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Date: 23 March 2011

Dear Member

**CABINET SCRUTINY COMMITTEE - MONDAY, 28 MARCH 2011**

I am now able to enclose, for consideration at next Monday, 28 March 2011 meeting of the Cabinet Scrutiny Committee, the following papers that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
D1	<u>Edenbridge Community Centre ( 1 - 10)</u>

Yours sincerely

**Peter Sass**  
**Head of Democratic Services & Local Leadership**

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**To: Cabinet Scrutiny Committee**

**From: Des Crilley Director of Communities Cultural Services**

**Date: 28 March 2011**

**Subject: This report is to update Cabinet Scrutiny on the progress made to date on the Edenbridge Centre.**

**Classification: Unrestricted**

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## **1. Background**

- 1.1 The Eden Valley Secondary School site has political history going back to its closure in 2002. Mindful of the impact this would have on the local community, the then Leader of KCC, Lord Sandy Bruce-Lockhart, promised to make the site available to the people of Edenbridge as a base for local community groups.
- 1.2 Being within the Green Belt the site is directly affected by restrictive general planning policies for the area and this has been a major factor in the considerable delays to the scheme. Following planning consent in July 2009, a revised consent was obtained from Sevenoaks District Council (SDC) on the 15<sup>th</sup> November 2010 for a 1,400m<sup>2</sup> Community Centre with 40 residential dwellings by way of enabling development.
- 1.3 The project is included in the current budget funded from capital receipts generated from the enabling development. The previous consented scheme had a financial deficit of some £1.6 - £2.3m and despite the current economic conditions impacting on land values, the deficit has now been resolved through optimising build costs and by attracting internal and external investment.

## **2. Current position**

- 2.2 Working with internal and external partners has secured the necessary investment to make the project viable, while long term revenue costs of the building will be kept low by renting or leasing out spare capacity. An agreement has also been reached for over 100 sqm of photovoltaic's which will ensure energy costs are minimised to the users and any surplus power is sold back to the national grid.
- 2.3 KCC has now entered into contract with Orbit Homes for the sale of the land and the building of the community centre which would be undertaken by Hill Partnerships.
- 2.4 It is envisaged that a not for profit organisation is likely to manage the site and it is hoped that this will ensure it works in tandem with the neighbouring leisure centre to protect the benefits of the local community. Internal users will benefit from any income generated by the centre as these funds will be used to offset costs to partners who have invested capital in the scheme.

- 2.5 The proposed tenure and management framework for the facility can be seen in appendix 1.

### **3. Future dates**

- 3.1 Moving forward the indicative timeline is shown in the following table with possible earlier target dates subject to confirmation from partners.

<b>Action</b>	<b>Target date</b>
Start on site	April 11
Building complete	Spring 12
Building open	Summer 12

### **4. Finance**

- 4.1 Investment from internal and external partners has secured c£1M towards the project being and building costs have now been agreed. The overall project is estimated at £3.2M (construction, demolition, legal and fit out).
- 4.2 The contract is a design and build contract which locks the developer into the scheme regardless of house price fluctuations.

### **5. Learning points**

- 5.1 Using CMY's best practice capital project matrix the summary below sets out some of the core reasons for why the project has progressed thus far to date.

#### **5.2 Project Management**

Strong project management requires clear vision and understanding of the deliverables in order to bring forward the final product. The initial promise spoke of delivering "a community facility" and the relatively high degree of freedom project managers have had in determining what form and shape this should take, has ensured that what is currently proposed will meet the needs and aspirations of both KCC and the local community.

In bringing forward a site on Green Belt land with numerous statutory and none statutory consultees, problem solving has been a key part to ensuring that every hurdle was eliminated.

#### **5.3 Leadership**

Political leadership from the Cabinet Member for CMY's and the Leader has been decisive in moving the project forward and in ensuring appropriate resources and energies were put into delivering the current proposed outcome. Support from the District and the Town Council has also been essential in acquiring the planning and ensuring the project meets local needs.

#### **5.4 Resources**

Adequate resourcing in terms of the project management and the start-up capital needed in order to progress the project has given the scheme the means to be delivered.

