

Cabinet

1 July 2014

Report of the Cabinet Member for Finance and Performance

The Future of the Burnholme College site

Summary

1. This report sets out the results of the public engagement undertaken about options for the future development of the Burnholme Community College site following the closure of the college in July 2014.

Background

2. In May 2012 Cabinet reluctantly took the decision to close Burnholme Community College due to continually dwindling pupil numbers making the school financially unsustainable. At that time community groups and parents raised valid concerns about the future provision of community facilities delivered from the college site and for the loss of community cohesion as a result of the school closure. Cabinet committed to review the future use of the site with a view to continuing the provision of the existing community facilities.
3. City of York engaged advisors to review current provision on the site, explore potential demand for broader community and sports use and investigate a range of alternative uses for the site, including health and well being, retail and housing .
4. The review team engaged closely with community groups, community leaders and all three local schools to ensure that a broad range of ideas were explored, potential options were understood and the detail of these ideas was worked up to enable a realistic picture of the viability of all options to be assessed.
5. The review sought to establish the objectives of the local community and their views were sought at a Big Local event in July 2013 on the college site when over 300 people spoke to us about their future aspirations for the site. Views were reasonably consistent across

the whole community and there was strong support for the use of Burnholme by the community for a range of activities. The themes that came across from the consultation were :-

- A lot of support for sports uses and for activities that young people would find of interest
 - A place to meet and socialise
 - A place to access local services (Council, health, learning)
 - general feeling amongst most of the respondents that had a view was that they would be ok with an element of housing if it was needed to cross subsidise other community activity
6. Existing and potential users of the site were extensively engaged and their needs assessed with a view to developing options that would mean they could use the site in future. Interest has been expressed by
- Burnholme Nursery
 - Hemplands Kids Club
 - Eccles Training Centre
 - Primary and Community Health Services
 - Pharmacy
 - Explore Library
 - Sports Clubs
 - York Community Church
 - G2 Church
 - SMART
 - Accessible Arts
7. Some of these organisations bring with them reliable long term funding where others are not currently able to pay market rates and will bring less predictable income streams.

The Site

8. A full plan of the site is attached at Annex 1. The full site is 16.8 acres of which 6.8 acres is the brownfield part of the site. The options developed assume that as a starting point only the brownfield part of the site is used and that the 10 acres of playing fields remain as open space, some of this space being used by Applefields School. Cabinet have already made the decision to utilise unused land to the rear of the Burnholme site to locate one of

the two new Elderly Peoples homes which are being developed as part of a separate project. Discussions are taking place with St Aelred's School which abuts this site in order to ensure that they have adequate green space and are happy with the adjacent facilities.

Options

9. A series of high level options were developed, which for completeness included both a "Do nothing" option and a sale of the site for housing, though it was accepted that these options would be highly undesirable.
10. The options were:-
 - A Housing only** – Demolish the existing buildings and develop the brownfield parts of the site for housing
 - B1 Health and Wellbeing Hub** – New Build. This facility would incorporate all existing users and host primary and community health services, an Explore library and provide a home for a range of voluntary sector groups. A small area of land on the brownfield site would be sold for housing (approx 23 homes). This option would demolish the existing structure and design a purpose built facility.
 - B2 Health and Wellbeing Hub** – part refurbished/ part new build. This facility would incorporate all existing users and host primary and community health services, an Explore library and provide a home for a range of voluntary sector groups. A small area of land on the brownfield site would be sold for housing (approx 19 homes). This option would demolish part of the existing structure and design a purpose built facility.
 - C Small scale Community use** – This option would continue some existing uses on the site but would not feature any redevelopment of the buildings. It would however require decommissioning of large parts of the existing site with focussed provision on a small footprint of the existing buildings. In addition the proposed health facilities would not be able to be provided on the site nor would the Explore library facility which would remain in its current location
11. These options were then given a high level commercial development appraisal, assessing
 - a. Cost of redevelopment

- b. Potential capital receipts or external capital income
- c. Potential rental revenue
- d. Other income sources (S106 moneys from Derwenthorpe)
- e. Space requirements of tenant organisations and their ability to pay rent
- f. Fit with community and council priorities
- g. Risks

12. In November 2013 Cabinet assessed these 4 options. They were given a Red/Amber/Green status showing how successful each option was against the following criteria

- a. Affordability
- b. Long term deliverability
- c. Delivers community benefit
- d. Meets Council priorities

