neighbourhood forums and panels for Huntingdonshire be approved; and
- (b) that the following appointments to the five neighbourhood panels/forums be approved: -

Huntingdon – Councillor T D Sanderson
North West Huntingdonshire – Councillor E R Butler
Ramsey – Councillor A Monk;
St. Ives – Councillor Mrs J Dew ;and
St. Neots – Councillor A N Gilbert.

45. NEW HEADQUARTERS - MEMORABILIA AND ENDOWMENTS

The Cabinet considered a report by the New Accommodation Project Co-ordinator (a copy of which is appended in the Minute Book) regarding the future inclusion/display of civic memorabilia and endowments in the Council's new headquarters.

Members were advised that as a result of the function of the various spaces in the new building display space would be limited, resulting in the display of chairmen's portraits and group photographs of the Council being restricted to the most recent. In discussing the proposed display of the Council's Rolls of Honour in the new Civic Suite, certain Members were of the opinion that these should continue to be on view to the general public. Having considered proposals to deal with future acquisitions and endowments, the Cabinet

RESOLVED

- (a) that the New Accommodation Project Co-ordinator and the Deputy Leader, after consultation with Members, be requested to investigate alternative locations for the Council's Rolls of Honour, together with possibility of a new display board listing Leaders of the Council.
- (b) that the restriction on displaying the Chairman's portrait and group photographs of the Council to those that are the most recent be noted;
- (c) that the protocol for determining future endowments, outlined in paragraph 4.2 of the report now submitted be approved and the Chief Executive, after consultation with the Leader of the Council, be authorised to determine these endowments.

46. ADOPTION OF ROADS AND SEWERS

A report by the Overview and Scrutiny Panel (Environmental Well-Being) was submitted (a copy of which is appended in the Minute Book) which summarised the findings of their study on the adoption of roads and sewers in Huntingdonshire.

The Cabinet were informed that the report highlighted the problems encountered by house buyers in ensuring that the infrastructure is maintained at the public's expense and the difficulties faced by the highways and water authorities in ensuring that roads and sewers are completed by the developers to adoptable standards. Having recognised the importance of raising awareness of these issues among residents, especially during the conveyancing process, the Cabinet

RESOLVED

- (a) that the contents of the report now submitted be noted;

- (b) that, subject to consultation with Anglian Water on the proposed approach, the communications plan appended to the report now submitted be implemented;
- (c) that the Scrutiny and Review Manager be requested to formally write to the local branch of the Law Society to draw their attention to the issues identified by the Panel;
- (d) that the Overview and Scrutiny Panel (Environmental Well-Being) be requested to revisit the study once the extent is known of the sewers not under the responsibility of Anglian Water and following the implementation of the Government initiative referred to in paragraph 4.10 of the report; and
- (e) that the Scrutiny and Review Manager be requested to lobby the local government association to seek the strengthening of the powers of the Highways Authority with regard to the road adoption process.

47. EXCLUSION OF THE PUBLIC

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains exempt information relating to the financial affairs of the Council and is likely to reveal the terms of a contract.

48. SOUTH STREET PUBLIC CONVENIENCES, ST NEOTS

Consideration was given to a report by the Head of Environmental Management on the South Street Public Conveniences, St. Neots (a copy of which is appended in the Annex to the Minute Book).

Having considered the views of the Overview and Scrutiny Panel (Environmental Well-Being) on the matter and in acknowledging that no further expenditure should be incurred in improving the facility, the Cabinet

RESOLVED

that St Neots Town Council be offered the option of improving and maintaining the South Street Public Conveniences before any final decision is made as to their future.

Chairman

CABINET

22 OCTOBER 2009

CAPITAL PROGRAMME MONITORING 2009/10 BUDGET (Report by the Head of Financial Services)

1. PURPOSE

1.1 This report highlights the variations from the 2009/10 Capital Programme approved in February 2009 including any member or officer decisions already taken in accordance with the Code of Financial Management.

2 MONITORING INFORMATION

2.1 The Budget approved in February 2009 and subsequent adjustments are shown below:-

Capital Programme	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Approved Budget (February 2009)	23,187	5,391	17,796
Deferral of contributions and expenditure from 2008/09	2,154	3,244	-1,090
	25,341	8,635	16,706
Cost Variations			
Annex A	-1,299	124	-1,423
Timing Changes to 2010/11			
Annex B	-3,882	-2,669	-1,213
Capital / Revenue Variations			
Desktop Replacements	252	0	252
Forecast extra Revenue staff to Capital	40	0	40
Capital Salaries overheads to Revenue	-232	0	-232
Community Facilities Grants transfer to revenue	-20	0	-20
	40	0	40
Current Forecast	20,200	6,090	14,110

2.2 The revenue impact of the variations to the original budget approved in February 2009 is to reduce the net revenue expenditure by £52k in 2009/10 with further adjustments in future years, as shown below. These will be incorporated in the Draft Budget/MTP report.

Revenue Impact	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
	£000	£000	£000	£000
Cost Variations 2009/10	-11	-91	-122	-131
Timing Changes 2008/09 to 2009/10	8			
Timing Changes 2009/10 to 2010/11	-9	-38		
Revenue/Capital Transfers	-40	3	3	4
TOTAL FORECAST VARIATION	-52	-126	-119	-127

3 RECOMMENDATIONS

3.1 It is **RECOMMENDED** that Cabinet note the variations contained in this report.

BACKGROUND PAPERS

Capital programme and monitoring working papers.
Previous Cabinet reports on capital expenditure.

Contact Officer – Steve Couper ☎ 01480 388103

ANNEX A

Expected Cost Variations	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Stray Dog – Kennels	-15	0	-15
New Public Conveniences	-112	0	-112
Housing Repairs Assistance Private Sector Grants	-60	0	-60
Disabled Facilities Grants	-247	32	-279
Social Housing Grant	-564	0	-564
Decent Homes Works	0	92	-92
Huntingdon Leisure Centre Car Park Extension	-15	0	-15
St Neots Leisure Centre Development **	400	0	400
Huntingdon Riverside Improvements	-500	0	-500
Document Centre Replacement Equipment	-43	0	-43
Corporate EDM	-2	0	-2
Customer First/Working Smarter	-51	0	-51
Business Systems	-77	0	-77
Wireless Working (Benefits)	-33	0	-33
Building Control Public Access	-18	0	-18
VOIP Data Switches**	18	0	18
Railway Station Improvements	-9	0	-9
E- Marketplace (New scheme – Invest to Save)	20	0	20
Replacement scanning equipment (customer services)**	9	0	9
	-1,299	124	-1,423