#### 5.5 Risks

Formally a school and highly political, the site is located in the Green Belt and considered to be a flood plain. Expected to meet requirements from numerous statutory consultees, planning was the key to delivering the scheme. Despite a falling housing market the risks have been gradually mitigated and removed.

#### 5.6 Partnership & communications

Working in partnership with stakeholders has been a fundamental part of ensuring such a complex project could be brought forward. From building strong political support at the Town and District Council level, to developing a good relationship with planners, open and honest communication has been invaluable in ensuring that the final outcome meets the required needs.

The numerous consultations with community groups internal and external has helped to maximise the number of opportunities to form and shape the final outcome of the building. In addition it has helped to secure much needed investment income into the facility.

#### 5.7 Timing

The current proposed solution recognises that the work and dedication of previous project managers set in place the principals and parameters for the current site. Without this work and determination on their behalf the current solution would be unlikely to be in such an advanced state. While the timeline for the site is to be acknowledged, the diverse requirements of the stakeholders prior to this made a final solution complicated and the current solution has been helped by a sense of apathy from some of these stakeholders to simply see something happen.

A project matrix was developed in response to some of the issues raised above including managing other capital projects. For further detail on the matrix please see appendix 2.

### 6. Recommendations

- 6.1 The Cabinet Scrutiny Committee is asked to note the contents of the report and its appendices.

Des Crilley: Director of Community Cultural Services

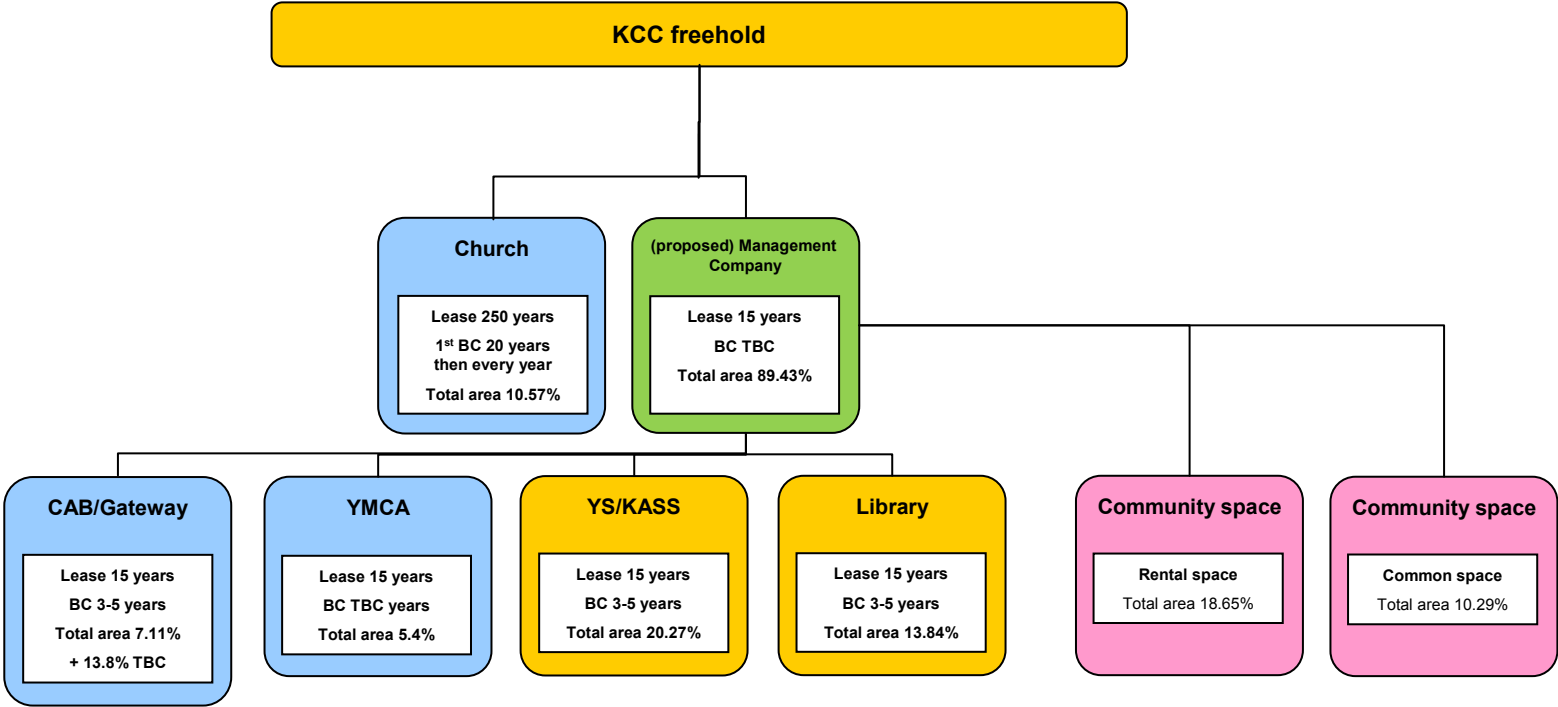
Jonathan White: Capital Project Officer  
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***Appendix 1 - Management framework***  
***Appendix 2 - Project matrix***

