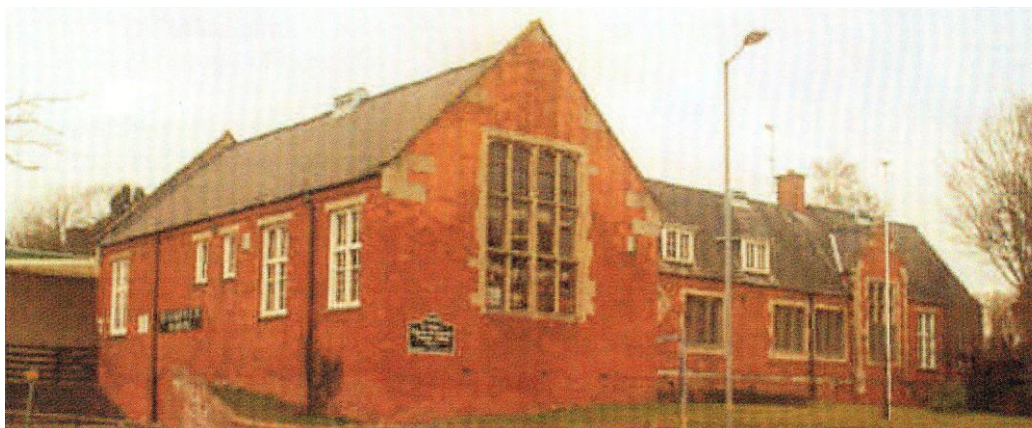




ST LUKE'S PROJECT BUSINESS PLAN 2010

Prepared by St Luke's Project Team
with the assistance of
The Development Trusts Association

This business plan can be downloaded in PDF format from <http://www.dustonparish.org.uk>



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The financial forecasts can be viewed at the Parish Council Office at the Community Centre Pendle Road

Summary

The project is to establish a community facility on the redundant St Luke's school site Duston. This prominent site, at the entrance to the village, is composed of three elements:

- The buildings originating from 1856 with additions in the 1960s
- A spinney with 400 year old yew trees protected by a Tree Preservation Order
- A playing field and open space

In 2005 it became known that the school would be relocating to a new site. It was also learnt, due to educational reorganisation, that the school site would be made available for residential development. Local concern was expressed at this proposal as a result of which the Parish Council set up a team of local residents and councillors to investigate other possibilities for the site. A public consultation indicated that there was a strong desire to retain the Victorian school building as a significant feature of the village. In addition large numbers of residents wanted the playing field to be kept for community use.

In 2006 a feasibility and viability study was undertaken by the team to explore the possibility of retaining the site for the community. During the investigations it became clear that there was a need for an additional community facility in Duston primarily due to four factors:

- A dramatic increase in residential development over the next 3 years in close proximity to this site
- A resultant expected increase in young people with families.
- Lack of sufficient facilities within Duston for the existing population.
- Evidence of community needs, particularly for the young and old, not being met.

The feasibility study recommended that the Parish Council should pursue the possibility of acquiring the site for the community provided it was financially supported by commercial lets of some of the buildings on the site. Development plans were subsequently drawn up which identified three distinct areas of the building:

- A Community area
- A Day Nursery
- Commercial offices
-

Planning permission for the redevelopment of the site was granted by the WNDC in August 2009.

Plans were drawn up for the refurbishment of the building with the estimated cost for the conversion of the whole site totalling £ 868,315. The estimated costs for each area are:

- Community area £365,844
- Day nursery shell £ 51, 686 (to be fitted out to the nursery provider's requirements)
- Commercial offices £249,938
- External works £160,847
- Asbestos disposal £ 40,000

Funding for the development of the site will be from four main sources:

- A loan from the Public Works Loan Board over a period of 20 or more years for the capital development of the site: £400,000 -600,000
- A proportion of the Parish Precept allocated to the project over the last 3 years: £353,000
- Local fund raising which is already generating an income for the project: £2,000+
- Applications for grants have already been made. Once the site is acquired it is intended to apply for specific grants for identified needs.

A Community Interest Company will be granted a sub-lease by the Parish Council to run the Centre with a professional manager in charge. This will be registered with 6 directors The Duston Parish Council will be represented on the Board along with local residents and users. This involvement of the community in the running of the centre will give joint ownership and local involvement in the centre's future.

Continuing research, discussions and negotiations are ongoing relating to the use, users, hire charges, rental income and running costs. This has involved evaluating similar establishments, such as the Doddridge Centre and Southern Quarter Centres as well as the local facilities including the Village Hall and the Community Centre. In addition we have established considerable interest by organisations and individuals for using the proposed facilities on offer. We have also estimated the community benefits accruing from the St Luke's project in the first year including:

- Individuals, especially the elderly, benefiting from sessions at the Centre 400
- People benefiting from outdoor sport 250
- Jobs housed at the Centre 20
- Children provided with nursery education/care 48
- People released to return to work or voluntary activity 25

Recently an application was made, by local residents, to establish a Village Green on the field. This issue is still ongoing and the project team are maintaining contact and consulting with them on plans relating to the field and the rest of the site.

We believe it is possible to run the Centre on a viable basis. Based on our forecast levels of hiring and utilisation, the Centre will have begun operating at a profit by the end of its first year and will be capable of delivering a healthy surplus from that point onward.

The historic significance of the buildings and their previous use, together with the needs of the community, have driven the project. In addition this corner of the old village, within the conservation area, is a focal point. Its visual importance is self evident but its importance as a vibrant, lively meeting point, with movement of people in and around the area, is equally

significant. With the closure of the school this has been lost. It is now a 'dead' area skirted, not embraced, by the community. This project will bring it back to life. We hope you agree.

We would like to thank the Northants Community Asset Project and the Development Trusts Association for the support we have received in the development of the Business Plan. In particular we thank Rachel Elliott and Paul Davies for their invaluable assistance.

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1 Introduction

1.1 Background

1.1.1 The Village of Old Duston

Duston is an historic village located to the west of Northampton, off the A45 leading to Junction 16 with the M1 motorway.

It dates back to Roman times and was an important Medieval centre. There was rapid residential expansion north of the old village during the 20th Century so that today Duston is a busy, densely populated suburb of Northampton with a population of more than 13,000 people. However, the old village still retains its historic character and much of the old centre has been designated as a Conservation area with St. Luke's School site the central feature (see appendix A)

1.1.2 The Project

A The school buildings

In 1856 Lord Palmerston, the head of the Melbourne family who owned much of the village, endowed a site for a village school, which was conveyed to the Vicar and Churchwardens. The original deeds show the purpose of this as:

"...to permit the said premises all buildings thereon erected or to be erected to be forever thereafter appropriated and used as and for a school for the education of children and adults or children only of the labouring manufacturing or other poorer classes in the parish of Duston ..." (see appendix B)

The Parish Council is anxious to retain the School in a use which respects the spirit of this original deed. This need is reiterated by English Heritage in "The future of Historic School Buildings" (2005): "When considering possible options for the future of historic schools, local education authorities should ...where educational use has been ruled out, seek an alternative sympathetic re-use".

A specific reference to the site is made in the Draft Conservation Appraisal Plan (2009) produced by Northampton Borough Council:

"The vacant School also raised considerable concerns about future uses for the site, as such it would be vital to the historic character of Duston that the red-brick school building is retained and re-used as a facility which is as close to its original use as possible."

B The Spinney

The Spinney is part of the School site but lies outside the Conservation Area. It was originally the site of a house and garden, which was bought by Northamptonshire County Council; the house was demolished and the land incorporated into the School site. There are a number of 400 year old Yew trees on the site and in 2007, at the request of the Parish Council, a Tree Preservation Order was made to give the site some protection from development.

C The Playing Field

The former playing field of the School appears to have been open to the public for a significant period of time. It was sold to Northamptonshire County Council in the 1970's and was incorporated into the School site. There is strong belief in the village that this site was bequeathed for use by the children of the village, but no evidence for this belief has been located. A group of local activists has sought to have this part of the site designated as a Village Green.

1.2 Who are we?

The membership of the Project Team has varied over the life of the project. Today there are 9 members all local residents

In 2006 the chairman was asked by the Parish Council to assess the interest in acquiring the redundant village school for community use. Through a number of publicity events a team of ten interested residents was assembled to consider the feasibility of this project. Once the feasibility was established the team's aim has been to acquire the site for the Parish Council, set up a self financing centre supported by commercial rentals and arrange for the needs of an expanding community to be addressed.

In the nature of such a long term project the membership of the team has varied but always maintained its enthusiasm

It is expected that some members of the team will be part of the board of a Community Interest Company to assist in the running of the Centre on behalf of Duston Parish Council

(see appendix D for details of the project team and professional advisers)

1.3 Vision & Aims and Objectives

1.3.1 Vision

- To be a facility of which every resident of Duston will be proud and from which all will benefit whilst preserving our built heritage for future generations

1.3.2 Aims

- Retain and promote a community identity for Duston by adapting redundant historic buildings
- Provide a self-financing community facility within Old Duston village
- Cater for an expanding population
- Create a functional centre with flexibility of use
- Involve the community in the management and running of St Luke's Centre

1.3.3 Objectives

- Meet a diversity of needs, particularly focussed on the young, the old and newcomers ° Provide commercial properties to diversify services and employment opportunities as
- well as providing an income for the project ° Provide day nursery for leasing to provide an income for the project and as facilities for
- pre-school children from newcomer families o Provide a structure of management incorporating user groups within the decision
- making process
-

1.4 Purpose of this plan

This is a Business Plan produced to support the transfer of the former St Luke's Church of England School, Main Road, Duston from Northamptonshire County Council to Duston Parish Council. It envisages the creation of a new organisation who will sub-let part of the site from the Parish Council and manage it to provide a new community facility for the benefit of the people of Duston.

The Business Plan has been produced by a Project Group of local residents, including representatives from Duston Parish Council, with support from the Development Trusts Association as part of the Northamptonshire Community Assets Project.

The project team would like to thank the Duston Parish Council for its support throughout the life of the project from 2006 with the Feasibility Report to the present day. In particular its financial backing has been and continues to be invaluable.

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2 Current Situation

2.1 The Premises and Site (see plans appendix C)

As part of their plans to dispose of St Luke's C of E School, Main Road, Duston, Northampton, Northamptonshire County Council commissioned WS Atkins Ltd to prepare a planning brief¹. This identified the total site area of the former school as approximately 1.5ha. The playing field area in the south west is approximately 0.83ha. The land to the north east which contains the School buildings is 0.67ha.

The School is located at the centre of Old Duston village approximately 3km to the west of Northampton town centre and shown on the location plan attached at Appendix C. It falls within the boundaries of Northampton Borough Council and Duston Parish Council. The portion of the site that fronts Millway/Main Road lies within the Old Duston designated Conservation Area but the woodland area to the rear is outside the Conservation Area.

St Luke's CE VA Primary School (as the former St Luke's Church of England Lower School became known in August 2004 following the Schools Review) moved to a new site on the former St Crispin's Hospital site in March 2008.

The playing field area is approximately 94m Above Ordnance Datum (AOD) and slopes down to the north-eastern boundary of the school site which is approximately 90m AOD. It is mostly laid to grass, with shrubbery on three of its boundaries. It is separated from the main School site by a public footpath from Melbourne Lane, laid to tarmacadam.