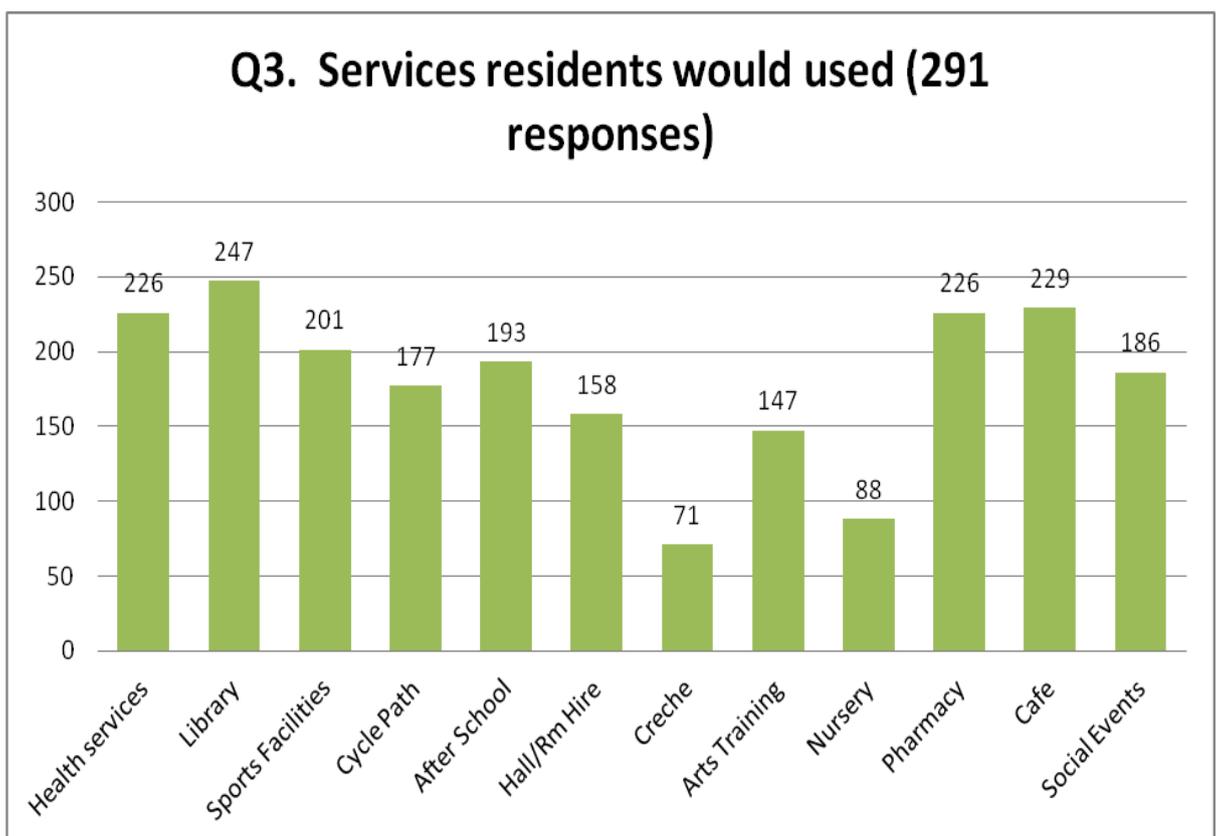
	A	B1	B2	C
Affordability	G	A	A	A
Long term deliverability	G	A	G	R
Community benefit	R	G	G	A
Council priorities	R	G	G	A

13. Cabinet decided to undertake a community engagement exercise to seek views on the options and asked for further work to be done to assess the affordability of options B1 and B2.

Community Engagement

- 14. A community engagement event was held on March 15th 2014. Ten information stalls were supported by around 20 volunteers from existing and future stakeholders, including: Hemplands Kids Club, Burnholme Nursery, York Community Church & CAP, Eccles Teacher Training, Tang Hall SMART, NHS Services, CYC Sport and Active Leisure, Big Local Team and Tang Hall Explore Library.
- 15. Ward members from surrounding wards have been engaged and the event was followed up with displays in local libraries and a presentation to Osbaldwick Parish Council.

