Development of Woodburn Community Hub

Report by Donald S MacKay, Director, Education & Children’s Services

1. Purpose of Report

- To update Council on the developing of a Community Hub in the Woodburn area.
- To obtain direction on how Council wishes to proceed with regard to the extension.

2. Background

Following the decision to close the Dalkeith Community Centre (DCC) and the relocation of some of the groups to the Dalkeith Schools Campus and other premises, an alternative site was sought for some remaining community groups and eventually Council decided to provide alternative premises through a partnership with the Dalkeith Miners Welfare Club (DMWC), which already hosts a number of groups from the community. The two main DCC user groups i.e. a local nursery group and a social work elderly day care group felt that the setting did not meet their needs, but as the Woodburn community still had concerns about the lack of community facilities in the area, Council decided on 22 June 2011 that the concept of a community hub in the Woodburn area is explored in liaison with the DMWC. This could be achieved by extending the physical capacity of the club, supporting it to attract external funding, providing the funding for one year for a development worker and providing officer time and expertise to ensure that an inclusive and financially viable community hub was fully established in the area.

Weekly meetings have been held with representatives of the Miners Club, council officers and local councillors. Visits, meetings and discussions have also taken place to and / or with other Miners Clubs / Community Hubs and with members of the local community and many options covering a variety of areas have been discussed before arriving at the ones detailed later on in this paper. Officers are also investigating a suitable form of funding / development / service level agreement. Progress against the points agreed by Council and remitted to officers on 22 June 2011 is detailed below.

a) **To increase the capacity and staffing at Woodburn Primary School.** This has been done. All parents / carers of children with funded places at the Community Nursery were informed in writing of the increased capacity and an open day at the school was also arranged by the Headteacher. Parents were also reminded of the option to be able to apply to schools in other areas in Midlothian if this was a more convenient option (due to work, childcare arrangements etc.).

b) **To use the £27,000 previously identified, for refurbishment work at the Miners Club as required, to facilitate community use.** Proposals to improve the changing facilities including a new toilet suite, tea preparation area, enhanced servicescape and better storage facilities have been agreed and once the procurement process is complete, construction will commence immediately with an indicative completion date of November 2011. Please note that approximately £5,000 was already spent from
this budget during the previous phase i.e. when trying to accommodate the nursery group and so the residual budget is about £22,000.

c) **To fund the provision of a development worker.** A job description and person specification was developed and agreed and was advertised at the beginning of this month at a salary of £24,000. With oncosts (pension, national insurance at 25%) and travel & set-up costs, the total cost amounts to £35,000. Once recruited to, the employee will be employed and managed by the Miners Club as is the case in similar set-ups, but officers will continue to provide support and information as necessary.

d) **To explore extending the capacity of the DMWC to provide more community facilities i.e. to transform it from a Club to a Community Hub.** A number of factors to be considered in the creation / development of the Hub were discussed in detail and following a feasibility study, two options are being presented to Council – one is for a single storey, standalone building with gross internal floor area (GIA) of 614m² and the other is a for a two-storey, standalone building with a GIA of 709m². Both include additional outline designs which allow for future expansion as it is anticipated that community demand will continue to grow and the development worker will be able to attract funds in future years to pay for the expansion. **Appendix 1** shows the costs for the two main options (bolded) and for the sub-options. **Appendices 2a and 2b** show the designs for the two options along with outlined sub-options for possible future expansions. The DMWC favour Option 1, which also happens to be the most affordable at £950,000.

Discussions are continuing between council officials and representatives of the Miners Club to determine the contractual arrangements that will exist between the partners during the development phase and once the community hub is operational. A key aspect of these discussions will be to ensure that the arrangements are structured in such a way as to avoid any irrecoverable VAT costs and also that the council meets the requirements of the **Following the public pound** guidance.

3. **Report implications**

3.1. **Resource**

a) The cost of funding a development worker for the Woodburn area for one year is £35,000. The cost of refurbishing the existing club facilities for community use is £22,000, which will be met from the existing allocation for the preceding project at the premises. The construction and associated cost of expanding the premises for additional community use is £950,000. Discussions are ongoing in respect of the contractual arrangements, however it is anticipated that the new premises will be owned and operated by DMWC and as such, the council’s contribution to create the new facilities would need to be met from available revenue reserves. The financial implications and the impact on the council’s reserves will become clearer as the contractual arrangements are progressed.

b) In the interim a Community Learning and Development Worker will be drafted in from existing resources to help identify external funding opportunities and start the application process.