There is an area of woodland known as The Spinney that separates the School building campus from the playing field and a number of trees line the north eastern boundary. This woodland obscures any views of the School from the footpath and playing field.

An architectural appraisal was undertaken in March 2006. The former School buildings are of two principal dates. The original 1856 building is a single storey building with a pitched roof and its gable end facing Main Road. The walls are of redbrick and the roof is covered with Welsh slate. The original building was extended on three occasions at various times between 1893 and 1937. It fronts onto the Main Road/Millway junction.

The later school buildings consist of a number of extensions constructed during the 1960's and include a hall, kitchens and library. These later buildings are located behind the original buildings. The extensions are well constructed and were in good condition in 2006. However they were identified as being of no particular architectural merit and making little contribution to the character of the area as they are largely hidden from view

2.2 Location/situation

Main Road links Old Duston and New Duston. Although the road is a narrow single carriageway, it has a steady flow of traffic. Millway intersects with Main Road at a mini-roundabout. The only existing vehicular access to the site is a narrow road (single car width) taken from Millway, close to the mini-roundabout. This leads to a car park with space for approximately 14 cars. A separate pedestrian access runs alongside this vehicular access.

There are two further pedestrian accesses to the site. The first is from Main Road to the north of the buildings and leads directly to the original School building. The second runs from the public footpath separating the playing field from the School building and leads through the area of woodland to the car park at the rear of the buildings.

The Planning Brief considered that there is potential to convert the original school buildings for commercial or community use. However, such uses are likely to increase traffic flow and this could present problems in terms of access onto the immediate highway network. The Report also considered that there may be the need for mitigation measures to safeguard the amenity of local residents.

The site is located within easy walking distance of schools, public open space and community facilities and is very close to the local centre of Old Duston. A frequent bus service runs along Main Road with links to the town centre, employment areas and the Sixfields sports and leisure complex.

The area around the site is primarily residential, with a mix of housing types. Houses immediately adjacent to the site are two-storey detached properties on large plots. There is some more recently built terraced housing on the opposite side of Main Road. The north western boundary of the school site is bounded by the rear gardens of properties on Melbourne Lane.

There are no Listed Buildings of statutory importance on the Site. A number of buildings in the immediate vicinity are listed (17, 26, 23, 30 Main Road and 1 and 6 Millway). 17 Main Road shares a garden boundary with the site, but the building itself is approximately 15m from the site boundary.

The boundary of the Old Duston Conservation Area crosses the site, and does not include the woodland area. However, the rest of the site including the School buildings is within the Conservation Area, which also includes St Luke's Church, built in the 13th Century and the core area of what used to be Duston Village. Any proposals will need detailed planning permission for new build and Conservation Area Consent for any demolition. Any new build will need to ensure that it does not adversely affect the setting of any listed buildings in the vicinity. (see appendix A)

Old Duston centre has a mix of small independent shops and businesses. This district shopping centre is the core of the Old Duston Conservation area.

The site is elevated approximately 2m above the Main Road/Millway junction. The original school building is clearly visible from the road and obscures any views beyond.

2.3 Ownership

The ownership of the built site transferred from the Peterborough Diocesan Board of Education to Northamptonshire County Council in 2007 . The following year the school transferred to a new site provided by the County Council

The Spinney and the Playing Field have been owned by the County Council after purchase from private ownership in the 1970s.

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3 Community Needs

3.1 Demography

St Luke's Centre lies in Old Duston but will also be used by residents of New Duston. The 2001 census shows a combined population of 16,264 persons.

In Old Duston building work has started on the 480 dwellings on the former British Timken site and at Millway there is outline planning permission for 80 houses. These new developments have a mix of housing types and such areas generally attract younger people of childbearing age. No community centre provision has been made for the extra 1230 residents and they will form part of the market for the St Luke's Centre.

The 2001 census showed that over one fifth of Old Duston residents were aged 65+. This compares with 12% for New Duston and nearly 14% for Northampton town. Most were in the 65-74 and the 75-84 age groups and will now be 8 years older. This suggests that in the short term there is a market for facilities for this senior age group, particularly in view of the known difficulties of accessing the Pendle Road community centre from Old Duston Village by public transport.

In addition the Joint Strategic Needs Analysis (2008) across health and social care sets out the growth of the Northants population over the next 15 years. It estimates that people aged 65+ will grow from 14% to 17% of the total population. By 2021 it estimates there will be 20,200 more people aged 75+ residing in the county. The number of physically and/or mentally frail people aged 65+ is expected to increase from 30,912 in 2007 to 37,252 in 2012 (20.5%) and 42,763 in 2017 (38.3%)

In the longer term natural social change may bring about a younger population profile. However Old Duston contains a large number of post war bungalows, which may continue to be attractive to older age groups.

Government data on JSA claimants and DWP benefit claimants for September 2009 shows that Old Duston has a profile fairly similar to Northampton as a whole, while New Duston has a relatively low proportion of claimants. This suggests that there is not an above average need for the St Luke's Centre to target services for claimant groups. Development adjoining Duston: 1000 dwellings are being built on the former St Crispin Hospital land west of Old Duston. This will be served by a developer-funded community centre, built to serve the new neighbourhood.

It is evident therefore that the new housing development is likely to attract young families and the area has a relatively high proportion of old people which is likely to stay high with the large number of bungalows in Old Duston. This will be accentuated with the evidence of an increase in the number of people aged 65+ over the next 10 years. As a consequence attention needs to be given to these two demographic groups, (see appendix E for population breakdown)

3.2 Needs

Synergy Leisure Ltd were appointed to facilitate sessions where the team considered existing community facilities in Duston and identified possible shortages and opportunities within the market. The session included a mapping exercise and identified a number of key services and activities that could be delivered from the new Centre. It also established a vision for the way forward.

The proposals at this time included services and facilities for both old and young people. At that time there was little or no provision for the elderly and it was felt that a Day Centre, as provided elsewhere in Northampton, would be beneficial. Although Duston had a strong record of organised activity for young people, including Boys Brigade and Brownies, there was a need for less formal activities, including drop in centres, youth clubs and an internet cafe.

It was felt that sporting facilities could be provided, to benefit the health and general well being of the whole community, as well as encouraging arts and history to help create a sense of cultural identity for Duston.

Contact with school staff revealed that there was a significant demand for use of the school premises, including the playing fields, by community groups outside of school hours.

Other organisations who expressed an interest in using the Centre included a local day nursery, Tudor Manor; Age Concern; Duston Guides and Brownies; local youth workers; Northampton Town Football Club; U3A; N CALC; Duston Parish Council; St Luke's Church; and a local martial arts club.

A range of national policy documents have underlined the need to develop services which help vulnerable people to be as independent as possible. They seek to maximise their quality of life, promote community based living and limit expenditure on statutory services. Increasing the social inclusion of older people is the key aim of the Better Government for Older People programme.

In 2009 the Department for Innovation, Universities and Skills (DIUS) published a white paper on informal adult learning, The Learning Revolution (DIUS, 2009). The Learning Revolution is all about extending the range of opportunities for people of all ages to learn for pleasure and to raise awareness of the physical and mental benefits.

The St Luke's Centre intends to address these needs.

3.3 Other community facilities available in Duston and gaps in provision

3.3.1 Other community facilities

Old Duston Village Hall is located approximately half a mile from the St Luke's site. Although it is frequently used for a variety of purposes, it has severe limitations. It has no car parking area or space for expansion so it would be difficult for it accommodate the needs of an expanding area.

The New Duston Community Centre is 1.5 miles from Old Duston, adjacent to the local library. This Centre is owned by Northampton Borough Council and managed by a local community association. It is well used and dependent on finance from groups using the facilities, which are mostly recreational. Rooms are also let out for private functions and activities. It houses a children's Sure Start centre and Northamptonshire Constabulary have a local contact point in a small building on the car park, which also provides a base for the YMCA outreach youth worker. It also provides an office base for the Parish Council. This information has been carefully analysed to ensure the St Luke's Centre complements these centres and concentrates on providing services and activities under represented or not provided within Duston.

(Details of the activities at these two centres, charges, frequency of use and numbers are in appendix G)

In addition to the above Duston Parish Council are in the process of developing a sports facility, Duston Sports and Leisure Complex, on the old British Timken social club site. This is being financed by 106 monies. This will incorporate a large sports hall, 3 meeting rooms, archery, bowls and football. The emphasis here will be on club membership of the various activities together with some local groups and possibly private hiring. This centre will incorporate activities which are complementary to those envisaged at St Luke's Local church halls at the United Reformed Church and St Francis C of E church New Duston are fully used by the Boys' and Girls' Brigades and other uniformed groups during the week (details Appendix F)

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3.3.2 Gaps in the provision

The gaps in the provisions existing in Duston relate to the age groups not catered for and the activities and services absent or needing to be identified as required. One could also include the lack of a suitable venue in Old Duston in which to provide the variety of activities and services desired.

A Age groups

On studying the groups meeting at the Community Centre it is evident there is a preponderance of middle aged and old people in the groups. This is understandable with children leaving home, more free time and retirement

At the DCA the membership of 6 groups was aged 60+, 3 groups 50+, 5 classed as mixed and only one catering for youngsters, (guides and brownies). When talking to the leaders of the groups the common regret was the lack of young people requesting membership

The village hall showed a similar pattern with 5 groups with members middle aged or older, 3 with a mixed clientele and only one for young children (under 5 toddler group). The young people who are catered for are those who are members of uniformed groups (Scouts, Guides and Girls and Boys Brigades) and at present mostly meet in church halls or in local schools. The cost of hiring school premises is a problem due to the raising of charges with PFI.

The age groups who seem to be under represented are people with young families and young people who do not wish to be part of a uniformed organisation. In addition there are only 2 groups (Pensioners Voice and Not so Dusty) which are catering specifically for older people. Although there is some provision those who are less mobile and do not drive have a problem with attending the 2 centres. The gap here is in providing services for a greater number of old people than at present particularly those in their 70s or older, those living alone, those older people who suffer from a disability and those needing extra care. As has been shown the percentage of older people in Old Duston is higher than average so their needs are very significant.

B Activities & Services

1 Older people The activities provided at the Community Centre are of considerable variety centred on interests and skills (gardening, art, camera club, drama) sport (table tennis, bowls, whist) and the rest mainly recreational and social e.g. WI, TW Guild though often with a specific focus. For example Happy Circle is for single people and Sugar and Spice makes blankets for charity.

At the village hall the emphasis is on physical activity (line dancing, exercise to music) and dog training. There is also an organisation, Duston Old People's Welfare, which provides an outing in the Summer, a meal and entertainment in the Spring and shopping vouchers at Christmas. It is catering for, in general, the people over 70.