16. Two high level spatial plans were commissioned showing how both a new build and a refurbished Community Health and Wellbeing Hub would look. They are attached at Annex 2.
17. 160 people attended the event and a total of 291 questionnaires were received at the event and also from the subsequent display in the Library. The results were very positive.
 - 95% people thought that a community hub would get used, 5% did not say either way.
 - 86% people would be satisfied if part of the site were developed for housing to pay for new facilities. 7.5% said no and 6.5% did not answer
 - 94.5% people think that Community Health and Wellbeing Hub is a good idea for the area, and only 0.6% disagreed
18. The diagram below shows how many people said they would use the following services



19. The following desirable facilities were also identified by individuals

- Gym facilities.
- Skateboarding park.
- Youth Club.
- Swimming pool
- Clubs and events for the elderly and young.
- Night classes and day classes.
- Post Office
- Park/picnic area
- Tennis Court
- Learning opportunities for adults

20. Individual respondents made the following comments :-

- Worried about the level of new housing in the area and the impact on traffic and on school places in the area.
- Some local residents expressed concern that new housing on the site would overlook existing gardens
- A wish for us to build only on the school site not the pitches.
- Want the scheme only if there was a very small amount of affordable housing. Not student lets.

Financial Viability

21. The fuller financial appraisal of the options was considered by Cabinet in the November report. It was clear from early work that the financial viability of developing a Community Health and Wellbeing Hub was finely balanced. Redevelopment of the site would require capital investment which would need to be funded from

- a. long term revenue income from occupants of the facilities
- b. the Council contributing the land at no cost to the development - £2.9m
- c. The injection of the S106 monies from the adjacent Derwenthorpe scheme towards the sports facilities on site
- d. A potential injection of capital from an occupant such as the NHS

- e. Capital receipt from selling housing on the site.
- 22. To develop the site and to make this a sustainable facility there needs to be some financial headroom in the form of an operating surplus built in to the business case to cover known likelihoods and any unexpected issues. Initial master plans show housing only on the brownfield site but as the business case and plans are developed it may be necessary to consider use of some of the remaining green space on the site for housing.
- 23. Further generic financial modelling work is unlikely to add any greater certainty to the picture. In order to gain greater clarity of costs and income it is necessary to firm up the commitment to create a Community Health and Wellbeing Hub and then enter into detailed discussions and negotiations with future occupants about the specification of their requirements and the nature and level of their financial commitment.

The Proposal

- 24. It is proposed that on the basis of the overwhelming support from the local community that Cabinet confirm their support for a Community Health and Wellbeing Hub and commence preparation for delivery.
- 25. To date the project has been run by members of the Asset and Property Management Team around other duties but the next stage will be extremely intensive and will need to be properly resourced. This will involve the procurement of a delivery partner who will be responsible for :-
 - a. Commercial negotiation with future tenants
 - b. Engagement with local communities and third sector organisations to develop future operating models
 - c. Construction of the hub and housing
 - d. Sale of housing
 - e. Engagement with potential social housing providers
 - f. Potential management of facilities
- 26. The Council does not have the in house expertise to develop this scheme and will seek a partner with a track record of delivery of community health and wellbeing schemes who can demonstrate

the ability to work with a wide variety of stakeholders to deliver sustainable flexible community assets.

27. The next stage could well take 9/12 months to complete following which a further report will be brought to Cabinet seeking approval for the implementation of the scheme. The period for any procurement of and completion of the construction/refurbishment works is unknown as it depends on the outcome of the next stage but it is hoped that the completed Health and Well-being Hub will be open in 2016.

Interim arrangements for the Burnholme site

28. The school will cease to use the site from the end of July. Discussions have been taking place with the current community and other occupiers of the site to allow them to remain in occupation whilst the next phases of this project are carried out. In addition a review has taken place to try and reduce the revenue costs of running the site whilst keeping the buildings in a condition suitable for this continued use by these groups. This has resulted in a couple of organisations being willing to move location to enable parts of the school buildings to be 'mothballed'.
29. Agreement has now been reached with all the relevant groups to grant them an initial 12 month licence for space on the site at a monthly fee which seeks to cover the cost of providing the space which they will be using. In addition the Sport and Active Leisure Team will be managing the sports hall, external MUGA, pitches and other sports related facilities and dealing with all the pitch lettings which should result in increased use of these facilities. There will still be a significant proportion of the buildings which will not be used but it is not the intention to seek any further use or lettings of this space as the costs of managing such lettings and uses would be greater than any potential income which would be received and would only be for a temporary period as explained above
30. The result of these interim arrangements will benefit the current community groups which use the site as they will not have to find alternative accommodation now and also will assist with the security of the whole site as the site will be used every day. As detailed above the current users of the site are very interested in being part of the new Health and Well-being centre and there has been good partnership working between the Council and these groups and between each other in helping shape the project,

involvement in the community consultation and working on the interim arrangements detailed here.