3.2. **Risk**

a) The risk of the development worker failing to successfully apply for external funds will be mitigated by a robust job description, person specification and interview
process attended by both council officers and representatives of the Miners Club and by ongoing support by Community Learning and Development officers who have extensive experience in this area.

b) The risk of building premises not fit for purpose is mitigated by ongoing discussion with members of the community and other Hub operators, so that the design meets the needs of a wide variety of Woodburn residents. Most of the rooms will be multi-purpose so as to ensure maximum flexibility.

c) The risk of the project becoming a financial burden to the Miners Club is mitigated by the ongoing support of the Council, including giving advice about flexibility, appropriate charges and in promoting the use of the facilities within the Council itself.

d) The risk of the Council contributing to the establishing of the Hub and then not having any appropriate returns on investment (high community usage, easy access for all sections of the community etc) will be mitigated by an apposite agreement and by continued partnership working with the Miners Club representatives.

e) There is a risk that the contractual relationship for the development could give rise to additional costs in respect of irrecoverable VAT of up to £200,000. The arrangements put in place will be structured to mitigate against this risk.

3.3. Policy

a) Strategy

The proposal is in accordance with Corporate Objective 1e “to provide suitable infrastructure for the efficient and effective delivery of services to meet the full range of community needs”.

Seeking to do it in partnership instead of completely funding the project unilaterally provides best value to the Council by enabling it to achieve its objective in a very cost-effective way, and supports best practice of empowering communities to achieve community objectives.

b) Consultation

Discussions are ongoing with the Miners Club, officers, councillors and members of the community.

c) Equalities

The new facility will be DDA compliant and access will be available to all sections of the community.

d) Sustainability

The project has provided the opportunity for the Council to work in partnership with the Miners Club to further develop the premises as a community hub for Woodburn and Dalkeith thus promoting a vibrant and sustainable community environment.
4. **Recommendations**

Council is asked to:

a) Note that work undertaken to explore the concept of a Community Hub in the Woodburn area has shown that such a development is feasible, is much needed, and would be warmly welcomed by the community. It would contribute to the achievement of the council’s aims to strengthen services for children and young people, work with communities to reduce anti-social behaviour and promote positive social development, contribute to sustainable development and regenerate and improve Midlothian’s town and village centres.

b) Note the cost of the development worker and the continued positive and crucial role the Miners Club has played.

c) Note the proposals for a standalone extension and the cost of £950,000 and that work is ongoing to progress the proposed contractual arrangements for the development and operation of the premises.

d) Decide how it wishes to proceed. Council may decide on one of the main options tabulated below (along with pros and cons) or decide on a different option altogether.

e) To ask officers, if agreed option entails council expenditure, to report back with proposals that set out financial implications of preferred option along with robust legal agreements designed to promote the partnership with DMWC as well as protect Council interests during the building and subsequent usage of the extension. Proposals for robust legal agreements would entail obtaining specialist legal advice.
<table>
<thead>
<tr>
<th>OPTION</th>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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| 1. Commence the build project immediately, which would entail paying most or all of the £950,000 and potentially incur irrecoverable VAT costs of £200,000. | ● The current momentum would not be lost.  
● Would allay fears in some quarters that Council is not fully committed to providing community facilities in the Woodburn area. | ● Council would have to find funds of almost £1.2m from existing budgets.  
● Council is unlikely to recoup any of the funds through external funding streams and so would foot the bill for the whole project. |
| 2. Start with the preparing of information for Building Warrant submission and then tender documents for issue to the marketplace only, at a cost of about £40,000. | ● This would ensure the momentum continued, without committing to a very large sum.  
● It is possible that by the time this process was completed, external funds could be identified for the main construction phase of the project. | ● Council would still have to find funds of almost £40,000 from existing budgets.  
● The project could stall between the time this process was finished and when external funding became available. This delay could cost money and community confidence. |
| 3. Not commit any funds now, but wait for the development worker to take up position and see what external funds can be obtained first. | ● Council does not need to allocate any funds at the current time. | ● The current momentum would be lost.  
● The delay could be perceived by some sections of the community as a denial of facilities.  
● Other priorities later on could mean that this project is relegated, resulting in damage to the council’s reputation. |
| 4. Agree an offer of grant up to a percentage of the full cost subject to certain conditions. | ● Provides an incentive for the DMWC to draw down funds as soon as possible.  
● Ensures the Council’s objectives are met in line with following the public pound.  
● Should be able to release some of the funds initially to keep the momentum going as per Option 2 while external funds are obtained.  
● Reassures the community of the Council’s continued support and investment to and in the Woodburn area. | ● The agreed sum would still have to be found from existing budgets.  
● The DMWC could not legally commit to construction without having secured the remaining funds. |

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<th>TOTAL (£’000)</th>
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