**** Subject to approval of MTP**

New item this time
Adjusted value this time

ANNEX B

Timing Changes to 2010/11	2009/10 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
St Ives Town Centre Environmental Improvements – Ph 2	-375	0	-375
Sustainable Homes - Retrofit	-80	0	-80
New Public Conveniences	-100	0	-100
Mobile Home Park	0	-168	168
Ramsey Community Information Centre - Refurbishment	-11	0	-11
St Ivo L C – Rifle Range to Redevelopment	-539	0	-539
St Ivo L C – Fitness Equipment to Redevelopment	-206	0	-206
Ramsey L C – Fitness Equipment	-190	0	-190
General Leisure Centres Future Maintenance	-149	-672	523
Leisure Centre – CCTV Improvements	-10	0	-10
Headquarters Improvements	491	0	491
Printing Equipment	-230	0	-230
Multi-Functional Devices	-31	0	-31
Corporate EDM	-61	0	-61
Customer First/Working Smarter	-102	0	-102
Server Virtualisation and Network Storage	-55	0	-55
VOIP Telephony for Leisure Centres	-45	0	-45
Ramsey Rural Renewal	-43	0	-43
New Industrial Units	-522	0	-522
Huntingdon Marina Improvements	-62	0	-62
Heart Of Oxmoor	0	-1,829	1,829
Local Transport Plan	-66	0	-66
Huntingdon Bus Station	-890	0	-890
St Neots Cambridge Road Car Park	-80	0	-80
Accessibility Improvements/Signs	-18	0	-18
Safe Cycle Routes	-288	0	-288
St Neots Transport Strategy	-80	0	-80
St Ives Transport Strategy	-140	0	-140
	-3,882	-2,669	-1,213

New item this time
No change from previous report
Adjusted value this time

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FINANCIAL MONITORING – REVENUE BUDGET (Report by the Head of Financial Services)

1. **2009/10 budget as at the end September 2009**
 - 1.1 Cabinet received a forecast of £23,233k for the 2009/10 revenue outturn at its meeting on 23 July 2009, which was a saving of £145k on the budget. This report updates that forecast.
 - 1.2 It is now expected that the outturn will be £22,873k – a reduction of £505k on the budget. The variations are summarised in Annex A with the significant changes being:
 - **Recycling gate fees**
These have been renegotiated as part of a long term County-wide contract. This has resulted in an overall saving for the year of £12k some £208k less than forecast in July
 - **Income**
Income from a number of sources, especially car parks and industrial unit rents, is expected to decrease; the forecast is a reduction of £375k
 - **Concessionary fares**
The forecast increased cost has risen from £255k in July to £355k, this bringing the gross cost to £1,159k or £806k net of specific government grants.
 - **Transfer of expenditure to capital**
A review has taken place of what expenditure can be funded from capital. The replacement PC programme will be capitalised resulting in a revenue saving of £272k.
 - **Lower cost of borrowing**
One-off technical reduction due to the revenue charge for repaying borrowing starting the year after the capital scheme was financed (-£576k) partly offset by reduced investment interest due to lower interest rates (+£104k)
 - **Leisure Centres**
The target for savings has been re-phased allowing for additional spending of £300k in 2009/10
 - **A14 enquiry**
This has been delayed resulting in a saving in this year of £149k
 - **Cost of annual leave not taken as at 31 March**
New accounting regulations require Local Authorities to take into account the cost of accrued leave. This is one-off cost for the first year that the regulations are implemented (+£150k)
 - 1.3 The Government has announced that the allocation for LABGI is £112k. Housing & Planning Delivery Grant has not yet been announced but we expect this to bring our total grant income to at least our budget of £250k.
 - 1.4 It is assumed that £274k of unspecified projects will be carried forward to 2010/11.
 - 1.5 Managers will continue to monitor the budget closely with the aim of identifying changes accurately and quickly.

2. Amounts collected and debts written off

2.1 The position as at 31 March 2009 is shown in Annex B

3. Recommendation

It is recommended that Cabinet:

1. Note the forecast spending variations and the position on debts collected and written off.
2. Note that drawings from revenue reserves are forecast to be £3.3m for the full year, a reduction of £0.5m from the budget.

ACCESS TO INFORMATION ACT 1985

Source Documents:

1. Cabinet and Council Reports
2. Budgetary control files.

Contact Officers: Eleanor Smith, Accountancy Manager (01480 388157)
Steve Couper, Head of Financial Services (01480 388103)

ANNEX A

REVENUE BUDGETARY CONTROL		Original Budget £000	Cabinet 23-Jul-09 £000	Latest forecast £000
	Approved budget	23,378	23,378	23,378
	Additional schemes brought forward		24	24
	Additional schemes carried forward		-24	-24
		23,378	23,378	23,378
Capital	Recharge of revenue to capital including salaries		-97	-120
	Change in accounting rule for recharging to capital		240	189
	Desktop replacements - transfer to capital			-272
Interest	Lower cost of borrowing			-576
	Investment interest - lower interest rates			104
Leisure	Rephasing of LC target			300
	Adjustment of target for variations in revenue spending			-134
	St Ivo LC redevelopment			82
	St Ivo LC fitness equipment			43
	St Ivo LC conversion of rifle range			39
	St Neots LC redevelopment			30
	St Ivo LC redevelopment			-82
	Ramsey LC fitness equipment			22
Income	Land charges income		95	40
	Development control fees		100	50
	Car park income			110
	Glass recycling income			25
	Industrial rents			120
	Web advertising income			30
ICT	ICT Savings			-44
	VOIP data switches			-18
	Business systems			25
	Corporate EDM			26
	Server virtualisation and network storage			33
Other	Central Services staff saving		-80	-80
	NNDR hardship grants		25	25
	CAB grant		20	20
	Additional insurance costs		44	44
	Concessionary fares		255	355
	Housing advice and homelessness		70	70
	Recycling gate fees		196	-12
	Car parking strategy		-30	-50
	CCTV reorganisation		-33	-33
	Refuse vehicle maintenance			-60
	Delayed A14 Inquiry			-149
	Housing benefits			-62
	Working Smarter			42
	Regional spatial strategy			40
	Customer First			30
	Audit fees			25
	Headquarters hoarding			20
	Community facilities grants			20
	Taxi survey			-20
	Other variations			-70

Technical	Pay award		-170	-170
	VAT reclaim with interest		-780	-780
	Proposed use of Planning Delivery Grant			-70
	Provision for accruing leave in 2009/10			150
	Turnover allowance not achieved			150
			-145	-505
Total		23,378	23,233	22,873
FINANCED BY:				
Government support		-12,572	-12,572	-12,572
Collection fund adjustment		-27	-27	-27
Council tax		-7,021	-7,021	-7,021
Reserves				
	Use of delayed projects reserve	-250	-250	-250
	Contribution to delayed projects reserve	250	250	250
	General reserves	-3,758	-3,613	-3,253
	Total reserves	3,758	-3,613	-3,253
Total		-23,378	-23,233	-22,873

CONTINGENCIES INCLUDED IN THE BUDGET				
	Budget	Estimated	Variation	
	£000	outturn		
	£000	£000	£000	
Turnover	-400	-250	150	The estimated outturn is that not all of the contingency will be met from staff savings; £112k has been identified to date
Spending adjustments	-242	-242	0	
Employee costs recharged to capital	-100	-220	-120	The transfer of costs to capital is forecast to be exceeded
Other	65	65	0	
	-677	-663	14	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

Collected

The total amount of payments received, less customer refunds and transfers to other debts:

	April to June 2009	July to Sept 2009	Total
	£000	£000	£000
Type of Debt			
Council Tax	22,680	22,296	44,976
NNDR	17,304	15,380	32,684
Sundry Debtors	1,429	1,992	3,421
Excess Charges	43	40	83

Amounts written off

Whilst the amounts have been written-off in this financial year, much of the original debt would have been raised in previous financial years.