In considering the present provision the gaps seem to be in the provision of sufficient activities, particularly for the 70+ age group who may be less self sufficient and mobile, encouraging social interaction, stimulating the mind and creating some physical exertion. A Lunch Club on a regular basis, a weekly tea dance, the teaching of computer skills would all fit these needs. Other gaps perceived by the old people themselves need to be accessed and provided for. We have already drawn up a questionnaire to ensure we provide activities and services they would like, (see appendix L)

2 Young People As shown above little or no provision is available for young people outside the uniformed groups. Duston Parish Council employ a part time youth worker but at present she has no base from which to operate on a permanent basis. There are areas in Duston where there has been trouble with young people causing disturbances. The lack of a meeting place for them to 'hang out' often results in groups assembling around public spaces with undesirable results. Eventually this gap will be filled by a designated building on the St Luke's site hopefully funded by the Small Grants scheme. A drop in Centre with games, music, the internet, as well as sporting activities on the field or in the hall is needed to direct young people's energies into a more productive mode

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3 Young families The requirements for young families need to be assessed. At present many older people state that they are not joining in with established groups. That may well be because they do not cater for their needs. We would like to encourage young families to use the Centre and to organise their own activities.

4 General Provision of a range of training, educational and skills based activities are underrepresented in Duston. We would like to see the established providers using local centres for courses in a variety of disciplines during the day as well as in the evening. It is evident there is a lack of contact between the age groups and intergenerational activities would enable this to happen and begin to create better understanding of each other.

3.3.3. Analysis of usage of other local facilities

Duston Community Centre

- This hosts 12 regular groups 5 monthly, 2 twice monthly, 2 weekly and 2 twice weekly meeting for 2 hour sessions. The average number of users is 33 for each group.
- From these figures we can assess there will be approx 200 people in the Centre from the groups.
- In addition the Parish Council meet at least once per week averaging 10.
- Guides and brownies twice a week averaging 20 x2.
- Weight watchers weekly with varied numbers.
- Blood donors twice per year with varied numbers.
- Occasional private bookings at weekend (parties, weddings etc).
- It will be a fair assumption that 300 users are at the Centre per week.

The Village Hall

Duston Sports and Leisure Centre is not yet operational

- This hosts 12 regular groups 1 monthly and 11 weekly averaging 23 in each group.
- From these figures we can assess there will be approximately 140 people in the Centre from the regular groups per week
- In addition a disabled group hire all day once per week with varied numbers
- Regular children's parties are held in the school holidays and at week ends
- Private hirers on Saturdays
- Estimate at least 150 users per week

URC Hall

- Is used every evening by Duston Boys and Girls Brigade units
- On Saturday afternoon for children's parties, jumble sales to support the Brigades and other lettings.
- The user numbers are very high and not equitable with St Luke's Centre usage initially

3.3.4 Features & facilities unique to St Luke's site

St Luke's will provide the following facilities and services which are not available elsewhere in Duston:

- Playing field adjacent to the built site. This will be available for use not only by organised groups and teams but for young children in the nursery and other casual users. It is a safe area away from roads and adjacent to a children's play ground with swings, slide and seesaw. There is no other similar open space in Duston.
- Changing rooms for use by teams and other users of the field and the hall
- Day Nursery in Old Duston. Although there is a Day Nursery in Duston it is fully used with a waiting list. The nursery here will have a hard playing area raised and fenced off from the main play ground as well as a garden and outdoor sitting area. Although it is on the same site as the community block and commercial lets it is totally separate but has the advantage of having access to the hall if required. In addition employees in the commercial area will be able to use the facility if required The spinney is close by and can be used for outdoor activities and nature trails. The building will be designed for the specific needs of the tenant to his/her specifications

- The Spinney is a unique area with 400 year old yew trees creating an arbour and pleasant area for relaxation, games, picnics, nature trails and wild life.
- The Commercial lets are situated in the oldest (Victorian) and most attractive part of the building. These unique and interesting spaces should attract tenants to the site. The aim is to provide small flexible units for start up local businesses for which there is no provision in Duston. It is possible to divide the rooms if necessary or required. The flexibility of this block means it would also be a suitable centre for a large business. It is planned to provide services for, in particular, small businesses. The proximity of the day nursery could be an advantage to prospective tenants and their employees with young children. The position of St Luke's site close to the centre of Northampton, the M1 motorway and the ring road round Northampton half a mile away should enhance the attraction of the site for potential users
- The community area will have good lockable storage facilities which are necessary to attract regular bookings. The proximity of the commercial lets and the day nursery to the community block create distinct advantages. Employees and users of the commercial areas will have easy access to community activities and may well advertise it to others as well as seeing for themselves what is on offer. It is planned to provide activities in particular for old and young people in this area. Together with the clientele in the day nursery these three groups could be encouraged to take part in intergenerational activities. Possibilities would be gardening, tea or coffee and snacks together, entertainments, singing, dancing and craft activities.
- The combination of these three facilities on one site and yet making each a distinct unit separate from the others and yet in close proximity is unique and should be applauded. We are sure each will benefit from the presence of the others financially and socially.
- It is the intention to make the playground, enclosed on three sides by the buildings, into a landscaped sitting, eating, playing or relaxing area for the users of the centre.
- Ideas for developing this have been given on the local radio gardening programme. When not in use it will give a pleasant outlook to the Centre occupants. It is a unique facility which we would hope to develop once the Centre is established • There is a bus route passing the site every 20 minutes with bus stops immediately opposite and adjacent to the site. This is an advantage over the Village Hall and Duston Community Centre.

3.4 Consultation

Following the announcement of the proposals to relocate the School and dispose of the site, a public meeting was held on 30 March 2006, publicised locally and via the Northampton Chronicle & Echo and Radio Northampton. This was well attended and no-one spoke against the option of purchasing the site for community use, although caution was expressed about the costs involved with both the purchase and delivering ongoing services. Considerable emphasis was placed on retaining the sports field in community use and it was agreed that the Project Team would include the spinney and sports field in the feasibility study.

As it became clear that the field might not be saved because of costs a separate campaign developed solely around the issue of saving the field, as it was seen as a valuable local open resource that had been used informally by young and old for decades. This campaign obtained Parish Council support for keeping the field and although a submission for Village Green status had been submitted the two strands of the campaign came together to submit these present proposals for retention of school and field.

As part of the work undertaken to produce the 2006 Project Report, a questionnaire was distributed to homes in Duston to establish the level of support for the Parish Council's initiative and seeking volunteers to work with the Project Team. The response to the questionnaire was very positive and a number of local people volunteered their help. (See Appendix G)

The first meeting was held on 8 May 2006, with nine volunteers attending. Regular meetings were held during the summer and additional people also volunteered to get involved. Visits were organised to the School and plans drawn up.

The Project Team retained the goodwill services of Aaron Freebody, Chadwick McRae and John Stott as architects and surveyors to help evaluate the scale of conversions required to make the site suitable for the planned activities. It was established that the buildings were in good condition overall at that time and a budget established for the amount of work required.

Advice was also sought from local agents on the viability of the commercial offices being proposed, although this was somewhat conflicting at that time. [Back to Top](#)

Third sector infrastructure organisations were approached to establish what other help might be available to any group that emerged to deliver the project. This included conversations with ACRE, Enterprise Solutions, N CALC and the Development Trusts Association. Other local organisations, including the Doddridge Centre, and the Delapre Centre were approached to establish comparator costs for the development and running costs.

The St Luke's Project Team publicised the Project at the Duston Show in Errington Park which is held each year in June. It is run by the Parish Council who has a marquee to advertise its activities, give out information, answer questions as well as complaints. It is a large event with amusements, entertainment, refreshments and various stalls, promoting local groups and national organisations. It was first publicised here on 24 June 2006. The project was presented to visitors and again there was overwhelming support for the proposal to purchase the site for the community, with many visitors being willing to complete forms declaring interest and support. This has continued each year and the project now has a data base of more than 150 supporters

The team approached a variety of people involved in local affairs and positive replies were received, including one from the local MP, Brian Binley.

The Project Team also visited many local groups and organisations, providing information on the project and ascertaining levels of support. Biannual updates on progress and ideas are also provided via the Duston Parish Magazine.

A booklet was produced explaining the project and why it was important. This was sent to all County and Borough Councillors, MPs, relevant officers at WNDC, NBC, English Heritage, WEA, Age Concern and the Diocese as well as to all on the data base. 500 were printed initially with a reprint of another 500. They were available at the library, the Community Centre, doctors' and dentists' surgeries, the Duston Show and at events put on by the Friends of St Luke's.

The Friends of St Luke's was set up in 2007 as a fund raising organisation. It runs social events e.g. Valentine Quiz Night, Antiques talk and valuation and Magic shows. There is a banner promoting St Luke's at each of these events together with a display about the project and information to take away. It has raised just over £2000 to date.

A flier requesting support for the project and the raising of a loan to finance it was distributed by the Royal Mail in November 2007. The response was huge. From a total of 6,200 delivered a total of 1481 were returned which is nearly 25%. Of those 1332 supported the loan with a total of 9 against and 92 invalidated due to incorrect completion and 44 returned from outside the Parish.

A report on progress of the project at the end of each financial year is produced for the Parish Council and redesigned as a pamphlet sent to supporters and available in the library, DCA Friends events and the Duston Show

Letters and articles in the local paper assist in keeping the project in the public arena (See appendix H for examples of publicity materials)

3.5 Community benefits to be provided by St Luke's Centre

The St Luke's project group believes that many community benefits are to be gained by turning the school and its field into a local resource. When the school operated it was not just a school, for its rooms and field were often used for community events, public gatherings and for recreation. That loss would impact considerably on the area and an expansion of that former community use would fill the gap of a shortage of facilities that was identified as increasing because of Duston's rapid development.

The project group surveyed the facilities for public use in the Duston area and spoke to many clubs and organisations about their needs and aspirations. It became clear that there did exist a shortage of facilities, rooms for hire and sports fields for outdoor use. This problem was exacerbated by the policy of the new PFI school management in fencing off school fields and increasing the hire charges of school facilities to such an extent that clubs and associations looked for alternatives elsewhere or ceased operating.

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3.5.1 Potential projects

In broad outline the results of our work shows that the new centre could provide facilities for the following work or projects to benefit the community:

- A self contained youth centre. A youth co-ordinator is already employed by the Parish and considerable difficulty has been experienced in finding a permanent base to work from.
- A day centre and social club for senior citizens. Duston has one of the highest numbers of senior citizens in the town and the nearest such facility in Limehurst Community centre is difficult to reach without transport.
- Rooms for hire for community use, for educational work from organisations like the WEA and many other activities are overbooked locally and this centre could fill that need.
- A large hall is available that is suitable for groups like the Guides, Brownies and Liberty marching band who have need of meeting places. Such a hall would also be ideal for public and private functions, craft activities and some indoor sports.
- A nursery school could be incorporated into a special purpose adapted safe area and private providers who would rent the refurbished rooms have expressed strong interest. The local area with its massive new developments is already seeing many young families move in and nursery space is already short locally.
- Commercial lettings have been identified as a strong way of supporting the finance of the centre and many private, public and voluntary bodies have expressed an interest, ranging from the YMCA, local authority disabled projects, purely commercial lets and others.
- The Spinney has been identified for use by bodies associated with environmental issues and by local authority agencies dealing with young people's needs and education.
- The Field would be used by many of the clubs and groups already mentioned but could also be expanded by developing work with the Northampton Football club who have identified it as possible training area for young people. The field could also continue to be used for local informal recreational use by young and old.

