

Report subject	Hawkwood Road Community Centre – Towns Fund Masterplan
Meeting date	2 October 2024
Status	Public
Executive summary	<p>On April 18, 2024, a resolution to grant full planning permission (subject to the s106/Unilateral undertaking being issued in October) was made for the development of 68 residential flats, a GP surgery and pocket park, and a new pedestrian boulevard activated by 4 retail kiosks and a community Centre, the entirety of which, is called Hawkwood Road and will be delivered in two stages.</p> <p>The new pedestrian boulevard, four kiosks and Community Centre forming part of the site, are the focus of this report.</p> <p>The report is to approve the expenditure of funding for the full build and fit out of the Community Centre. This forms a significant part of the Boscombe Towns Fund masterplan which seeks to regenerate this area of Bournemouth. All projects associated with the are to be delivered by March 2026.</p> <p>Whilst amendments to the masterplan are currently being considered, the Community Centre remains as outlined in the granted planning approval.</p> <p>The creation of the pedestrian boulevard between Christchurch Road and Hawkwood Road will accommodate the four retail kiosks and associated seating. This is made possible by the demolition of the former W H Smith building which was purchased on 24 June 2024.</p> <p>This part of the project is being fully funded by the Boscombe Towns fund Grant.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet recommends to Council:</p> <ol style="list-style-type: none"> Council approves the demolition of the former WH Smith building (625 Christchurch Road), the creation of the new pedestrian boulevard and the construction of the new community Centre and associated hard and soft landscaping for a total scheme cost of £4.1m Council approves the financial strategy for the scheme as set out in paragraphs 11 - 22 with specific approval for the use of £4.1m of Towns Fund grant funding to pay for the delivery of the Community Centre. Council approves entering into a Service Level Agreement with the council's Construction Works Team (CWT), for the building of the community Centre and pedestrian boulevard between Hawkwood Road and Christchurch Road.

	4. Approve the delegation to the Chief Operations Officer, in conjunction with the Director of Finance and the Director of Law & Governance authority, to enter into a contract for the building works, providing all key parameters (including delivery within approved capital budget) are met.
Reason for recommendations	To enable the proposed project to progress with the agreed funding arrangements through to construction and subsequent completion to deliver the wide range of benefits to the council and local communities.

Portfolio Holder(s):	Cllr Kieron Wilson, Portfolio Holder for Housing and Regulatory Services
Corporate Director	Glynn Barton, Chief Operating Officer
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Contributor	Irene Ferns, Senior Strategic Estates Manager
Wards	Boscombe West
Classification	For Decision

Background

Site background information

1. This project is a part of the Boscombe Towns Fund Programme and includes MHCLG funding.
2. The BCP Council owned sites consist of two car parks, the main Hawkwood Road car park and a smaller car park behind Costa Coffee, where the community Centre is to be built.
3. Hawkwood Road runs east west between the two car parks. The council also owns 625 Christchurch Road, previously occupied by WH Smith and purchased on 24 June 2024. This building will be demolished and replaced with the new pedestrian boulevard where the kiosks are to be built.
4. Adjacent to the smaller car park are the rear of Christchurch Road retail properties, including Costa Coffee and Sainsburys.
5. A narrow alleyway links the smaller car park with Christchurch Road, the main retail center of Boscombe. This alleyway runs between 625 Christchurch Road and the Costa Coffee building. There is an alternative pedestrian route through an alleyway between 633 and 635 Christchurch Road which links the car park with Christchurch Road.
6. Resolution to grant full planning approval was received on the 18 April 2024, to develop the full site with highly energy efficient homes, a community Centre, doctors' surgery and a new public garden. An area of the main public car park will be retained. The planning approval allows for a phased start.
7. An alternative design for part of the main public car park is being considered due to issues with the commercial element potentially being unviable. The community Centre remains unchanged.
8. Approval is being sought to carry out the demolition of the former W H Smith building, construction of the pedestrian boulevard, community Centre and associated hard and soft landscaping.

Proposed scheme

9. The scheme consists of the demolition of the former W H Smith building to facilitate the construction of the new pedestrian boulevard linking Christchurch Road and Hawkwood Road. A new community Centre will be built on the car park behind Costa Coffee. Demolition and construction works are expected to commence in early 2025. It is anticipated this will take 18-24 months to complete.
10. Plans of the approved scheme are included in Appendix five.

Summary of financial implications

Financial Strategy

11. Subsidy for the overall scheme (including residential) was previously included in the Towns fund update to Cabinet on 11 January 2023 which included £8.384m of borrowing and £7.125m of Towns fund grant. The grant figure has been increased to £13.311m following the removal of the Royal Arcade project and reallocation of funding agreed by MHCLG.

12. The estimated Total Scheme Cost for the demolition and construction work for this phase is circa £4.1m, with the rest of the subsidy expected to be used for the larger part of the site (residential/pocket park).
13. Appendix One sets out the proposed financial profile of the scheme for the General Fund (GF). The total scheme costs are estimated to be £4.1m profiled over the 20-month period as the construction phase moves ahead.
14. Prudential borrowing for the community centre, demolition and kiosks is not required. The scheme costs will be fully funded by Towns Fund grant. There will not be rental income from the community centre, with the incoming service provider (or operator) funding the maintenance of the building directly. The Council will remain responsible for Landlords major repairs. This is not expected for the first 10-year period of the life of the asset.
15. Table of financial assumptions

Appendix 1 - Financial Summary for			
Hawkwood Road community centre and W H Smith demolition			
Community centre, W H Smith demolition, pedestrian boulevard			
		£000s	
Scheme Costs		£	-
Works			3,663
Fees			84
Interest (during Build Phase)			
Other costs (Contingency at 10%)			367
Total Scheme Cost			4,114
Scheme Funding			
Towns Fund Grant			(4,114)
Total Scheme Funding (as Cabinet and Council Approved)			(4,114)
Net Cost shown as Shortfall if +ve			0