	Up to £5k			Over £5k			TOTAL
	April to June 2009	July to Sept 2009	Total	April to June 2009	July to Sept 2009	Total	Total
	£000	£000	£000	£000	£000	£000	£000
Type of Debt							
Council Tax	33.2	52.0	85.2	0.0	4.7	4.7	89.9
NNDR	13.9	21.0	34.9	10.4	104.9	115.3	150.2
Sundry Debtors	9.3	13.2	22.5	0.0	0.0	0.0	22.5
Excess Charges	2.9	2.3	5.2	0.0	0.0	0.0	5.2

A larger than normal number of company liquidations has been experienced and this has led to an increase in the value of NNDR debts being written off.

Authority to write off debts

The Head of Customer Services is authorised to write-off debts of up to £5,000, or more after consultation with the Executive Councillor for Finance, if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Head of Financial Services deputises in her absence.

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OVERVIEW & SCRUTINY ENVIRONMENTAL WELL BEING	13TH OCTOBER 2009
OVERVIEW & SCRUTINY ECONOMIC WELL BEING	15TH OCTOBER 2009
CABINET	22ND OCTOBER 2009

HUNTINGDON TOWN HALL
(Report by Director of Environmental and Community Services)

1. INTRODUCTION

- 1.1 This report concerns the recommendations from an independent report, commissioned by the District Council, into the most effective way to find a viable future for Huntingdon Town Hall.

2. SUPPORTING/BACKGROUND INFORMATION

- 2.1 Huntingdon Town Hall is a grade 2* listed building in the freehold ownership of the District Council, which holds, it in trust, for the 'public good' of the people of Huntingdon. The ground and first floor are held on three 999 year leases from 1840 by Her Majesty's Court Service (HMCS), as successors to the County Council, from whom the service had been transferred on 1st April 2005. The second floor is occupied by the Town Council (HTC) since local government reorganisation in 1974, there is no formal lease in this respect.
- 2.2 The responsibility for all the upkeep and maintenance of the entire exterior and interior of building lies with HMCS except for interior and windows of the second floor which lies with HTC. HMCS vacated the building in 2007 on completion of the new Combined Justice Centre on Walden Road. HTC use the building sporadically.
- 2.3 Discussions between the District Council and the occupiers have been ongoing for some time to seek a practical and viable way forward to secure the fabric of this most important building and an appropriate use(s). To assist this process the District Council commissioned a report on the condition of the building in 2007. This report concluded that £855K worth of work (plus fees) would need to be undertaken over a four year period to put the building in good order and that further detailed reports were required on some aspects. This estimate however did not include any works necessary for a new use or compliance with the Disability Discrimination Act, including the installation of a lift. The District Council has also acted in its statutory capacity to chase urgent repairs under Listed Building legislation.

- 2.4 Earlier this year the District Council commissioned EW Consultancy Ltd (EWC) to undertake a review, liaise with a number of stakeholders including HTC and to recommend a way forward including appropriate project management arrangements. A copy of EWC's report is appended and has been circulated widely to Councillors and relevant stakeholders.

3. IMPLICATIONS

- 3.1 Given the long leases and current responsibility for maintenance the Council could decide to take no further action other than its statutory role as regulator, under Planning and Listed Building legislation. The current condition of the building, whilst by no means perfect is not critical and in this context a watching brief would suffice. Furthermore, the extent of necessary repairs and improvements required over the next few years means that to accept the surrender of the leases without a clear plan for the future of the building would lay the Council open to a considerable liability.

- 3.2 In view of the importance of the building, the District Council has taken a more proactive approach which has resulted in the report referred to above.

- 3.3 The EWC report concluded that: As the first stage in this work, the District Council needs to give consideration to this report and in particular to decide on:

- Its approach to the project in terms of its long term involvement;
- Project management arrangements;
- Involvement by other organisations;
- Immediate Governance arrangements;
- Support for the project sustainable long term uses;
- Any financial support in the short and medium term – capital and revenue.

- 3.4 The key recommendations of the EWC report are that the District Council:

1. Agrees to establishing a Building Preservation Trust.
2. Agrees to the transfer of ownership of the building to the BPT when a viable long-term solution has been identified through the options appraisal.
3. Provides project management support to the BPT until it is established and can provide its own project management arrangements.
4. Considers possible BPT trustees.
5. Agrees to the Steering Group arrangements in the short-term.
6. Develops the terms of reference for the Steering Group and agrees the organisations to be invited.
7. Provides some initial start-up funding needed for the matched funds for the option appraisal.
8. Considers whether it will assist with the long-term revenue funding for the building.
9. Continues discussions with the DCA (HMCS) on lease surrender.

The report also includes a proposed programmed action plan.

- 3.5 In response to recommendation 7, the current Budget and MTP provides for £10K pa over 2009/10 – 2011/12 to support this work. It is, however, premature to consider a response to recommendation 8 at this time.
- 3.6 The question of a BPT and project arrangements can go on in parallel with discussions with HMCS at the appropriate time (recommendation 9).
- 3.7 The views of HTC and the various stakeholders, concerning the report and its recommendations will be reported to Members.

4. CONCLUSION

- 4.1 The appended report offers the most appropriate way forward to secure the long term future of this most important historical asset. The actions proposed are without prejudice to the separate negotiations which will need to take place, at the appropriate time with HMCS.

5. RECOMMENDATION(S)

O&S

- 5.1 Forward any comments on the proposals to Cabinet

Cabinet

- 5.2 To accept the recommendations of EWC as set out in para 3.4 above and qualified in paragraphs 3.5 and 3.6; including to agree, in principle, to the transfer of ownership of the freehold of Huntingdon Town Hall to an appropriate Building Preservation Trust when a viable long term solution has been identified through a Options Appraisal and subject to appropriate arrangements for the surrender of the current leases.

BACKGROUND INFORMATION

- EWC Report: Huntingdon Town Hall – A Long Term Sustainable Future and Project Management Arrangements
- Buttress Fuller Alsop Williams Architects - Condition Survey Report March 2007

Contact Officer: Malcolm Sharp, Director of Environmental and Community Services
☎ 01480 388300

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Huntingdon Town Hall

A Long Term Sustainable Future and Project Management Arrangements

Report by EW Consultancy Ltd

1. Introduction

- 1.1 EW Consultancy Ltd has been retained to establish a project management approach to the long term use of the Huntingdon Town Hall. The tasks required to be completed are set out in the brief agreed with the District Council.
- 1.2 This report presents the work completed and information collated under each of the main steps of the brief (phase 1 and 2) and then sets out the project management arrangements including an action plan for the longer term sustainable use of Huntingdon Town Hall.
- 1.3 The report is in 7 main sections dealing with:
- The background and current position;
 - Consultations carried out as part of the study and the position of the consultees on the property;
 - Potential for future users;
 - Governance and ownership arrangements;
 - Financial issues and possible arrangements;
 - The project management plan for taking the project forward;
 - Decisions to be made by the District Council.