3.5.2 Average use of the Centre

Estimates for St Luke's usage are as follows:

A The Community building

Taking a conservative estimate of initially an average 15 users per session in the 2 community rooms and initially 3 sessions per day over a 5 day week would give 225 users per week.

- The hall would probably have 20 users and initially 4 evening sessions per week giving 80 users per week.
- A total of 305 users per week initially
- Once the Centre is established the numbers would increase considerably and at least double to 600 per week after one year
-

B The field and Spinney

- The field with foot ball and related organised sports and band practice marching well over 100 per week.
- In addition it would be hoped that local residents would be using the area for relaxation in the Summer months 20 - 30 per week
- The spinney should attract all ages of people in the Summer months 20-30 per week

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C Commercial lets & Nursery

Based on current development plans the commercial office space within the centre will comprise 5 offices of between 440 and 630 Sq Ft. It is estimated that, on average, each office will accommodate 4-5 people. A total of 20-25 people across the 5 offices. We estimate, based on the assumption that moves to our office will be linked to business growth, that the development will be instrumental in creating 8 new jobs. That will be in addition to the 2 jobs directly created through employment by the St Luke's project and an estimated 8 further jobs created by the nursery. The children's nursery will be managed by a commercial nursery organisation. Based on discussions with our preferred provider we estimate that the nursery will accommodate:

- 48 children for, on average, 25 hours per week
- This will deliver 1,200 hours per week of nursery care for young children.
- This will, in turn, support up to 25 parents enabling them to return to work.

D Future aims

When the Parish Council agreed to purchase the site, including the playing field, and its aim was to provide:

- A self-contained youth centre (a youth co-ordinator is already employed by the Parish Council)
- A drop-in cafe, primarily for older members of the community but available for all
- A computer and internet centre for skills training and vocational use
- A day centre and social club for Senior Citizens
- Areas for group use, e.g. Guides and Brownies, public and private functions, craft activities, educational sessions, sports
- Historic and heritage exhibition area
- Commercial lettings of four units to enable the Centre to be self-financing and to provide services and work opportunities for the community (two units for a day nursery)
- Access to the field by groups, members of the youth centre, etc for organised activities
- Access to the field and the Spinney by members of the public for relaxation and enjoyment.

These are all activities and events that we will be investigating in further detail and aiming to deliver, where appropriate, when the building development has been completed.

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3.5.3 Summary of benefits

In total we estimate that the community benefits from the first year of the St Luke's project will be:

Community benefit	Year one target
Community groups using the centre	35
Individuals benefiting from sessions at the centre, especially elderly	400
Sports clubs benefiting from the use of outdoors play area	20
People benefitting from outdoor sport	250
Business accommodated within centre offices	5
Jobs housed at the centre (tenants)	20
New jobs created (tenants)	8
New jobs created (direct employees of St Luke's project)	2
New Jobs created (nursery)	8
Children provided with nursery education / care	48
Total number of hours of nursery education / care provided	1200 per week
Hours of care provided, releasing parents to return potentially to work or voluntary activity	600 per week = 25 people back to work

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4 Proposals

4.1 Proposed building conversion

Our proposal is that Northamptonshire County Council (NCC) transfer the ownership of the site to Duston Parish Council (DPC) on either a freehold basis, or a long-term lease at a peppercorn rent. The Parish Council would then sub-let all or part of the site to a new community organisation who would manage it as a Community Centre for the benefit of the people of Duston.

The exact nature of the transfer from NCC to DPC would be subject to negotiation between the two parties. DPC will be making a significant investment in the restoration and improvement of the building and a transfer of the freehold, subject to appropriate covenants, may well be the most equitable basis on which to make the transfer. Discussions are still taking place, however, as to how VAT might be avoided during rebuilding and it is possible that keeping the building in NCC's possession and carrying out all works via NCC would be the most cost effective option.

It is not intended to make any significant alterations to the main buildings on the site, respecting their historic integrity whilst bringing them up to an acceptable standard for use as a community facility in the 21st Century. One area which has provided difficult to resolve has been the issue of disability access to different elements of the buildings. This has largely been resolved by dividing the building up into different areas with their own designated access and use. However, there are still some areas where it has not been possible to design out the need for steps. This will continue to be explored and hopefully resolved as the plans for the Centre are developed and refined and suitable ramps etc could be retrofitted at additional cost at a later date according to need.

It is proposed that the Centre will be divided into three distinct areas, each providing a service to the community either directly or indirectly.

Plans showing the proposals for the new Centre are attached at Appendix I

4.1.1 Community area

The area allocated for community use includes the school hall, two classrooms and an entrance lobby and office. This would provide 491 sq m. of useable space. The St Luke's Centre will offer accommodation for local groups and societies, complementing the existing facilities and providing the necessary expansion of provision for the growing population. It will act as a focal point for new residents wishing to make contact with existing organisations, form new groups and start projects. The Centre will work closely with local businesses to ensure that as much of the necessary support services are provided from within the local economy.

The following possible area of activities have been suggested and investigated in depth:

- A dedicated youth centre
- Educational activities
- A computer suite
- Sports activities
- Social club,
- Lunch club/day centre
- Drop in cafe
- Hiring facilities by local groups
- Heritage Centre

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New toilet and changing facilities will be provided to service the main hall and possibly also the playing fields. This is essential if the hall is to be used to its full capacity.

A small kitchen area, capable of supporting a simple cafe is also envisaged. However, conversations around the facilities required to support a day centre have suggested that this decision may need to be revisited and reconsidered.

We have studied two successful models of buildings which have been converted to cater for a similar range of uses Doddridge Centre in St James and Southern Quarter in Far Cotton

4.1.2 Commercial Day Centre

This part of the project is made of two classrooms and some circulation space that are capable of operating as a self-contained unit. It will provide full day care facilities which are in great demand locally. With the planned population expansion over the next few years in close proximity to this site, existing facilities will be inadequate. The variety of housing planned should attract young families to this location requiring day nursery facilities within easy reach of their home. The secondary purpose of this facility is to provide an income to support the community element of the project.

The intentions at present would be to provide a shell, which would be fitted out by the Nursery provider to suit their own operational requirements: this would be offset against a rent reduction or rent free period. Subject to how the provider decided to divide up the space, this would provide about 295 sq m. of lettable space.

Discussions with local agents suggest that this area could also produce £25,000 pa of income for the Centre. If, for any reason the proposals to create a nursery do not go ahead, it is suggested that this area would be suitable for use by third sector partners as office/operational space. It could also be used for commercial lets by businesses who do not need a visible presence on the front of the site.

For details of an interested provider see Appendix K

4.1.3 The Victorian buildings - Commercial lets

The intention is that this area will be a flexible unit, allowing it to be let as a single large work space, or alternatively several smaller units suitable for starter businesses. The development will create 365sqm of lettable space. Discussions with a local agent have suggested that this could produce an annual income of c£25,000, fully occupied. The intention for this proposal is to generate an income to support the community element of the project, as well as providing a stimulant for work and services for local people and traders.

However, during the development of this Business Plan, it has emerged that there is some interest in this office space for use by third sector partners who would be interested in using it to support the delivery of services from the Centre. If this approach is adopted, then the units would still need to generate the same level of rental income as the commercial lets. There may be trade-offs if the third sector partner becomes a more integral part of the management of the Centre, allowing cost savings to be achieved in terms of staffing and management overheads. For details of these possibilities see appendix K

4.1.4 The Playing Field

Local people have long used the playing field of St Luke's as place of recreation and relaxation in the evenings, during the day and at weekends. The fact that the area had been unfenced, thus enabling joint use by both the school and the community, meant that everyone considered this open space as a valuable local community resource. Local affection for this amenity led to a campaign to save it when the possible sale of the school field was proposed to aid the financing of the Northampton PFI school reorganisation. The local campaign met regularly, attracted large numbers of over a hundred to its public meetings and collected over 1,500 signatures to save the field.

One avenue the campaign explored was to seek 'Village Green' status for the area and following the collection of evidence of longstanding local use an application was submitted. This application is robust and stands some chance of success, especially after recent court rulings. The campaign however has

recently worked more closely with the Parish Council after the Parish undertook to retain not just the school but also the field. The Village Green application has therefore been deferred while campaigners await the results of these efforts.

Through the work of the Parish and the local campaign it has been established that the existing informal use of the field could be expanded to include more regularised use by local community and sports organisations. Duston suffers from a lack open spaces and a shortage of football pitches, so such a use of the field could help overcome this shortage especially as it has the potential to include a junior sized pitch. With this in mind there has been interest expressed in using this area to support junior football for girls and boys, and Northampton Town Football Club have said they could provide one of their area training schemes at the site. Interest has also been shown by other community organisations such as the Guides, Boys brigade and the local 'Liberty' marching band all of who would use the area for outside sporting and recreational activities. This sort of activity might entail fencing part of the field and having a more formal management structure for hire and use. Also, as a more formal use of the field might require subsidy for upkeep, it might be necessary to consider having ownership and management responsibilities transferred to the Parish Council rather than any new organisation.

A position statement has been drawn up listing the possible users who have already shown an interest as well as options for managing the field, maintenance costs etc This has formed the basis for discussion on the best way to retain the field as a viable space for recreation (see appendix J)

There are other proposals happening in Duston for the development of the former Sports Ground at British Timken (Duston Sports and Leisure Complex) in which the Parish Council has an interest. There is clearly scope for joint promotion and management of this aspect of the Centre that needs further exploration.

4.1.5 The Spinney

It has been suggested that the Spinney could be used for quiet reflection and educational purposes. Other suggestions are for a more active use of the Spinney to support youth work. This needs further consultation and investigation. The management of the Spinney and the playing fields could provide a focus for work with people on Community Service Orders, or other engagement with the National Offender Management Services. This is unlikely to generate income, but could be the focus for a wider service operating across Duston. This still needs further work and investigation By combining the Hall Close playground (owned by Northampton Borough Council), the former St Luke's Playing Field (Village Green) and the Spinney a single integrated Public Open Space with multiple uses is obtained. (See appendix I for plan of area)

Until such time as a reliable and responsible way of managing the Spinney is sorted out, it is suggested that this area is retained in the control of the Parish Council, rather than being included in the sub-lease for the new organisation.

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4.1.6 Access to the site

In order to overcome issues associated with vehicular access to the site, negotiations have been held with the planning authority. This has resulted in an agreement that the access drive will be widened to provide two-way travel for all vehicles as well as a repositioning of the entrance to conform to today's requirement.