Prudential Borrowing

16. Prudential Borrowing is not necessary due to the scheme being fully funded by Towns fund grant.

Taxation and Public Sector Subsidy

17. The construction of a new community Centre is not subject to any VAT exclusion and will therefore be chargeable at the standard rate. Provided the community Centre is leased to a charitable organisation on a peppercorn lease and that the council does not receive any consideration in return, (either in a form of a lease premium, service charges, contributions towards capital works, ongoing repairs etc.) all VAT paid on construction will be fully reclaimable.
18. Further tax advice should be sought if the future use of the property changes, to ensure VAT incurred on the construction of the community Centre does not affect the council's partial exemption status.
19. Stamp Duty Land Tax (SDLT) is not applicable as no land transfer is taking place.
20. Subsidy Control is applicable as State resources are given to the council, in terms of grant from MHCLG.

Value for Money

21. The financial appraisals set out in Appendices One, Two and Three show that the scheme is viable in the short, medium and long term for the council.
22. At this level, the scheme remains viable in terms of costs as it is being fully funded by Towns Fund grant. A 10% contingency budget has been included in

the financial appraisal.

Approval Conditions

23. Should the build cost increase, grant funding would need to increase to cover the increased build costs. Should costs reduce, typically the funding will reduce proportionately. In both cases this will affect the larger part of the site Town Fund subsidy levels.

Consultation

Year	Type of Engagement	Length	Respondents	Associated Workflows
2020	Consultation (Town Investment Plan)	6 weeks	447	Boscombe Masterplan
2020-Ongoing	Stakeholder Engagement	4 years	Towns Fund Partnership, Strategic Towns Fund Board, Masterplan Project Board, Community Centre Project Board, Other subject Project Boards.	
2020-2024	Stakeholder Engagement	2 years	Boscombe Forum, Boscombe and Pokesdown Neighbourhood Plan, Boscombe Village Hall Group, Local Medical Practice NHS, Integrated Care Board for Dorset, Boscombe Traders Group and Police Neighborhood Inspector	
2022	Consultation (Phase one- Masterplan)	4 weeks	504	
2023-Ongoing	Briefing	4 times a year	3 Councilors	Strategic Towns Fund Board

24. Consultation with the Boscombe Towns Fund Strategic Board for approval to change the grant funding allocation will run concurrently with the revised planning application. This was considered and agreed at the board meeting on the 22nd of August.

Summary of legal implications

25. Following earlier reports, the land is held for planning purposes and accounted for in the General Fund. There will be no adjustment required, as the area where the community centre is located will stay in the General Fund.
26. The Council will need to comply with all relevant procurement requirements in undertaking the proposals contained within this Report and the Council will seek further procurement and legal advice in procuring the works contract and completing the appropriate documentation for the construction elements.

Summary of human resources implications

27. The existing Housing Delivery Team will oversee the delivery of this scheme alongside the other new build schemes in the pipeline. Demolition works for the WH Smith building will be procured by the Housing Delivery team.
28. The construction works for the community centre, boulevard and kiosks will be provided by BCP's in-house Construction Works Team, (CWT). Other professional services have also been procured e.g. architects to bring this scheme forward.

Summary of DIA impact

29. A copy of the Decision Impact Assessment is included in Appendix 4

Summary of sustainability impact

30. The development will provide an energy efficient community centre to help address the BCP Council declared Climate and Ecological Emergency 2019. The development will contribute to the council's commitment to achieving a net zero carbon emission target.
31. The community centre will be built to high sustainability standards delivered through the excellent fabric first and airtightness approach (designed in this case to accommodate the principles of Passivhaus but not the external accreditation/certification element). This standard offers the benefit of low carbon heating requirements, high levels of energy efficiency and an off-gas heating system.

Summary of public health implications

32. The development of the community centre and pedestrian boulevard will benefit the local residents and the wider community, giving careful consideration to the wider locality to help create an attractive area which improves the wellbeing of the community.

Summary of equality implications

33. A copy of the EIA is included in Appendix 6.

Summary of risk assessment

34. The following key risks have been identified alongside mitigating actions:

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Rising construction costs render the project unaffordable	Low	Good project management will enable the close monitoring of progress and any issues that may arise to be dealt with promptly. The estimated build cost budget, set at circa £3.6m, is an inclusive Design & Build cost procured through BCP's Construction Works Team. A further 10% contingency is included in our financial appraisals.
Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Scheme not gaining a satisfactory planning consent	Low	Planning resolution to grant for the proposed scheme was granted at the 18 April 2024 planning committee.
Increased fire risk during construction phase	Low	Design and construction will be closely monitored by the Housing Delivery Team, Employers Agent and the Surveying Team.

35. Property development activity involves inherent risks, but a cautious approach has been adopted here to minimise these risks as much as possible. Financial contingencies have been included and significant consultation has been undertaken to date to help ensure a sustainable scheme.

Background papers

[CNHAS report 2021-2026, September 2021](#)

[CNHAS update paper April 2022](#)

[Towns Fund Update January 2023](#)

Appendices

Appendix One: Financial Summary

Appendix Two: Financial Appraisal Long-term Cash Flow

Appendix Three: Summary of Appraisal Assumptions

Appendix Four: Decision Impact Assessment (DIA)

Appendix Five: Approved plans

Appendix Six: Equality Impact Assessment (EIA)

Appendix Seven: Project Plan

Appendix Eight: Carbon Reduction Report