2. Background and current position

- 2.1 The Town Hall is a Grade 2* listed building which is held in Trust for the "public good" by Huntingdonshire District Council (the freeholder). The Council has no liability for maintenance, repair or making good works.
- 2.2 There are three leases which were originally held by County Council (when the Court Service was in their governance), and is now held by the Dept. of Constitutional Affairs (DCA). These leases require the DCA to do all repairs, maintenance and making good. At the current time the negotiation with the Her Majesty's Court Service (HMCS - the agency for the DCA) to hand back the leases are progressing slowly due to the limited nature of the proposal by the HMCS.
- 2.3 Huntingdon Town Council has the use of the 2nd floor for Council functions. They have no formal lease, pay no rent, but are responsible for the payment of utility bills (electricity) and the repair and maintenance of the 2nd floor interior and windows. They also currently occupy other offices in Huntingdon, where the day to day Town Council business is conducted.
- 2.4 The Court Service vacated the building when courts were provided elsewhere in Huntingdon. The current usage of the building is therefore very sporadic or indeed non-existent.
- 2.5 The District Council has had a survey undertaken (2007) for the purpose of an estimate for repair and maintenance which is costed at a minimum of £800k over 4 years. This does not include any particular costs that may be necessary for the re-use of the building (depending on what those uses are) and associated costs.

3. Consultations with Groups and Organisations

3.1 EW Consultancy Ltd has had an initial informal meeting with each of the following groups and organisations to discuss their views on the possible long term uses for the buildings, the type of governance arrangements that they would support and their possible involvement in the project:

- Huntingdon Town Council;
- Huntingdon Town Partnership;
- Huntingdon and Godmanchester Civic Society;
- Huntingdonshire History Society;
- Huntingdon Freeman's Charity;
- Cromwell Museum Curator.

Notes of the discussions are available from EW Consultancy Ltd if required.

3.2 The general outcome of the consultations is that there is some degree of agreement about the possible future uses and governance arrangements. These are discussed in the following paragraphs.

3.3 One of the most important aspects of this project is that the Town Hall is seen as a key local community building and there is much interest in its long term use. If there are to be successful bids for funding to help with a range of works (including the capital works) then there must be wide ranging community support for the project and its outcomes. It is therefore suggested that as part of the initial phase of the work a community consultation programme is established including open days to the building to enable local people to look through the building and to add their voice to the choices to be made.

4. Future Uses-Options Appraisal

4.1 The key criteria for considering the longer term sustainable uses for the building are:

- Compatibility with the scale and historical context of the building;
- The building being held in trust for the public good which means that the amount of commercial uses would be limited;
- Importance in relation to the heritage aspects;
- Public benefits and accessibility to the community;
- The ability to physically accommodate the uses within the building and the works necessary being acceptable to English Heritage;
- There being no specific car parking associated with the building;
- The need for a lift to be installed if there is to be public access /usage in accordance with the DDA;
- Compatibility with other uses within the building;
- Long term funding availability for the uses or generation of revenue funding.

4.2 The first step in the project management arrangements would be to produce an "options appraisal," a formal process which is a necessary step in identifying the best long term uses. It would look at the range of possible uses in varying combinations and identify the most likely successful long term solution. The importance of the option appraisal is to:

- test the range of possible uses;
- ensure the long term financial viability;
- ensure all possible uses have been considered;

- enable the long term ownership of the building to be determined;
- provide reassurance for funding bodies – funding is often conditional on an options appraisal being completed.

4.3 In order for the Option Appraisal to be grant funded, it would have to be undertaken by an organisation such as a Building Preservation Trust (BPT). This would enable it to be funded through the Architectural Heritage Fund grant system. The AHF will provide a grant of up to £12K for such an appraisal but will only provide 75% of the money necessary. If the Option Appraisal is undertaken by the District Council such funding is not available. The work on preparing the bid for funding for the option appraisal can begin before the establishment of the BPT or the conclusion of the discussions regarding the lease with the DCA. However, the option appraisal must be done by the BPT.

4.4 From the discussions with the range of organisations listed in paragraph 3.1 there is a general local consensus that the building should be used for a range of “public access” activities with some public sector/commercial office accommodation and some “quasi” commercial retail to support the building.

4.5 In general terms it is therefore suggested that the option appraisal has at its core the following possible uses:

Ground floor : living learning centre, justice or town museum, café and shop

First floor : Town Council offices and other “partner” organisations’ offices

Second floor : public usage of the assembly room

Whilst these uses will form a major part of the options appraisal, the appraisal will need to look at all other opportunities including residential, retail and commercial in order for the successful outcome to be evidenced.

4.6 The main issues that arise from such uses are:

- compliance with DDA and the need for a lift to the 1st and 2nd floor;
- the ability of the building to include catering facilities;
- the ability of a modern extension to be built on the east side in terms of listed building status, and land ownership and servicing;
- ability of the ground floor to provide sufficient space for the proposed uses.

4.7 Whilst all of these are major obstacles, they must be explored as part of the options appraisal. This will enable any funding organisation to be satisfied that the proposed uses are the best option available.

5 Governance and Ownership

5.1 The freehold of the building is currently held in trust for the public good by the District Council. The Council could continue to hold the freehold in the long term but this would effectively preclude it from seeking financial assistance from various grant bodies, thus meaning that the Council would have to fund restoration and future costs if the leases were surrendered.

5.2 An alternative is for the District Council to pass the freehold to another public sector body such as the Town Council but that organisation could have much the same funding issues. If there was another public sector

organisation willing to take on the ownership, even with this proviso, then the Council could consider this option.