4.2 Facilities that will be provided

Spaces	Features	Designated Use
4.2.1 Community Rooms Main Hall 15 x 11.25 m 169sqm	High ceiling, large window & entry point to car park, spinney & field. Covered entry/exit adjacent to main entry. Storage area adjacent to changing room.	Sport including badminton, uniformed group activities, private hire, recreational and nursery use.
Changing Room 10 x 5.5 m 55sqm	2 Enclosed changing areas + 2 toilets. Entry/exit point to car park, spinney & field opposite to hall, New construction + display boards. Coffee/tea making facilities, seating + small tables. Local heritage photos & artefacts. Entry/exit point.	Changing area for users of hall & field.
Cafe/Exhibition Area 7.25 x 5 m 36sqm	Storage area. Built in desk. Sliding glass window with door alongside.	Relaxation, social, refreshments. Heritage Centre.
Office 3.5 x 3 m 10sqm	Windows & entry point on wall fronting car park & to new cafe/exhibition area. Part of room used for 2 new toilets.	Manager's office & employees
Community Room 11 x 7.2 m less 3.7 x 3.5 m 66sqm	Windows & entry point on wall fronting car park and to new walkway.	Young people's activities. Lunch club for older. Family activities.
Community Room 11 x 7.3 m 80sqm	Storage, small food & drink preparation area.	Clubs & groups. Private hire.
4.2.2 Nursery Nursery Office/Lobby 10.3 x 5.5 m 57sqm	Double door main entry/exit point to paved area leading to spinney, field & path to Melbourne Lane & Millway. Office with window	Passage for children to and from nursery. Office staff use.
Main entrance area		

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2 Rooms: Each 11 x 7.3 m Each 80sqm	Access from lobby. Entry point to community block & to the 2 main rooms. Windows and exit/entry points in each room facing the garden play area. Children's toilet blocks in both with walk way behind linking the 2 rooms. Exit/entry points to raised and fenced hard play area running the length of block.	To be decided by tenant when fitting the nursery to own spec. As Above
4.2.3 Commercial Lets		
Entry Lobby	Links 60's build with Victorian. 4 exit/entry points to car park, covered walkway, playground & commercial lets. 2 windows.	Use Passageway for access.
Room 1 & 2 7x6.5 m & 6.8x6.5 m 44sqm & 45sqm	False ceiling concealing original rafters. Brick finish to walls. High windows on side walls. Very large window facing Millway/Main Road corner cut in half by false ceiling. Water laid on with sink. 2 entry/exit points to corridor.	Can be a single office or divided into 2. A large company or craft type concern suitable.
Room 3 13.1 x4.75 m less 2x 1.6 m 59sqm	False ceiling. High windows overlooking Main Road. 7 pillared archways. These to be retained with glass infill's. Water & sink laid on. Narrow pleasing space.	Small/medium unit.
Room 4 7.4 x 6 m 44sqm	Overlooks playground on 2 sides with series of medium high windows & large number of sockets. Could be divided to make smaller units. Light airy room.	A start up business or 2 depending on needs.
Room 5 7.8x5.2 m 44sqm	Outer walls on 3 sides so not suitable for division. Water laid on. Sink.	Needs to be a medium or large concern.

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4.3 Development, building works and costs

4.3.1 Planning (see appendix I)

Planning permission for the project was granted by WDC in September 2009. The design statement for the project is included in appendix I.

4.3.2 Building works - overview (see appendix I)

The main development of the site is to refurbish the buildings for the uses as already outlined. In addition there will be improvement of the vehicular, pedestrian and disability accesses.

The School moved to a new site in February 2008 so the school site has been empty and boarded up for over two years. Inevitably this has resulted in deterioration of the fabric of the building as well as attracting vandalism particularly of the roof and windows. On recent inspections it is clear that there is considerable water damage due to shattering of roof lights, removal of lead flashings and damage to roof tiles. These will all have to be repaired or replaced during the building development.

In creating three discrete areas (community, nursery and commercial lets) there is a need for physical separation of each.

A External works

At present the access to the site is a single carriageway leading directly to Millway, on a corner, adjacent to a mini roundabout leading to the Main Road. This could be hazardous. The development of this will involve setting back the boundary line and widening the drive to two vehicular width. Leading off the drive there will be a pedestrian pathway leading to entrances to the offices and Community area.

The parking area will be increased to thirty two spaces by removing large containers and an outbuilding to the North East of the site

B Community area

A covered walkway leading from the community entrance block to the commercial area on the East side of the community block will be constructed. This will serve two purposes; an entrance to the second community room and easy contact between the commercial and community areas.

The main entry point to the building will be retained as the entrance to the community block. However there will be a new corner infill extension in front of the entrance lining up with the main building frontage. This will create a small cafe / exhibition area.

The hall will have a new entrance alongside the main entrance to the community block. The old kitchen on the West side of the hall, recently used as a general storage area, will be converted into changing rooms for users of the hall and playing field with additional toilet facilities to serve the hall.

C Nursery

The Nursery area will be self contained with an internal wall and door separating it from the Community section but enabling access to the hall and other areas of the community facility. In addition a new entrance from the rear of the site will be created through what is at present a storage area.

The main external access to the nursery will be from Melbourne Lane along the footpath leading to the site boundary and through the Spinney. This will be suitably signed.

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D Commercial lets

The commercial lets are in the front of the building. At present there are three external entrances to this area. The main point of entry for the office block is at the North West corner of this block leading directly from the car park and this area will be refurbished and made secure. The other two entrances will be retained and be available for use depending on the needs of the tenant or tenants.

It is planned to divide the large room (679sq ft.) to the west of the block unless it is required by a tenant as an open space. The other rooms can also be divided to provide small business units.

4.3.3 Costs Summary (see appendix O)

The cost model for the refurbishment and the two relatively minor rebuilds (access path way and extended entrance area to the community block) is based on limited design information so is a high level costing. The procurement route has not yet been decided. In addition the estimated costs have risen by more than £90 000 over the period of two years whilst the school has been empty and subject to deterioration of the fabric and wanton vandalism. All the costs include a design/construction contingency of 20% and preliminaries of 15%. There is also a cost of £40,000 for possible asbestos disposal. The estimate of costs has been divided into 3 main sections to tally with the division of the building (community, nursery and offices) with a fourth section covering the external works. This has enabled us to be aware of the relative costs of each section

A External works

The external works on the site carry a considerable cost essentially because of the need to reconfigure the entry point and widen the access drive. The external works also cover the damage over the last 2 years . In fact the estimate has more than doubled since 2008 from £61,363 to £160,847

B Community area

The Community block is the most costly to refurbish at a total of £365,844. This is the area where the extension to the entrance will be constructed and the covered walkway alongside the community rooms linking the office area and with the rest of the site. In addition there will be substantial internal construction with the changing room and 2 new toilets. The electrical installations attract the highest cost of £61,375.

C Nursery

The Nursery block will be refurbished internally by the tenant to his/her specifications. Our obligation is to provide a shell in good order with services in place. The total cost is estimated to be £51,686. The main cost will be a new entrance from the rear estimated at £10,164 with metered electricity at £5000.

D commercial lets

The Commercial lets need to be of a high standard with excellent facilities to attract and retain tenants. The highest cost is for the electrical and mechanical installations (£46,125 and £29,520) as well as internal finishes (£26,156). Significantly the cost for repair of the roof is £6,000 as a result of damage by vandals. Should there be fully committed prospective tenants identified at an early stage then the refurbishment can be designed to their needs which would bring down the costs. The total cost for this area is £249,938.

E Summary Table

External Works	£160,847
Community Area	£365,844
Nursery	£51,686
Commercial Lets	£249,938
Asbestos removal	£40,000
Total Costs	£868,315

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4.4 Organisation and transfer

The intentions are that Northamptonshire County Council will either transfer the freehold or enter into a long-term (99 year lease) with Duston Parish Council for the whole of the site at a peppercorn rent.

There are two options for the timing of the transfer of the site to Duston Parish Council. This could occur prior to the start of the building work or could be postponed until the completion of the conversion by the builders. The second option would be preferable for the Parish Council as the obligation for VAT would not fall on the Parish Council but the County Council whom, we understand, would be able to claim it back. The estimated cost to the Parish Council of the VAT would be in excess of £100 000.

It is expected that negotiations will take place with the County Council to ensure both parties are satisfied with the conditions of the lease.

It is envisaged the detailed design and tender drawings will take approximately 45 days. It is hoped these can be commenced whilst details of the lease are being negotiated. Action on the tender ending with final selection and approval by the Parish Council will take another 40 days.

The building work will start with the entrance alterations and the external works on the site taking approximately 15 days. The commercial lets will follow taking approximately 55 days and then the nursery shell another 30 days to be fitted out by the tenant. The final element of the refurbishment will be the community area taking nearly 70 days

The architect, David Babister of Plann Architects, will oversee and manage the building work alongside Mark Blackmore the Quantity Surveyor of Currie and Brown including the organisation of tenders for construction on site.

A time schedule has been drawn up by Mark Blackmore (see appendix P)

It is expected that the completion date will be a year from agreement for transfer of the site to the Duston Parish Council.

Once the Parish Council has entered into a lease with the County Council it will negotiate a sub lease with the company set up to run the site. There are three options concerning the actual extent of the sublease in relation to the site. There will be an expectation for the company to take over the responsibility for the built site but the Parish Council may choose to retain responsibility for the Spinney and /or the field. This decision will be taken at an early date.

4.5 Future options

There are three features in particular that we feel could be developed in the future which will enhance what the Centre has to offer.

4.5.1 Youth Centre

At present there is a structure on site which will eventually be removed. It was erected in 1947 to create an extra classroom with the raising of the school leaving age, has no heating is in a state of disrepair and has been used for a number of years for storage. We feel this would be an ideal site for young people to have their own centre. It is within the Centre and yet separate. We would envisage the young people applying for funding and being involved in the plans and design. Proximity to a hard playing area, the field and the facilities in the community block add to the desirability of the proposal.

4.5.2 Spinney development

This area is overgrown around the main wooded centre. When the school was in residence there was a well laid out nature trail, wild life was in evidence and there was seating using old tree stumps and other natural materials. We envisage clearing this area to make it usable again and open for all users of the site as well as residents of Duston

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4.5.3 The playground

It is hoped that the playground can be landscaped in such a way as to make it vandal proof, easy to maintain and inexpensive to set up. It is a dominant open space which is inaccessible by cars so cannot be used for extra parking. We would like local people to be involved in planning for and creating and attractive and usable space

5 Organisation and management

5.1 Governance

At present there is no existing organisation in Duston that could take on the management of the Centre. Accordingly, it is proposed that a new organisation be created for this purpose. There a number of possible legal forms and also purposes for this organisation that need to be considered further. There are also taxation implications that flow from the choices that have to be made.

The new organisation is to be set-up as a new legal structure to enter into the sub-leases with the Parish Council and also to manage the Centre on the Parish Council's behalf (with the potential for the organisation to manage other local community assets in the future);

It is proposed to set up a Community Interest Company limited by guarantee to fulfil this purpose. It is not envisaged at any time that the new organisation will be seeking investments in the company and that if any funding is required, this is likely to be in the form of grants to the organisation. One of the key characteristics of a CIC, the asset lock, ensures that organisations have their assets "locked in" for the benefit of the community/area it serves (preventing future Members and Directors from changing the nature of the organisation and splitting the assets amongst them).

As there is already a St Luke's Centre CIC, it is probable the name would be St Luke's Centre (Duston) CIC. Eventually there will be seven board members, including two Parish Councillors, and a Company Secretary. It is expected some of these will be drawn from the project team. Initially, it is planned to have three founding directors, with an AGM which would elect the other directors within 18 months of starting operations. The CIC would be established with a closed membership, but it is likely that an unconstituted Friends of St Luke's or similar organisation would be established to work closely with the Directors of the CIC and inform service delivery.