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# Edenbridge Centre

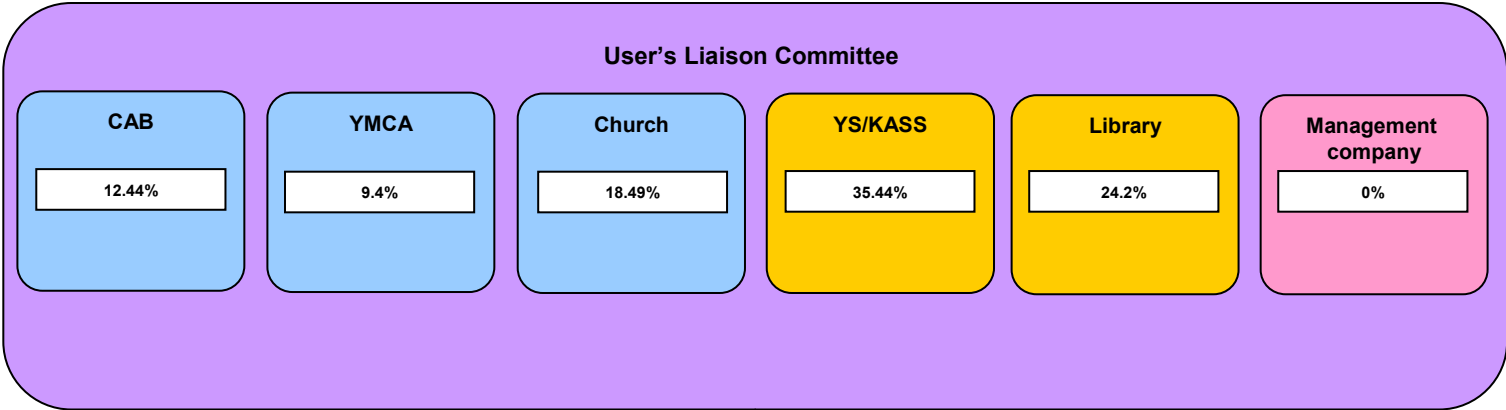
Legal framework



# Edenbridge Centre

Management setup

KCC Head of Property (dispute resolution)