Council Plan

31. The development of options was driven by Council's objectives and how options would deliver the principles of the Asset Management Strategy, namely :-
 - Maximising use of council assets
 - Reducing costs by co-locating services in other Council buildings
 - Creating community value by partnering with other public or 3rd sector organisations
 - Creating new homes – supporting Get York Building programme
32. The development of a Health and Wellbeing community hub on the site would meet the Council priorities for **Building Strong Communities** by providing a wide range of community facilities and space for community groups to grow and develop. The provision of health and sports facilities would help **Protect Vulnerable People**. The provision of housing on the site would contribute to **Get York Building**

Implications

33. **Financial** – The potential financial impacts are set out in the body of the report for both the project and the interim arrangements. The full financial implications of final options will be brought back in a future report.

Property – all the implications are contained in this report

Legal – consideration will need to be given to the future governance and operating arrangements for any future facility and legal agreements will need to be put in place at that time. DfE consent may be needed for future development of the scheme.

Equalities – continuation of the open engagement with the whole community will ensure we gather a range of perspectives as plans and proposals are developed. A Community Impact Assessment

has been undertaken of the proposed Community Health and Wellbeing Hub. It is attached at Annex 3.

Human Resources – none

Risk Management

34. There are a number of potential risks associated with a project of this type. These can be categorised at a high-level as follows:-

- Demand – The scheme will only work if the initial interest shown by community and health-related organisations materialises into binding agreements which provide sufficient revenue and capital input. The interest shown is definite and strong and, although it is dependant on further negotiation and a positive outcome from the relevant decision-making bodies, it is considered at this stage that there is a high possibility that there will be sufficient demand to sustain the scheme. The current risk is therefore **medium**
- Planning – a final option will require planning consent. Initial discussions with planning officers on the proposed range of community, health, sports and housing uses have taken place. The proposed uses are acceptable on this site as may be some local retail space. The current risk, as there is still much work to be done on the detail and access to the site is **medium**
- Finance –
 - Capital - currently only high level estimates of development costs have been looked at for each of the short-listed options. There will be need for capital input which will come from the interested occupiers (either directly through a capital contribution or a commercial level of rental which will enable borrowing to fund the costs) and the sale of part of the Burnholme site for residential development. Generation of this capital will depend on market conditions at the time and also the availability of funds from external sources. Until further design and detail is known the risk is currently **high**. Finalisation of capital costs will need to be undertaken when a final option is identified.
 - Revenue - once the development is completed there will be a revenue cost in running the facility which will need to be recovered through income generated from use of the site by the occupiers mentioned in this report and others including the public. This will need to include an element of whole life-cycle costing to ensure the long-term sustainability of the facility. Community groups will find it more challenging to guarantee this revenue income on a long term

basis whilst the health organisations which have shown definite interest in this site will be able to make longer term commitments. Therefore the risk level will vary from **high** to **medium/low**

- Community engagement – as detailed in this report the community, through discussions with existing groups on the site, ward members and directly through the Big Local event last year and the community engagement event this year, have been fully involved with this project right from the beginning. There is positive support for the proposals put forward and also recognition of the need to generate capital funds from the site to enable these facilities to be provided. Continuing support is key to progressing this project as quickly as possible and also ensuring its long term sustainability. Therefore it is proposed to carry out further community engagement throughout the project both generally with the community and specifically with those community and other groups which will be users of the site. This level of engagement should ensure this risk is **low**.

Recommendations

35. That the Cabinet note the interim arrangements for the operation of the Burnholme site following the closure of the school
36. That the Cabinet note the results of the public engagement
37. That the Cabinet approves the procurement of a development partner to develop the site as a Community Health and Wellbeing Hub.

Reason: To deliver a sustainable community facility on the Burnholme site and support corporate priorities with respect to Building Strong communities and Protecting Vulnerable people.

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Philip Callow Head of Asset Management Customer and Business Support Services Tel 01904 553360	Report Approved	√	Date 18 June 2014
Specialist Implications Officer(s) N/A			
Wards Affected: Tang Hall, Heworth, Hull Rd, Osbaldwick			
For further information please contact the authors of the report			

Background Papers: Cabinet report, November 2013

Annexes:

- 1 – Site Plan
- 2 – Master plans for Options B1 and B2 for a Community Health and Wellbeing Hub.
- 3 - Community Impact Assessment