Once all the developments have been completed, there will be at least four centres operating in Duston for the benefit of the community, including the Village Hall, the Community Centre, the proposed Duston Sports and Leisure Complex on the British Timken site and the St Luke's Centre. All of these will have overheads in terms of staff, maintenance and management, including community involvement in governance. There is merit in exploring what efficiencies could be achieved by a system of linked or joint management and promotion. This needs further work and exploration and would depend on the separate governances of each being willing to work together with a shared vision.

5.2 Management structure & Board

Originally, it was intended that the Parish Council would sub-let the site to the new CIC, with an agreement about its future management for community benefit. In order to finance the development, the Parish Council would take out a loan from the Public Works Loan Board (see Section 7.1) Repayments and interest on the loan will be made by the Parish Council themselves.

Advice taken about the VAT implications of this proposal has highlighted that this would mean that the Parish Council would be unable to recover any of the VAT incurred in undertaking the development, adding an additional 17.5% to the capital costs of the project. If a different approach is adopted with the recipient being a charitable organisation and a peppercorn rent, this requirement could change.

If it is possible to have charity status within the Community Interest Company structure, this would be desirable on a number of fronts in particular in attracting funding (although funders are increasingly recognising the CiC structure in providing grants as its assets are locked in) and with the potential for joint management of the community facilities in Duston as the other possible partners are

charities. However there may be strictures in relation to the fact that two thirds of the activities on the site are commercial.

Responsibility for the overall direction of the company and any major decisions on acquisitions, tenants and any future strategies will be with the Board. It will also have an overview on financial matters and policies. We would envisage monthly meetings of the Board with the Manager to ensure smooth running of the Centre

The Manager will be a key figure of the organisation being responsible for the day to day running of the Centre, accessing funding, promoting the Centre and identifying future possible developments. It has been clear when studying the organisation of and visiting the Doddridge and Southern Quarter centres that the manager needs to be fully committed to the needs of the community he /she serves.

5.3 Staffing

5.3.1 Community Development Worker / Manager

It is our view that the role of management is very important for the day-to-day overseeing of the centre, the control of the lettings and for the coordination of projects. We believe, based upon our investigations into other similar centres, that this centre would need a full time manager.

In order for the community elements of the proposals to succeed, the new organisation would need to employ in this role of manager an experienced Community Development Worker who would be able to access grant finance and/or public sector contracts for service delivery at the Centre. Whilst we believe that our plan envisages a higher proportion of income from rented facilities than is common at other similar centres, such a manager would be a valuable asset in helping us access top up funding that would allow us to expand and innovate.

5.3.2. Caretaker / cleaner

At all the centres we have visited the caretaker/cleaner is employed on a part time basis. Northampton Borough Council has recently reviewed the role of Caretakers in the 25 Community Centres for which it is responsible. The result of this review is a recommendation for reduced hours in the centres and a suggestion that the role is seen as opening and closing the centres rather than being present all the time. We feel this pattern should be considered at St Luke's but the needs of the users should be the primary consideration. Whatever employment hours are undertaken it is seen to be a part time post

5.3.3 Volunteers

Volunteers are a highly desirable element of the work force. It is clear from discussions with other Centres that great care needs to be taken in ensuring volunteers are clear about their role and have some training to ensure they are a fully integrated part of the work force. We realise the need to attract volunteers with long term commitment to St Luke's and will be working on this aspect over the next few months. Publicity for the project is an important element and once it is seen to be a viable proposition with action being taken on the site we are confident this will attract interested individuals.

5.4 Policies, systems and procedures

The policies, systems and procedures put in place will be drawn up in consultation with the Duston Parish Council and the Duston Sports and Leisure Complex. They will be based on best practice in the Authority and in line with those to be operated in the DSLC in anticipation of joint management of the two projects at a later date. A range of policies and procedures will be put in place before the completion of the refurbishment of the Centre.

Particular emphasis will be placed on policies to ensure the smooth, sound and safe running of the Centre including:

- Health and Safety
- Equal opportunities
- Environmental principals
- Tenancy agreements
- Financial policy & processes
-

Booking and hiring procedures

Copies of each of the above policies are available from the Duston St Luke's CIC board.

Additional policies and procedures will be developed and adopted as the project progresses. The board and general manager will be responsible for the full implementation of all policies and procedures, and for the identification and development of new systems as the need arises.

5.4.1 Health and safety

In accordance with our duty under the Health and Safety at Work Act 1974 we will ensure a working environment which is free of work related accidents and ill-health. We will also under take full risk assessments of the building as required under the health and safety regulations. Regular assessments will be conducted and documented in compliance with Duston Parish Council policies.

We will also encourage all employees and volunteers in the building to contribute actively towards achieving a work environment which is free of accidents and ill health.

5.4.2 Equal opportunities

We will create an equal opportunities policy within the framework of the existing legislation covering sex, race, age and disability discrimination, as well as harassment, data protection, equal pay and employment rights. We support the principle of equal opportunities in all areas and would expect this policy to cover not only employees but the Board and volunteers.

5.4.3. Environmental principals

We are committed to protecting the environment and will actively support measures to achieve this. For example introduce plans to reduce the consumption of raw materials, fuel, water and energy; be proactive in reusing or recycling unavoidable waste; ensure other waste is disposed of in a safe and legal manner.

5.4.4 Tenancy agreements

One of the purposes of the St Luke's project is to provide business accommodation to local start-up or growing businesses that are unable to find affordable business space elsewhere. For this reason we need to list criteria to give these types of organisations priority. In addition lease terms will be drawn up including credit checks, periods of notice and other conditions involving the day to day occupation of the premises.

5.4.5 Financial policy and processes

The Board of St Luke's Centre will be responsible for ensuring good management of the enterprise's finances in accordance with its aims and objectives, and in accordance with the necessary legal and accounting responsibilities.

Operating accounts will be produced on a monthly basis for presentation to the Board with a full review quarterly.

Authorisation for purchases will have different criteria dependent on the value of the proposed purchase.

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5.4.6 Booking and hiring procedures

The hiring of space in the Community area will be made with the Community Interest Company. A system will be established to ensure awareness of the conditions of hiring, the range of charges and the responsibilities of the hirer. All this information will be publically displayed.

The procedures for the hiring of the field will depend on the terms of the sub lease between the company and the Parish Council. If the Parish Council decide to retain the field it would be probable that an arrangement would be made with the company to arrange the bookings and collect the fees on behalf of the Parish Council.

6 Market strategy

In considering the approaches to be used in developing and promoting the facilities and services available within St Luke's Centre, it is important firstly to understand the exact nature of the product on offer as defined by a conventional marketing mix:

- Product / service
- Pricing
- Place / routes
-

6.1 Product

The development of St Luke's Centre will create four zones within the building as shown in the Conversion Plans at Appendix I:

- I. Office Space - available for letting to commercial or community groups
- II. Community space - meeting rooms and a hall available for hire to community or private groups
- III. Nursery - for long term lease to a private nursery operator
- IV. Changing rooms - to be used in conjunction with the playing field, for hire to sports and other groups

It is important to identify the potential customers for each of these spaces, their specific needs, and consequently the approach that would be taken to promote and market each space.

Product / service	Customer group (s)	Wants / needs
Office space: - 5 offices located at the front of the building, providing offices between 440 and 670 square feet each.	<ul style="list-style-type: none"> • New-start businesses seeking their first office space (NB This may require some of the office space currently planned to be split into smaller units) • Commercial organisations - relocating businesses • Community, voluntary and third sector groups • Local branches of national organisations or agencies 	<ul style="list-style-type: none"> • Professional standard office space • Secure office • 24/7 access • Well maintained and cleaned shared spaces • Professional image for their organisation • Access to car parking • Responsive building support • Good value
Community space: - Main Hall (1800)	<ul style="list-style-type: none"> • Community groups • Commercial organisations 	<ul style="list-style-type: none"> • Access to large spaces for events • Professional booking

sqft) - 2 Community meeting rooms (710 & 860 sqft) - Cafe / Exhibition space(380 sq ft). - Office (110 Sq Ft) for use by St Luke's Community Group Staff	<ul style="list-style-type: none"> • Individual hirers • Third sector organisations 	process <ul style="list-style-type: none"> • Good value • Flexibility in booking (room layouts etc) • Furniture and equipment to cater for their specific meeting needs) • Ability to run their own events as they want • Reliable opening and closing arrangements • Contact point in case of problems
Nursery: - Total space of 2610 Sq Ft for leasing on a long term basis to a commercial nursery organisation for them to manage the nursery.	<ul style="list-style-type: none"> • Commercial nursery organisation 	<ul style="list-style-type: none"> • Well designed room structures and layouts to suit the needs of their age groups, group sizes and proposed activities • Security. To keep children in and unwanted visitors out. • Car parking for parent drop-off. • On site contact point for problem solving • Good value
Changing rooms and external playing field	<ul style="list-style-type: none"> • Local sports clubs and groups • Schools (?) • Community groups • Private hirers 	<ul style="list-style-type: none"> • Well maintained sports field • Clean / well maintained changing rooms • Efficient booking system • Good value

It is important here to recognise the different potential customer groups for each of the services, the variation in their respective needs and the different routes to market that will need to be channelled to promote the services offered by each and to attract users / customers.

It must be remembered that customers will be buying a complete service, not just hiring a space. Their satisfaction will be measured by the success of their tenure/event, etc. This will impact upon the type of promotion used and the Unique Selling Points (USPs) stressed in promotional campaigns.

NOTE: At this stage we have assumed that the cafe / exhibition space will be available for hire alongside other community spaces. It is possible, of course, that someone may want to open and run a cafe facility within this area but we are recommending that this should not be part of the Centre Management Team's priorities at this stage. During launch it could provide too much of a distraction. Running cafe facilities is an activity that many community organisations find more difficult than they anticipated, and the majority of "add-on" cafes actually make a loss. It would be better to look for a partner to run the facility while paying a rent, if the cafe was considered a good idea, rather than running the cafe for ourselves.

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6.2 Pricing (see appendix M for comparative hirers)

The pricing of facilities at St Luke's Centre will need to reflect two needs:

The energy to refurbish and redevelop the centre has come from a committed group of individuals who are keen to see the centre returned to useful service and to play a valuable role within the community. Pricing of community room hire will therefore need to be set at a level which makes it affordable to target groups, and encourages a high level of usage of the community rooms.

The centre must be run according to a financially sustainable business model. It will therefore need to maximise the income that it can make from commercial users of the centre, and others who can be expected to afford to pay "market rates" for the facilities that they are hiring.

Examining each of the four areas of the centre therefore:

6.2.1 Office Space

Our conversion plan currently provides for the creation of 5 offices, size varying between 440 and 670 Sq Ft (41 - 59m²). These size offices will provide reasonable sized accommodation for around five people in each office and, as such, would suit existing businesses looking to house this number of people, third sector organisations of a similar size, local branches of national organisations, or departments within public sector bodies. It is possible that some of the offices could be connected together to create larger office space if required. Equally, however, if we were to target new / start-up organisations their need would probably be for smaller offices and we may need to look at splitting offices into smaller units.

Our conversion plan would provide attractive office space which would appeal in terms of design to commercial organisations, and some of the architectural features of the building would be very attractive to professional organisations such as solicitors / accountants. Each office would be well fitted with large numbers of power points and connections for telephone and broadband.