- 5.3 A third option is to transfer the freehold to a private sector commercial organisation, but due to the fact that the building is held in trust for the public good it is considered unlikely that this would be acceptable to the local community.
- 5.4 There is some consensus that the building should become owned by a Building Preservation Trust. This approach is a well established one throughout the country and there are many examples of where this has been a very successful outcome for buildings to be restored and used enabling public access to be maintained through a variety of uses. It also enables funding to be accessed from various sources. However, if this approach is taken then there needs to be a phased approach to the transfer of ownership to enable the project to be successfully accomplished.
- 5.5 It needs to be very clear that if this route is followed that the Trust is established with a range of Trustees and that no public body would be able to have "control" of the BPT. Public body representation would be very limited
- 5.6 As there is no "ready made" BPT in the area, if this approach is to be taken, work should start straight away to establish a Trust as soon as possible, seeking Trustees from the local community who have both the time and expertise to help the project. The Architectural Heritage Fund does provide support in establishing a Trust and early contact through EW Consultancy has shown that they would be interested in helping.
- 5.7 The BPT will therefore need to be established as a Charity through the Charity Commission and would probably be a "not for profit" company limited by guarantee. Trustees should be local people with both time and expertise in the fields of finance, property, conservation, community work and education, with a limited number of representatives from the public sector.
- 5.8 However, at the inception/option appraisal stage of the project the ownership of the building could remain with the District Council. This will enable the BPT to undertake the option appraisal work without having made the legal commitment to take ownership of the building. Once the Option Appraisal shows whether there is a viable long term use then the BPT would make the commitment to take on the ownership of the building It will also allow the BPT to build its "track record" of handling the project before seeking the larger scale funding for the actual restoration works from the Heritage Lottery Fund.
- 5.9 It is also suggested that until such time as the BPT is established a Steering Group should be created. This will enable community involvement to be established and also shows that there is the intention to progress to a BPT. This Steering Group would oversee the project until the BPT is established but have no decision making powers. The Steering Group should compromise, at the least, a representative from:
- District Council;
 - Town Council;
 - County Council;
 - Town Centre Partnership;

- Huntingdonshire History Society;
- Huntingdon & Godmanchester Civic Society;
- Cromwell Museum.

All these groups currently have their own governance arrangements which would allow the project to be supported by them with feedback on the progress being taken back by each member of the Steering Group to their own organisation. It may also be useful to encourage a small number of other community groups and representatives to be on the Steering Group.

5.10 If the proposal for a Steering Group is agreed then there will need to be terms of reference agreed and formal arrangements made for meetings, agendas and minutes.

5.11 Once the option appraisal work has been completed and there is a long term viable option identified then the ownership of the building can be transferred to the BPT who will then seek the funding for the restoration works.

6. Financial Issues-Costs and Funding

6.1 Capital Works

6.1.1 The initial options appraisal needs to be undertaken. This could cost up to £20K, part of which could be funded through the AHF. It would be for the BPT to fund the other 25% of the cost of the appraisal. The BPT would initially need to look to other organisations to help it with start up costs including this 25%. It is therefore probably necessary for some public/community/voluntary funding to provide the BPT with some start up fund.

6.1.2 Other capital finance required will include monies for the works required to bring the building back to a state of reasonable repair and maintenance as well as any works necessary to enable new users to use the building (from the option appraisal). There is no definitive costs yet related to with this work but would include:

- a DDA compliant lift;
- kitchen and food preparation facilities;
- public toilets and cloakrooms;
- fitting out of offices and shops area;

6.1.3 The structural survey undertaken in 2007 showed that there was about £800,000 worth of works required but that these ranged from essential to desirable, over a four year period. It is not unreasonable to expect all costs to come to a total of about £2million.

6.2 Funding for Capital Works

6.2.1 The funding sources for the capital works include:

- AHF monies for the Option Appraisal;
- Heritage Lottery Funding for the major capital works;
- other funding sources for community based involvement;
- DCA lease hand back;
- smaller grants from local bodies;
- public sector local authority monies (District and Town Council)

It is probable that all these sources will be needed to complete this project.

6.2.2 Initial contact with the AHF has shown that they have an interest in supporting this project, but much more work would be needed to gain their financial support. The AHF will only fund developmental costs such as the Option Appraisal - it will not fund repair, maintenance and improvement works.

6.2.3 Grant funding sought from either the AHF or the HLF would require at least 25% matched funding with 5% being from the organisation making the bid.

6.2.4 The Heritage Lottery has three main aims:

- Learning;
- Conservation of the heritage;
- Participation.

The HLF can give grants over £1 million for the restoration and long term sustainable uses of listed buildings. In order to qualify the bid must meet certain criteria (bidding criteria is set out in paragraph 6.2.5). The HLF also give grants for the development of a Conservation Management Plan. This plan is required by the HLF as part of the bid for major funding.

6.2.5 To be successful a bid to the HLF would need to be assessed against the following criteria:

- Importance of the project to the heritage of the area;
- Conservation benefits;
- Accessibility to the public;
- Any additional public benefits;
- Business plan;
- Quality of design solutions and materials;
- Financial viability and cost management;
- Strength of governance arrangements;
- Ability to manage the project;
- Professional expertise being used;
- Development of a project strategy;
- Use of a conservation management plan;
- Maintenance and sustainability in the longer term.

It should be noted that this is where the formal options appraisal becomes essential.

6.3 Revenue Costs

6.3.1 The current leaseholders (HMCS) have a revenue budget of about £30K for upkeep of the building. In addition the Town Council provide some revenue support for part of the maintenance of the building. Until the business case has been prepared for the new uses the costs will not be known but these would have to be established as part of the bid to the heritage lottery fund.

6.4 Revenue Funding

6.4.1 Reuse of the building as proposed would require sufficient revenue funds to provide for the maintenance of the building and the support of the uses in the building.

6.4.2 One of the key elements of possible future uses of the building is to seek uses which are both in the "public good" and also help to generate revenue to fund the ongoing maintenance and running of the building. It

is considered that the best that can be achieved is for the costs to be at a "neutral" position to allow the BPT to take ownership. The option appraisal will enable this decision to be made.

- 6.4.3 In balancing the public use of the building with office and quasi commercial uses there needs to be recognition that the greater the public activity and usage (with the less commercial use) then the greater the possibility of the need for subsidy from public bodies.

7. Project Management Arrangements

- 7.1 To take the project forward the District Council must recognise that this is not a simple project, but requires considerable effort both from a technical and governance perspective.

- 7.2 There are several phase to the work:

1. **Conception phase-** to get formal agreement to the project from all parties including participation in the project and the way the project should be managed, including any willingness to assist in funding and the development of the initial bids to be made for funding
2. **Option appraisal stage-** with oversight by BPT producing a project strategy, sketch drawings of possible usages, initial QS costing of proposals. This would also include the start of work on development of a conservation plan and business plan. It would also be necessary to re-open discussion with DCS on the leases;
3. **Consultation on option appraisal outcomes-** including discussions with English Heritage, community consultation and development of detailed bids for funding;
4. **Detailed design phase-** including detailed drawings and costing for submission for planning, listed building approval and building regulations;
5. **Tendering and Implementation**

- 7.3 The project team would (at different points in the process) need people with the following skills:

- Project management;
- Structural, electrical and mechanical engineering;
- Architectural conservation and listed building;
- Quantity surveying;
- Surveying valuation and /or estates management;
- Planning /conservation;
- Finance and grant funding.

- 7.4 If the building is to be successfully used in the long term, a project management plan needs to be agreed and to progress the work. A draft plan is attached.

- 7.5 For the project to be successful, if the Council decides to establish a BPT it will need to provide support to the BPT until it is well established. This would include providing the BPT with a project manager (this is not necessarily a full time post). There are two choices for the Council in terms of accomplishing this:

- Appoint an external project manager;
- Second a member of staff from within the organisation (or another organisations) and then "backfill" the post for a period of time.