KCC or Management company

Community Centre



# Appendix 1

## CMY INVESTMENT PROCESS - RESPONSIBILITIES FOR STAGES & TASKS

Revised 03/09/2008

STAGE	MAIN TASKS	L: Lead		S: Support	
		CMY SERVICE	CMY F&AM	CMY SMT as Board	CED PROPERTY GROUP
<b>PROJECT START-UP</b>		L			
<b>CONCEPT FORMULATION</b>		L			
	Outline the concept & business case - needs, benefits, VFM	L	S		S
	Decide source of 'property' advice & support during project life	L			S
	<i>APPROVAL TO STUDY FEASIBILITY (including Revenue expenditure on specialist fees) [Gate 0: Strategic assessment]</i>			L	
<b>FEASIBILITY STUDY</b>		L			
	Examine technical & financing options - designs, estimates of costs & savings over whole life	L	S		S
	Develop Business case: Service benefits (market, social, economic, political, legal), sharing, partnership	L	S		
	State explicitly all conditions, assumptions, risks, mitigations	L	S		S
	Estimate Return on Investment. Compare alternative proposals.		L		
	Prepare Feasibility Report for Project Appraisal Group		L		
	<i>APPROVAL TO PLAN by Leader / Cabinet / Portfolio Holder (achieved in Budget-making process) [Gate 1: Business justification]</i>			L	
<b>PROCUREMENT STRATEGY DEVELOPMENT</b>		L			
	<b>PROJECT MANAGEMENT PLAN</b>	L			
	Organisational structure, staffing requirements	L			
	Planning permits, site acquisition, related legal services	S	S		L
	Identify and resolve other legal & commercial issues	L	S		
	Draft form of contract & payment schedule	S	S		L
	<b>FINANCIAL PLAN</b>		L		
	Sources & uses of funds, timing, earmark funds	S	L		S
	Cashflow model, assumptions, sensitivity, impact of technical options	S	L		S
	Return on Investment vs alternative projects		L		S
	<b>TECHNICAL PLAN</b>	S			L
	Appoint design team (client Service, consultants)	S			L
	Draft technical scope of works & specifications	S			L
	<b>OPERATIONAL PLAN (PRELIMINARY)</b>	L			S
	Agree procurement options & strategy	L	S		S
	Prepare Procurement Strategy Report for Project Appraisal Group	S	L		S
	<i>APPROVAL TO SPEND by Leader / Cabinet / Portfolio Holder [Gate 2: Procurement strategy]</i>			L	
<b>PROCUREMENT COMPETITION</b>		L			
	Prepare Tender Dossier. Invite & receive tenders.				L
	Assess tenders. Propose preferred tenderer for contract	S	S		L
	<i>APPROVAL TO CONTRACT [Gate 3: Investment decision]</i>	L			
<b>CONTRACT MANAGEMENT</b>					L
	Manage contract/s. Monitor progress. Check invoices.	S	S		L
	Comply with Financial Plan. Make Stage Payments.	L	S		
	Commission (the building, equipment, IT system, manuals, etc)	L			S
	<i>RECEIVE NEW ASSET [Gate 4: Readiness for service]</i>	L			S
	Make penultimate payment	L	S		S
<b>OPERATION DURING DEFECTS LIABILITY PERIOD</b>		L			
	Prepare Operational Plan (Final). Occupy asset & set it to work.	L			
	Ensure contractor fixes snags, settles other warranty issues	S			L
	Establish Planned Maintenance Schedule & Agreement	S	L		S
	Update Enterprise database	L	S		S
	Make Final Payment. Release performance bond. Close contract.	L	S		S
	Post-contract review of contract management	S	S		L
<b>OPERATION</b>		L			
	Make operational expenses & savings	L			
	Demonstrate improved quality of Service per Business Case	L			
	Prepare a Post Completion Review report for this project	L	S		S
	<i>POST COMPLETION REVIEW REPORT accepted by PAG. [Gate 5: Evaluate benefits]</i>			L	
<b>PROJECT CLOSE-DOWN</b>		L			

# Appendix 1

## ROLE DESCRIPTIONS

### ALL KCC PARTIES

- 1 Apply the process and procedures described in the approved documents: Capital programme - process and procedures; Capital forms; Medium Term Plan (Section 6 & Appendix D: Capital Strategy); Spending the Council's Money; Financial Regulations.
- 2 Obtain specialist advice when necessary, e.g. from CED Legal, CED Personnel; and external consultants.
- 3 Dialogue with external partners, especially co-investors, ensuring proper governance and risk control of KCC's interests.
- 4 If KCC CED Property Group is not the main source of 'Technical' planning and Contract Management expertise (being replaced by e.g. another agency or council or a private developer), then KCC directors must ensure that respective roles and tasks are clearly specified, mutually agreed and managed to benefit KCC.

### CABINET PORTFOLIO HOLDER, CMY

- 1 Approve Service Standards.
- 2 Provide strategic governance of asset development.
- 3 Give Approval to Plan & Approval to Spend, for schemes costing less than £1 million.

### MANAGING DIRECTOR, CMY

- 1 Approve Service Standards.
- 2 Set the strategic direction and process controls for capital asset development.