At this stage we are assuming that tenants will pay their own telephone, heat and light, and business rates costs (though we would perhaps include broadband access within the rental cost). We have been advised by Ian McRae Chartered Surveyor that rental costs for the offices could be targeted as follows:

Upper target rental value	£12.00 per square foot per annum
Lower target rental value	£11.00 per square foot per annum
Average rental value used for business planning purposes	£10.00 per square foot per annum

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6.2.2 Community Space

It is our intention to price the community space created at the centre according to two specific markets:

- Community groups, voluntary groups, and members of the local community whom we would wish to encourage to make maximum use of the halls and to whom, therefore, a lower price range would be charged
- Commercial users, public sector organisations, and non-local residents whom we would encourage to make use of our facilities but to whom a higher price range would be attached.

Appendix M shows a comparison of charges for room hire made by other local community facilities. We have used this to arrive at our own proposed table of charges. Our exact table of charges will be arrived at through a process of further consultation with potential user groups, and refinement as we decide on the exact charges that we would want to make for specific groups, including whether there would be differential prices for weekday, evening and weekend usage, and whether there would be discounts for longer hire periods in comparison to shorter hires. At present our proposed table of charges for rooms is:

Community spaces - Hire charges / hour	Lower rate (community, voluntary groups and local residents)	Higher rate (commercial and public sector organisations and non-local residents)	Average rate - used for business planning purposes
Hall	£12.50	£20.00	£15.00
Community rooms	£7.00	£12.00	£10.00

6.2.3 Nursery

We are currently negotiating with a potential manager of a self contained nursery facility to be run within the designated area within the converted centre. The rebuilt nursery area would include an entrance lobby (with its own entrance, separate from the rest of the building, an office, two nursery "classrooms", boys and girls toilets, a cloakroom / quiet area and a self-contained external play area. The total indoor area of the nursery space is estimated at 2610 Sq Ft (243 m²).

We have been advised by Ian McRae Chartered Surveyor that rental costs for the nursery space should be similar to that asked for our office spaces and our prices would therefore be targeted as follows:

Upper target rental value	£12.00 per square foot per annum
Lower target rental value	£11.00 per square foot per annum
Average rental value used for business purposes	£10.00 per square foot per annum

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6.2.4 Playing field

Duston Schools have an Astroturf playing pitch which is charged at a rate of £60 per hour for the whole pitch or £45 per hour for half of the pitch. There is no other equivalent external grass pitch within Duston but we have focussed on keeping prices at a level affordable to small local groups, encouraging them to make use of their local facilities:

Playing Field -Hire charges / hour	Lower rate (local sports clubs, community groups and local residents)	Higher rate (commercial and public sector organisations and non-local residents)	Average rate - used for business planning purposes
Field	£10.00	£15.00	£12.00
Field + changing room	£12.00	£20.00	£15.00

6.3 Place / Routes to market

St Luke's Centre, Duston is well placed, central to Duston, within easy walking distance of most other parts of the town centre. Its disadvantage is the lack of on-street parking at the front of the building - it faces onto a road junction with a roundabout and it is some distance in any direction before there is available on-street parking. Within the site itself, there is some space that will be converted into parking spaces which will be designated for use by tenants of the centre, and for dropping off of children at the nursery. To the rear of the site there is on-street parking adjacent to the playing field and from which it is possible to walk through to the entrance to the community centre area of the building.

Situated as it is on a road junction the building is highly visible and will create its own advert for itself. The use of appropriate signage will make it clear what facilities are to be found at the centre, and will provide contact details for potential tenants and hirers.

6.4 Promotional strategy

As outlined above, the St Luke's Centre offers a quite diverse range of facilities and spaces, appealing to a broad user/customer base.

Its promotional strategy should be built, therefore, around a similarly broad range of promotional tools:

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Promotional tool	Approach
	<p>Personal Selling Build upon community contacts and links with local community groups. Contact local businesses, business networks, business representatives and links to third sector organisations and public sector bodies. Use existing contacts of members of the St Luke's Centre Development Team. Follow up on any existing levels of interest. High conversion rate due to personal approach.</p>
Public Relations	<p>Develop public interest in the centre throughout its redevelopment and launch. Run stories in local press (Chronicle and Echo) and radio announcing reopening of the hall and availability for hire. PR stories relating to specific events, High "trust" element leading to building of reputation and status. Make use of the Parish Council newsletter to promote the Centre.</p>
Website	<p>Create a new website for St Luke's Centre providing full details of the centre's facilities (offices, community space, paying field, nursery), prices, availability, booking arrangements and a diary of forthcoming events. Links should be built to other websites including the Parish Council's site.</p>
Networking	<p>Make extensive use of contacts within local authorities (especially Parish Council) and other bodies to promote the facilities available, and also to identify further contacts to whom the facilities might be promoted.</p>
Point of Sale	<p>Make use of the frontage of the building to promote availability of offices, room hire space, and specific events that are being arranged. Ensure that signage is clear, informative and highly visible. Make use of banners on the front of the building to promote special events (launch activities or other events) or particular space availability that needs promotion.</p>
Advertising	<p>This is usually a high cost promotional medium and one which third sector organisations are best advised to avoid. Good media relationships, however, can get this replaced by Public Relations pieces which always attract greater trust. Notices can be displayed to promote the facilities and events at the Centre and use should be made of public buildings such as schools, library and around shops to do this.</p>
Sponsorship	<p>Discuss with local partners the possibility of sponsorship deals with local businesses. These could relate to support for events, promotional support or possibly "Friends of..." type sponsorship</p>

	deals with local organisations. This may offer mutual promotional benefits to the centre and to local commercial partners.
Direct marketing	A renovated centre will make an attractive venue for corporate events, meetings, workshops and exhibitions. Direct marketing (mail shots, cold calling) has a reputation for delivering very poor returns. The best targeted campaigns, however, can deliver stunning results if limited to two or three direct contacts per week.
Open events	Encourage local people and organisations to visit the renovated centre once it is ready. Organise events (weekday, evenings and weekends) where visitors will be able to look around the new facilities, backed up with events (musical, dramatic, community performance, sporting) that will encourage people to attend. Supplement with free refreshments (tea / coffee).
Literature	Produce a product sheet / brochure for the Centre, listing the facilities available, prices and how to make bookings. This could be in the form of a single document covering the whole Centre, or separate sheets covering Office Space, Community Space and Outdoor Space.

Through the redevelopment phase of the centre the management group will establish priorities and targets for promotional activities, aiming to have these up and running during the period running through its completion and through the launch.

There will be four initial priorities:

- Businesses, business groups, public sector groups and other organisations that may have an interest in renting office space.
- Local community groups, third sector groups, and public sector organisations that may be interested in hiring community room space.
- Residents and other members of the local community, encouraging them to consider using the venue for their own events (parties, weddings, funerals etc).
- Sports groups and others potentially wishing to hire the outside sports ground.

As with any promotional strategy, the effectiveness of all approaches should be measured to assess whether expenditure in each area is delivering a return on investment, and this will be used to shape and refine future strategy.

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7 Financial model and forecasts

7.1 Capital Plan and Sources of Funding

Section 4 of this business plan outlines the costs associated with the building work required to renovate St Luke's Centre, converting it for its designated future uses as:

- Community Centre
- Children's Day Nursery
- Commercial Office Space
-

The table below summarises those capital building costs, alongside other capital costs required to make the building entirely fit for the above purposes, and identifies the source from which those funds will be drawn down.

Capital item	Cost	Source of funding
Conversion costs: - Community area Nursery shell - Commercial offices External works <u>- Asbestos disposal</u> - Total	£365, 844 £ 51,686 £249,938 £160,847 <u>£ 40,000</u> £868,315	PWLB Loan - £400,000 (*) Precept (09-10)-£253,000 <u>Precept (10-11) - £100,000</u> Total - £753,000 Deficit - £115,315 (see below)
Telecoms switchboard	£3,000 (est.)	
Furniture: - Tables and chairs for community area - Furniture for commercial offices (if required)	£5,000 (est.) £3,000 (est.)	*
Kitchen equipment Misc white goods - Crockery, cutlery etc (for community area events)	£1,500 (est.) £500 (est.)	
Legal fees - Toller's	£10,000 (est.)	
TOTALS	£888,315	£753,000 funded £135,315 to be found

(*) The Parish Council has agreed to make the repayments on this loan, equating to £37,040 in year one, reducing by £426pa over 20 years

There is a number of ways of funding the balance of the capital amount required above in addition to the PWLB loan of £400k and the precept total of £353k.

The table below shows the options of increasing the loan and extending the period of the loan over a number of years from 20 to 50.(It is possible to have a loan for any chosen period between those years selected for the table).

Although the interest rates increase with the increase in the period of the loan it is relatively little at 0.5%

Three different loans are selected for comparison with the annual repayment due depending on the time scale of the loan, between 20 -50 years. The repayment on the loan decreases by a small amount each year. See appendix Q for details of the loans.

With a £500,000 loan the deficit on the funding would be £35,315.

With a £600,000 loan there would be a surplus of £64,685

When the Parish Council contacted the Duston residents for approval of a loan to develop the site it was agreed to accept a loan of up to £600,000 for 50 years

Options

- Extend period of loan
- Increase loan
-

<u>Interest Rates 22.03.10</u>	Years	20	25	30	40	50
	%	4.18	4.43	4.56	4.66	4.68

Alternative loans

Initial annual repayment on:

	Years	20	25	30	40	50
£ 400 000		36 720	33 720	31 572	28 640	26 720
£500 000		45 900	42 150	39 466	35 800	33 400
£600 000		55 080	50 580	47 360	42 960	40 080

It may be possible to increase the PWLB loan amount from £400k to £500k. If that were the case the year one repayment would increase from £37,040 to £46,300 if the loan were kept at a 20 year repayment period. This would leave the St Luke's Project with a balance of £9260 to make in repayments in year one, additional to the repayments being made by the Parish Council. This amount would reduce year on year.

Duston Parish Council passed the following resolution at the DPC meeting of 13.05.10:

The St Luke's (School) Task and finish Group seek agreement from Full Council to begin the process of applying for a loan of £600,000 over 50 years duration from the Public works Loan Board. The final application only to be made after a satisfactory agreement has been reached with the Northamptonshire County Council.

The loan application has been agreed in principal by the Northants County Association of Local Councils (N CALC) and the PWLB. The DPC will be responsible for the repayment of the loan.

The other potential sources of capital funding would be section 106 payments from WNDC, or possibly Poor Close Charity moneys.