8 The Project Plan

8.1 The Project plan is set out in Annex 1 and shows potential timescales involved. The project plan is set out by **Phase** but each phase covers the main areas discussed in this report in terms of:

8.2 **-Governance and project management arrangements:**

- oversight/governance arrangements which include a wide range of stakeholders;
- identifying a project manager to help develop the BPT and then advise that organisation on the development of a bid for the option appraisal.

-Legal/ownership arrangements including:

- negotiation on current leases;
- agreement on charitable trust (BPT);
- establishing the trust and timelines for ownership transfer;
- legal advice on any issues associated with transfer;
- type of trust to be established.

-Agreement in principle to long term uses:

- developing the option appraisal including:
 - assessment of capacity for “living learning” or citizenship/interpretive centre on ground floor;
 - Town Council office usage;
 - community uses in the assembly rooms;
 - catering requirement;
 - any other possible uses such as residential, office or retail uses.

-Listed Building Requirements:

- ability to install lift for access to 1st and 2nd floors;
- parameters of works that should/could be undertaken;
- possible extension for café purposes.

-Financial Issues:

- lease hand back by DCA;
- funding possibilities for establishing the BPT and option appraisal;
- capital works for the building and costs of repair and maintenance;
- costs of long term usages;
- revenue implications and possible revenue streams;
- commitments from public organisations;
- fundraising and membership subscriptions to BPT.

-Documentation:

- project strategy
- conservation management plan
- access plan
- risk assessment

9. Recommendations


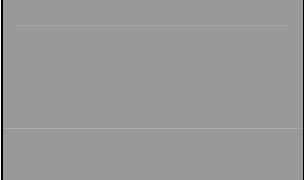
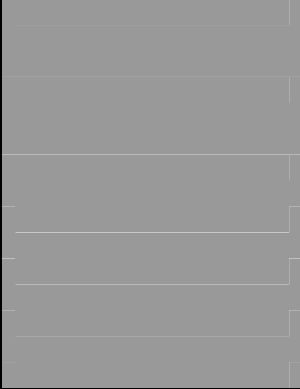
- 9.1 As the first stage in this work the District Council needs to give consideration to this report and in particular to decide on:
- Its approach to the project in terms of its long terms involvement;
 - Project management arrangements;
 - Involvement by other organisations;
 - Immediate Governance arrangements;
 - Support for the project sustainable long term uses;
 - Any financial support in the short and medium term - capital and revenue.
- 9.2 This report recommends that the District Council:
- Agrees to establishing a Building Preservation trust;
 - Agrees to the transfer of ownership of the building to the BPT when a viable long term solution has been identified through the options appraisal;
 - Provides project management support to the BPT until it is established and can provide its own project management arrangements;
 - Considers possible BPT trustees;
 - Agrees to the Steering Group arrangements in the short term;
 - Develops the terms of reference for the Steering Group and agrees the organisations to be invited;
 - Provides some initial start up funding needed for the matched funds for the option appraisal;
 - Considers whether it will assist with the long term revenue funding for the building;
 - Continue discussions with the DCA on lease surrender.

Annex 1: Project Plan

Activity	Sept-December 2009	Jan – March 2010	April – June 2010	July-September 2010	October 2010 onwards
1. Concept Phase:					
Council agrees the approach to the future of the building as set out in EW Consultancy Ltd report	■				
Council to decide on project management arrangements	■				
Project strategy plan prepared and agreed by the Council	■				
Organise the establishing of a project manager	■				
Search for BPT Trustees	■	■			
Establish BPT through Charity Commissioners		■	■		
Establish Terms of Reference and invite organisations to be on the Steering group.	■				
Initial bid to AHF for options appraisal		■			
Prepare pre application bid to heritage lottery to cover project management costs- meeting with HLF			■	■	

Activity	Sept-December 2009	Jan – March 2010	April – June 2010	July-September 2010	October 2010 onwards
2. Options Appraisal stage					
Hold Steering Group meetings to provide community input for project	■	■	■		
Hold initial community consultation events	■				
Finalise BPT Trustees and establish Trust as a Charity		■	■		
Options appraisal undertaken with initial sketch drawings for uses to be prepared			■		
Initial work on business plan developed for the uses to show revenue costs and funding to be self sustaining			■	■	
Prepare stage 1 bid for detailed capital works to submit to funding bodies-discuss with HLF				■	
Negotiate with HMCS for lease hand back	■	■	■	■	
Discussions with English Heritage on possible alterations/options		■	■		
DC agree to transfer freehold to BPT if appropriate uses found through option appraisal	■				

Activity	Sept-December 2009	Jan – March 2010	April – June 2010	July-September 2010	October 2010 onwards
Options Appraisal stage (cont'd) Seek HLF funding for a Project Planning Grant to develop the Conservation Management Plan Develop a draft conservation management plan for the building Develop an accessibility plan for the building Risk management plan prepared	 [Shaded] 	 [Shaded] 	 [Shaded] [Shaded] [Shaded] 	 [Shaded] [Shaded] [Shaded] 	

Activity	Sept-December 2009	Jan – March 2010	April – June 2010	July-September 2010	October 2010 onwards
<p>3. Consultation on Options Appraisal Stage</p> <p>Community consultation on the future of the building at the beginning of the Project</p> <p>Consultation event with steering group parties on the proposed uses and drawings for the building from options appraisal</p> <p>Community consultation events on option appraisal outcomes</p>					
<p>4. Detailed design phase</p> <p>BPT to develop bid for HLF and other funding organisations for capital works</p> <p>Detailed drawings for long term uses and installation of lift</p> <p>Schedule of works required to be prepared</p> <p>Risk management plan updated</p> <p>Business plan refreshed</p> <p>Stage 2 bid to the HLF</p> <p>Detailed costing prepared</p>					
<p>5. Tendering and Implementation</p>	<p>Project Plan to be developed for this Phase at a later date</p>				

CABINET MEETING

22nd October 2009

**NEW STARTER UNITS, CAXTON ROAD , ST IVES
(Report by the Head of Law, Property and Governance)**

1. PURPOSE

To seek approval to the release of MTP funding for the development of the former depot at Caxton Road with new industrial and commercial premises.

2. BACKGROUND

2.1 There is an approved allocation of MTP funding for the provision of new starter units in St Ives, the only market town where the Council does not have any units at present. The provision of starter units of this type has been identified as an effective means of assisting the local economy to recover from the recession. This is recognised by Cambridgeshire County Council (CC) who have offered to support the initiative using funds allocated to help in the economic downturn.

2.2 Despite an extensive search, it had not proved possible to find a suitable site for development until the Caxton Road depot became available following the relocation to Eastfield House. This site of 0.45 acres is ideal in terms of location and size for a scheme of small starter units.

2.3 The intention is to provide a flexible, mixed development of workspaces and small offices for new and small businesses. The construction of good quality business premises will also help to improve the attractiveness of this industrial estate. The units will have a strategic location in terms of the Huntingdon – St Ives – Cambridge guided bus, which will help to maximise opportunities that will arise from this initiative.