### CMY SENIOR MANAGEMENT TEAM

- 1 Ensure compliance with the approved instructions for capital works. Control quality of CMY decision-making.
- 2 Balance priorities and competing requests for finance within CMY. Agree, defend and amend (from time to time) CMY investment criteria and financial planning, in conjunction with Portfolio Holder.

### CMY SERVICES

- 1 Identify and formulate desirable capital projects. Make preliminary study of feasibility for each proposal. Prioritise alternatives.
- 2 Secure capital & revenue funding for desired projects, with approvals to plan & spend on them.
- 3 Drive and manage each capital project throughout its life.
- 4 Appoint a suitably competent client-side lead officer.
- 5 Lead on all Stages except Contract Management. Retain control and overall coordination when delegating some Tasks to appropriate specialists.
- 6 Support Property Group during Tender Assessment & Contract Management.
- 7 Lead on commissioning, occupying and operating the new asset; and on preparation of a Post-Completion Review report for SMT and PAG.

### CMY POLICY & RESOURCES (esp. Finance & Asset Management - Capital Strategy Team)

- 1 Define and apply the CMY investment criteria.
- 2 Manage CMY capital asset portfolio. Assist Services in identifying their future property requirements.
- 3 In the Feasibility Study Stage, lead on financial (capital and revenue) implications. Ascertain the conditions under which a proposed project would be financially viable and fundable. Prepare feasibility report for consideration by CMY SMT and Leader's Project Appraisal Group or the capital budget process.
- 4 In the Procurement Strategy Development Stage, prepare or quality-control preparation of each proposal's Financial Plan. Explore and obtain funding pledges. Comment on cost options of technical design as it evolves. Lead preparation of the Procurement Strategy Report for consideration by SMT and PAG.
- 5 When the completed building is ready for occupation, establish a Planned Maintenance Schedule & Agreement (liaising with CED Property Group and suppliers to obtain as-built drawings, machinery maintenance manuals etc).
- 6 Insist that the sponsoring Service leads on managing each Stage (except the Procurement Competition Stage led by CED Property Group).
- 7 Generally: Prepare Capital Budget & Programme for MTP each year; monitor and control its spending. Control delegated portions of budget (refurbishment, planned maintenance). Prepare F&AM revenue budget in Annual Operating Plan.

## Appendix 1

- 8 Manage Minor Works (running repairs, Planned Maintenance, Refurbishment) and control associated budgets.
- 9 Set, harmonise and implement definitions and practices for landlord's and tenant's respective responsibilities for Minor Works.
- 10 Coordinate CMY Services' input to Local Development Frameworks (led by E&R).
- 11 Pursue Developer Contributions, maintain accounts & records of obligations, coordinate with Legal team on KCC case notes.
- 12 Defend CMY case at Planning Appeals (to maintain right to obtain Developer Contributions).

### PROJECT MANAGEMENT BOARD (p7, Capital programme - process and procedures)

- 1 "All projects that have received Approval to Plan should have a properly constituted project board that governs, monitors and directs the project throughout its lifecycle. The project [board] should have at least the project sponsor representing the council, a senior user impacted by the service, and a senior supplier or technical specialist.
- 2 "This approach will ensure projects have a firm steer and will help to mitigate the risk of delays occurring.
- 3 "For smaller projects, it should be decided on a case by case basis whether there is a need for a project board or to use an existing reporting process to a directorate project board.
- 4 "Please refer to the Project Management Practice Manual ... for further information." [This manual is being prepared by Property Group. Meanwhile, refer to RIBA and RICS standard documents for relevant project manager duties.]

### CED PROPERTY GROUP

- 1 Support the sponsor Service in its overall management of the project and all Stages except Contract Management.
- 2 Lead and manage the Contract Management Stage (construction stage) on behalf of the project sponsor Service.
- 3 Advise the sponsor Service on all aspects of asset management, leases, tenancies and building covenants that are necessary to deliver the project.
- 4 Advise the sponsor Service on any planning, ecology and environmental issues, and arrange for surveys and investigations necessary to develop the project through its life.
- 5 Advise the sponsor Service on all matters relating to energy, BREEAM rating, sustainability and whole life costing for the project.

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