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7.2 Cash Flow Forecast

7.2.1 Income

Appendix R1 provides an overview of the income potential of St Luke's Centre once it has been converted. The assumptions upon which this overview has been based are:

- Office space will attract rents of between £10 and £12 per square foot. This has been based on the advice of Ian McCrae. For budgeting purposes an average rate of £11 per square foot has been assumed.
- A similar rental figure has been assumed for the 2610 square foot nursery area. This will provide an annual rental income of £28,710.
- A review has been carried out of the costs of hiring community spaces in the local area. A breakdown of that analysis of that has been included in appendix M. The conclusion of that analysis was that we should charge differential rates for local residents, and community groups while charging higher rates for commercial hirers or non-local residents. Those proposed rates are also contained in appendix N. For budgetary purposes, average rental rates have been used, these being: Main Hall - £15/hour; Community Rooms - £10/hour. It has been assumed that usage of community rooms will grow progressively in the first 6 months, reaching 8 hours per week for the main hall and 15 hours per week for the community rooms, and that by the end of the first year these figures will have reached 16 hours per week for the main hall, and 30 hours per week for the community rooms.
- At present it has been assumed that rental of the field will be done by the St Luke's Project. This has been valued at £12/hour, with the changing room costing an additional £3/hour. Estimates have been shown for the number of hours that the field will be rented for each month, with these figures reflecting the significant differences that will be seen between summer and winter months.
- In the cash flow forecast for year one, a gradual build up is shown for the occupancy level of the commercial offices, and for the usage of both the community spaces and the playing field and changing rooms.
- It has been assumed that the nursery space will become occupied, and income will be earned, from month 4.

7.2.2 Expenditure

Appendix R2 shows the assumptions that have been made in setting the expenditure levels that are expected to be incurred in running the St Luke's Centre. These are mostly self explanatory, but the major assumptions are outlined further below:

- There will be a general manager for the centre (£22kpa), a part time site manager (£7280pa), and additional staff costs incurred through providing cover for the above.
- Utility costs have been based on the costs incurred by the Doddridge Centre which is a similar size to St Luke's Centre
- It is assumed that the nursery, and commercial office spaces will pay their own business rates.
- The nursery will pay its own utility costs. Utilities for the commercial office space will be paid by St Luke's Project and recovered through the rental costs.
- It should be noted that repayment of the PWLB loan will be the responsibility of Duston Parish Council so interest and repayment amounts will not feature in St Luke's financial forecasts.
- Depreciation, normally calculated by NCC over a 40 year period, will be applied to the St Luke's balance sheet but will not feature in the annual cash flow. From the point where refurbishment has been completed expenditure on repairs and maintenance has been calculated to maintain the building in its refurbished state. In future years a sinking fund will be created to set aside a portion of the surpluses against major repairs which may be required. The size of this sinking fund will be negotiated between Duston PC and St Luke's.

7.2.3 Cash flow 2010-2013

Appendices R3; R4 and R5 provide a cash flow forecast for the St Luke's Project for its first three years. In summary these show a financial performance as follows:

	R3 2010-11	R4 2011-12	R5 2012-13
Income			
Office Rental	£9,587	£21,912	£22,569
Nursery	£21,533	£28,710	£29,571
Community Rooms (*)	£27,692	£53,934	£61,800
Field	£7,326	£8,731	£8,992
TOTAL INCOME	£66,138	£113,287	£122,933
Expenditure			
Staff Costs	£36,404	£37,496	£38,620
Utilities	£10,540	£10,856	£11,182
Repairs and Maintenance	£9,500	£9,785	£10,079
Equipment	£3,200	£3,296	£3,395
Administration	£8,450	£8,704	£8,965
Marketing	£1,800	£1,854	£1,910
Professional Fees	£2,500	£2,575	£2,652
TOTAL EXPENDITURE	£72,394	£74,565	£76,802
SURPLUS / DEFICIT	-£6,256	£38,722	£46,131

Based on our forecast levels of hiring and utilisation, the Centre will have begun operating at a profit by the end of its first year, and will be capable of delivering a healthy surplus from that point onward. It should be noted, however, that during its first year it will have reached a negative cash flow position of minus £16,419 which will need to be funded.

These forecasts are, of course, entirely dependent upon the forecasts that have been made. We are fairly confident that costs can be contained within these forecasts. Income is, of course, potentially more variable. In alternative scenario 1 (Appendix R6) four more pessimistic income factors have been incorporated:

1. Office utilisation grows initially at half the previously predicted rate, and then settles out to fill at a rate three months behind the previous forecast (negative impact of £4109)
2. The nursery remains empty for 6 months instead of 3 (negative impact of £7178)
3. Community rooms achieve only 50% of previous income (negative impact of £13846)
4. Playing field achieves approx 50% of previous income (negative impact of £3793)

Each of these negative scenarios would knock the stated amount off of the bottom line for year one. If all four were to occur at these considerably more pessimistic levels, the Centre would just have started to generate a month on month surplus by the end of its first year, but it would have accumulated a cash debt of over £35k by that point.

In alternative scenario 2 (appendix R7), more optimistic income factors have been applied:

1. Office utilisation grows three months ahead of the previous plan (positive impact of £4793)
2. The nursery is let from day 1 (positive impact of £7177)
3. Community rooms achieve targets 3 months ahead of original plan (positive impact of £9961)
4. Playing field achieves target capacity from day 1 (positive impact of £654) Combined together, all four of these more optimistic scenarios would see the centre achieving a £16k surplus in year one, and dipping to only just over £3k negative cash flow at any point during the first year.

Our forecast first year is our best estimate of financial out turn for 2010-11. The alternative scenarios, however, show the importance of marketing the space at the centre as effectively and as early as possible.

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7.2.4 Treatment of surpluses

The allocation of surpluses from St Luke's Centre will be negotiated between St Luke's and Duston Parish Council. It is expected that it will be distributed between three areas:

- i. Payment into a sinking fund to cover future major repairs to the building
- ii. Payment to Duston PC as a return on its investment in the rebuilding
- iii. Investment in the development of future services at the centre

The nature of the transfer of the Centre from NCC to DPC will influence the way in which payments to a sinking fund will need to be made. If the building is transferred on a long lease these provisions will need to be made in accordance with conditions agreed between the two parties with regard to repairing responsibilities and the condition requirements at the end of the lease. If the transfer is to be freehold, these payments will be made on the basis of policies agreed between DPC and St Luke's.

7.3 Other Financial matters

7.3.1. Non-Domestic Rates

Non-Domestic (Business) Rates (NDR) for commercial properties are based on valuations set by the Valuations Office Agency (VOA). Rates are collected by the local authority on behalf of the government. The local authority is not the end recipient of NDR payments but it has some discretion in allowing exemptions.

Local authorities can allow an 80% statutory exemption from NDR for registered charities, and will typically allow these same exemptions for charitable organisations even if they are not registered charities. Local Authorities can also allow discretionary exemptions on the remaining 20% payable for charitable organisations on the premises which it occupies. The St Luke's project will negotiate with its Local Authority, requesting that it should not be required to pay NDR on any units which it occupies in the development.

Commercial tenants of the units would, though, be responsible for paying their own NDR and unless they were charitable would not benefit from such an exemption. It should be noted, however, that Small Business Rate Relief should be available on all the units providing a discount of up to 50%. Tenants would be responsible for reclaiming this themselves from the local authority. To enable this, however, it would be necessary for each of the separate areas to be valued separately and the Valuation Agency should be approached on this basis. By doing this the nursery will be able to pay for their own business rates and each tenant business in the commercial office lets will pay their own rates (and be able to claim

small business rate relief). The community area will be separately valued and, hopefully, made exempt from rate payments.

When establishing the basis on which units are rated it is also important to keep an eye on legislation regarding business rates. On April 1st, 2008 a change in legislation meant that 100% of NDR will be payable on all commercial premises after they have been empty for more than 3 months. One year later, however, a threshold of £18,000 was set below which no NDR would be payable on empty premises. That threshold has been extended through 2010 but may be changed in the future. By having the office units separately valued it is likely that they will continue to be exempt from rates when empty. It should be noted, however, that the nursery unit will probably not benefit from such an exemption.

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8 Risk Assessment and Management

The project group are aware that many potential pitfalls and unexpected contingencies may arise in the setting up of the project and in the future running of centre. Our discussions with other centres highlighted some of these issues as have our advisors.

Below we chart those risks that could seriously impair the success of the project, label their significance in terms of their potential impact and detail ways and means of overcoming or mitigating their consequences.

Possible Risks	Likelihood H/M/L	Impact H/M/L	Current Responses	Additional Responses	Timescale	Residual Risks H/M/L
Loan insufficient for conversion costs	L	L	Professional advisors have estimated costs including contingencies	More Money can be borrowed if required	Will become apparent during conversion stage	L
Failure to attract commercial tenants	M	M	Engaged with professional Letting Agent identifying potential clients.	Increase marketing and establish attractive terms and rates	Ongoing monitoring & establish clients in advance of completion date	M
Failure to attract Nursery Provider	L	M	Discussing with interested provider	Continue with marketing. This is a growing market	Confirm provider prior to project completion	M
Running Costs higher than allowed for	L	M	Trial Budget established	Regular monitoring of financial performance	Monthly accounts reviews commencing with opening for business	M
Parish Council withdraws support	L	M	Planned meeting with PC to confirm ongoing support. Establish agreement	Establish agreement with NCCC in the event of PC desire to withdraw	Establish during agreement setting with DPC and NCC	L
Excessive Maintenance Cost	L	M	The initial programme of repairs and restorations ensure that the building will be in a fit state for the first 2 years.	Ensure that financial management includes adequate maintenance allowance in budgeting. Establish future support policy with DPC and NCCC Establish a number of volunteers to assist with repairs when required.	Included in current budget and take fwd when facility opens Establish during agreement setting between DPC and NCCC Raise issue in next planned public meeting	L

Inability to maintain an effective management structure	M	M	Continue to maintain contact and interest of existing project group	Continue to promote interest in the future facility and attract new members to the project team	An ongoing issue	L
Company Fails	M	H	Business Planning has been thorough in avoiding company failure	Establish agreement with DPC to take over full control of the business. Ultimate solution to return asset to NCCC who will decide future prospects for the site.	Establish during agreement setting between DPC and NCCC	L

The project team appreciate that it is desirable to reduce the risks remaining classified as Medium to Low where possible and the following actions are identified to support this:

- a) engage in ongoing promotions to potential commercial clients and identify attractive offers and rental terms.
- b) flexibility in room allocation between commercial and community customers.
- c) regular review of operating costs and establishing effective cost control measures.

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Appendices (Located in a separate volume)

A Conservation Area

B 1856 Deed of School site

C Location plans

1. Position in Northampton
2. Position in Duston village
3. Site plan
4. Plan showing surrounding land use and proposed development

D Project team and professional advisors

E Demographic information

1. Population breakdown
2. Labour Market statistics

F Details of other Community Centres in Duston

G Questionnaire and analysis

H Publicity materials

1. Flyer- request for support
2. An annual report
3. Booklet explaining project
4. Extracts from Newsletters

I Architect's plans and

Design statement J The Field position statement and

Possible implications of Village Green status

K Potential hirers and users

1. YMCA expression of interest
2. Northampton Carers expression of interest
3. Nursery Unit expression of interest
4. Age Concern suggestions for older people's activities
5. Other interested parties

L Questionnaire for older people's activities

Appendices (cont)

M Hire costs and Comparators

Doddridge fees and charges

N Rentals and hire income

O Development cost estimates

P Project programme

Q PWLB interest rates

R Financial forecasts:

1. Overview of income potential
2. Assumptions made
3. Cash flow forecast 2010-2011
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5. Cash flow forecast 2012-2013
6. Alternative scenario 1
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