2.4 A business plan supporting the proposed development is attached as Appendix A.

3. PROPOSED SCHEME

3.1 The scheme comprises 8 small commercial workspaces and 6 offices. There would be a single access road with the offices at the front and a security gate at the entrance. Planning consent has been granted.

3.2 Schemes of this type have a proven track record in helping to achieve the aims of the Local Economy Strategy particularly in respect of the start up of new small businesses. Importantly the scheme also presents an opportunity to implement the Council's Environment Strategy by improving waste and energy efficiency, by utilising renewable resources, and by showcasing and promoting the Green Agenda for business premises. To achieve this, the design incorporates a number of features referred to in section 5.2 of the business plan and will:

- improve on Building Regulation CO² emissions standards by 40%;
- require the contractor to implement a site waste management plan;
- utilise climate control, natural daylight and ventilation
- use rain water harvesting for toilet flushing;
- provide an air source heat recovery system incorporating integrated dynamic insulation cell technology;
- have a green sedum roof over the workshops providing water attenuation, minimising overloading the mains sewer during peak rainfall periods;
- use low energy light fittings internally and recently developed efficient LED (Light Emitting Diode) external lighting; and
- have proactive waste management systems by encouraging a co-operative recycling system.

3.3 The new buildings would have a minimum economic life of 30 years

4. FINANCIAL IMPLICATIONS

4.1 A financial appraisal is included in the attached business plan (section 7 of the Business Plan). Although primarily an economic development scheme providing business and job opportunities, the scheme will generate a return of approximately 5% over a 25 year period. If sold after 25 years the net present value has been assessed at £230k. Net present value is the value today of the development in 25 years time after taking into account all the expenditure and income throughout the period.

4.2 An offer of £150k capital funding from CC has been received for a partnership scheme supporting employment generation. This funding is only available during the current financial year and this scheme would fit the criteria. In return for the contribution the CC would receive a pro rata share of the income after deducting management and maintenance costs. At the end of the agreement (which could be 25 years or longer) or if the development is sold, the CC would receive the same share of any capital receipt. In financial terms the contribution has a neutral impact but there are benefits of sharing the risks and having the County Council on board as a partner.

4.3 A contribution of £25k is being made from the Council's Environment Strategy's Capital Funds for Energy Efficiency and Renewables for HDC projects.

5 RISKS

5.1 There are two main risks:

- Final build cost exceeds the tender price. This will be minimised by stringent cost control management and monitoring.

- Not achieving full occupation of the units. This is addressed in the business plan. These high quality units with environmentally sustainable features are expected to prove particularly attractive for new, small businesses.

5.2 The financial implications of these risks have been considered (para 7.5 of the business plan) and the risks inherent in the project are considered to be relatively small and manageable.

6. CONCLUSION

6.1 This scheme will create new employment opportunities, contribute to the Council's environmental strategy and generate a financial return, meeting several objectives of the corporate plan "Growing Success":

- Community Aim - a strong and diverse economy;
- Community Aim – a clean, green and attractive place by using resources more efficiently and helping to mitigate and adapt to climate change; and
- Council Aim - to maintain sound finances by maintaining business and income opportunities including external funding and grants

6.2 It is also hoped that the completion of the project in 12 months time will coincide with an upturn in the economy.

7. RECOMMENDATIONS

7.1 Cabinet is recommended to:-

- (i) approve the proposed scheme;
- (ii) release the funds included in the MTP scheme for Industrial Units (number 239); and
- (iii) authorise the Director of Central Services to accept the contribution from the County Council subject to the agreement of detailed terms

BACKGROUND INFORMATION

Estates file C/165/2

Planning permission 0802942 dated 18th December 2008

Contact Officer: Keith Phillips, Estates & Property Manager

☎ (01480) 388260

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ST IVES STARTER UNITS – BUSINESS PLAN

1. Introduction

This report has been prepared by the Estates and Property Manager to support the proposed development of new industrial and commercial premises in St Ives. It includes contributions from the Planning Services Manager (Policy), Sustainable Economic Development Manager and Head of Financial Services. In addition it incorporates the outcome of discussions with several commercial agents who are active in the locality.

2. Background

2.1. The Council has for many years provided start up units for new and small businesses as part of its policy for a strong and diverse economy (Growing Success Corporate Plan 2007/08 and Growing our Communities- Sustainable Community Strategy 2008-2028). From the 1970s these have been located in the market towns of Huntingdon and St Neots as part of the provision of serviced land and buildings for employment purposes. In the mid 1980s industrial premises were also provided in Ramsey under a partnership arrangement with a local developer in order to promote economic activity in that area.

2.2 At present there are 61 industrial units under 1700 sq ft managed by the Council in the following towns:

Huntingdon	24
Ramsey	14
St Neots	23

In addition the Creative Exchange in St Neots opened last year providing 'office' type accommodation for 14 small creative enterprises.

2.3. There is an approved allocation of MTP funding for the provision of starter units in St Ives, which is the only market town where the Council does not have any units at present. There has been a problem in finding a development site until the Caxton Road depot became vacant in 2007. This site of 0.45 acre is ideal for a scheme of small starter premises.

2.4. As well as providing some industrial units, the proposals include a range of individual offices in a block at the front of the site. The completed development would be managed by the Estates team within the Law Property and Governance division along with the existing industrial, commercial and property portfolio.

3. Planning framework

3.1. Policy CS7 of the adopted Core Strategy (2009) seeks to provide 85ha of land for employment to assist the diversification of local job opportunities and reduce the significant level of out-commuting in Huntingdonshire. The reuse of previously developed land will be promoted especially in the market towns and other sustainable locations. St Ives is a town where out commuting for jobs is higher in percentage terms than in Huntingdon or St Neots (2001 Census) and where 17ha of the total requirement is being sought.

3.2. In addition encouragement will be given to the regeneration of existing industrial estates allowing higher employment activity in more modern premises suited to the current needs of business activity.

4. Local Economy Strategy

4.1 This strategy was published in 2008 and covers the period up to 2015. It identifies the need to maintain a strong and sustainable local economy and paragraph 1.2 of the introduction states:
“ While the local economy has developed successfully, the number of new jobs has not matched population growth. To address past deficiencies as well as future growth it is predicted that between 10,000 and 20,000 new jobs will be needed in Huntingdonshire over the period of the current Regional Spatial Strategy to 2021.”
Furthermore “these jobs need to be created near to centres of growth throughout the district” such as St Ives.(para 2.3)

Paragraph 2.5 states “ We strive for high rates of new business start ups, growth in productivity, innovations in products and services and export led growth, which are all indicators of the economy’s health. Our economy needs coherent and tailored business support services, available space and premises, effective business networks and sub-regional cohesion and connectivity between businesses”

It is noted in paragraph 3.3 that “The local economy has developed successfully but the number of jobs has not matched housing or population growth. As a result there are a large number of people who commute out of the district for work”

4.2 In recognising Huntingdonshire’s location within the Cambridge Growth area, the Local Economy Strategy acknowledges the need to accommodate future sustainable job creation. Start up space is fundamental and “ research consistently identifies the need for basic start up space for businesses in Huntingdonshire. Start up space is important as it underpins new business growth in the high value sectors” (para 4.1.2 LES). This has resulted in the development of the Creative Exchange in St Neots and a current feasibility study for establishing a potential business centre in Ramsey. A range of units in St Ives would greatly support the strategy

- 4.3 Information and anecdotal evidence from the local business support networks such as Business Link and NWES further support the need for flexible in / flexible out office and industrial space.
- 4.4 The strategy also identifies in 4.1.5 that “a focus on inward investment will help more businesses to the district” and this year there have been 16 enquiries through East of England International – the regional inward investment agency. Reflecting the current economic climate, an increasing proportion of these are requests for smaller flexible space for both light industrial and office accommodation within town centre locations. This is borne out by the recent inward investment decision of Enercon – one of the world’s leading companies in the wind energy sector – who chose St Ives to site its UK HQ in a small industrial unit and who is now looking to build on its current success by relocating to larger premises within the town.

5. Proposed Development

5.1. The scheme comprises the following accommodation:

- Industrial - 2 units of 76 sq m (820 sq ft)
- 6 units of 42 sq m (455 sq ft)
- Offices - 6 offices ranging from 19-33 sq m (200-380 sq ft)

The total lettable floor space is 567 sq m (6,110 sq ft).

5.2. The design incorporates a number of sustainable features such as a sedum roof, rain water recycling etc with the aim of achieving a very good BREEAM rating and also a 40% reduction in carbon emissions below the current building regulation standard.

5.3 Planning consent was granted in December 2008.

6. Market conditions

6.1. The last year or so has been a difficult time for the property market generally. Nevertheless enquiries for small industrial units have continued to be received and over the last few months the number of enquiries has increased. So far applicants have been accommodated at the existing locations where there has been a higher rate of turnover than before the downturn. The flexible nature of the lease terms has also assisted in continuing to attract small businesses.

6.2. Unlike the other market towns there are relatively few small industrial and office units available for rent in St Ives. There are a number of industrial premises of around 700-950 sq ft at Royce Close currently available at rents of £7.50 to £9 per square foot (psf). The Royce Close development is approximately 6 years old and includes some freehold

units. At Stephenson Road, on the same industrial estate, there are some older industrial units, dating from the 1980s, which are slightly larger ranging from 1100 sq ft to about 1700 sq ft. These are available at lower rents reflecting the age and size and local agents report that void periods are usually short and that several have been relet recently. Industrial agents involved in St Ives report an increase in activity over and above the levels at Huntingdon and St Neots.

6.3. Over the last few months there have a number of lettings of Council premises at Phoenix Court, Huntingdon, Levellers Lane, Eynesbury, and Highlode Ramsey. Rents at St Neots and Huntingdon have been in the region of £7-£8 psf. Last year the leases on three small units at Phoenix Court, Huntingdon, were renewed at £9 psf.

6.4. There is a particular shortage of small office accommodation in St Ives apart from a few isolated ones near the town centre and the serviced offices at Silvaco House, Compass Point, where the rents are in the region of £45 per sq ft inclusive of rates, heating etc. There are a number of much larger modern offices available in St Ives with asking rents around £15. The second phase of the St Ives Business Park, providing high quality office space from 3,000 sq ft, is due to be completed shortly.

6.5. Having regard to the shortage of quality starter units in St Ives, the recent increase in the number of enquiries for small units and the views of commercial agents active in the area, it is considered that a scheme of small flexible units will prove popular. The proposed rents have been assessed at a realistic level based on current market conditions but these could well increase over and above initial projections if there is an upturn in the local economy.

7. Financial Information

7.1 The scheme has been analysed having regard to the following assumptions:

- Building cost of £1,108k based on recent re-tender which achieved a £70k reduction
- Land cost £120 (current figure in MTP for land is £195k)
- Fees and site costs of £150k
- Capital grant of £25k
- Starting rent of £70 k based on £8.00 psf for industrial and £15 psf for offices with increases at three year intervals at 10% then later at 12%
- Occupancy in year 1 60%
- Maximum occupancy rates of 95%
- Maintenance costs allowances from year 1 into a sinking fund
- Inflation figures of 3% per annum for land, residual building value and refurbishment costs

- Interest on NPV 4.3% (40 year PWLB rate September 2009)

7.2. The prime purpose of the scheme is to provide starter units in accordance with the Local Economy Strategy. The following table shows the capital and revenue implications on a 2010/11 price base for the first three years:

	Pre 2009	2009	2010	2011	2012	TOTAL
	2010	2010	2011	2012	2013	
CAPITAL	£000	£000	£000	£000	£000	£000
Approved						
Land transfer from Offices		195				195
Scheme costs	101	1,025				1,126
Contribution from sale of previous unit		-285				-285
Net	101	935				1,036
Proposed						
Land transfer from Offices		195				195
Construction		558	550			1,108
Fees and site works	99	26	25			150
Contribution from sale of previous unit		-285				-285
Grant income		-25				-25
Net	99	469	575			1,143
Additional Capital Cost	-2	-466	575	0	0	107
						Ongoing
REVENUE						
Approved						
Maintenance costs			10	10	10	10
Rent Income			-47	-75	-75	-75
Net surplus			-37	-65	-65	-65
Proposed						
Maintenance costs				10	10	10
Rent Income				-47	-75	-75
Net surplus				-37	-65	-65
Additional Revenue Cost			37	28	0	0
ADDITIONAL REVENUE IMPACT			22	35	7	7
TOTAL REVENUE IMPACT		7	25	45	18	18

The above table shows there is a net cost which reduces after the initial years while construction takes place and the premises are let. The table does not include the contribution from the County Council which has a neutral impact in financial terms.

7.3. The whole life costs of the scheme over a 25 year period have been assessed and the net present value (NPV) of assessed at £230k This assumes that the units are build, leased out and then sold after 25 years.

7.4. If some refurbishment took place after 25 years extending the life to 40 years then the NPV would be £450k.

7.5. The above financial model has been adjusted to reflect additional build costs of £50k and also a possible delay in achieving 95% occupancy. These show that in the worst scenario the NPV would be reduced to £152K after 25 years and £356k after 40 years. Nevertheless both still show a positive financial return.

8. Options

There are basically three options for this site:

- (i) Sell the land for £120k. Having spent £101k on the site so far this would result in a very small net sum and is not recommended.
- (ii) Do nothing for the time being. There are unlikely to be any other development opportunities for the site and therefore this course of action is not recommended.
- (iii) Proceed with the scheme.

9. Conclusion

The scheme offers a number of benefits:

- (i) It will create over 6,000 square feet of new business space in 14 individual units employing up to 20 people.
- (ii) It will be built to a high specification incorporating numerous sustainable features.
- (iii) The development will also demonstrate a firm commitment to the regeneration of a disused site and contribute to measures tackling the economic downturn
- (iv) The venture will generate a small but positive financial return for the Council.

9.10.09