

REPORT TITLE: FUNDING FOR THE HANDLEBAR CAFÉ

CABINET

12 SEPTEMBER 2017

WINCHESTER TOWN FORUM

20 SEPTEMBER 2017

REPORT OF PORTFOLIO HOLDER: Cllr Jan Warwick, Portfolio Holder for Environment

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WARD(S): ST MICHAEL

PURPOSE

Winchester Town Forum has actively encouraged the development of a 'cycle café' over the last three years. This would be sited along the Viaduct Way, which links the city centre to the East Park and Ride Car Park and forms part of National Cycle Network Route 23. The original proposal came from SPUD (Space, Place-Making and Urban Design), a creative practice specialising in innovative public realm projects, having been generated through one of its regular programme of SPUD Youth workshops.

The project is well supported by local people and by commercial partners, and at a stage where it could be delivered subject to funding. The purpose of this Report is to provide a summary of recent progress, and to seek Cabinet approval for an amendment to the match funding arrangements. .

RECOMMENDATIONS:To Cabinet:

That:

1. the sum of £50,000 previously identified in the Capital Programme be reconfirmed as a grant towards the construction and delivery costs of The Handlebar Café, subject to match funding of £25,000 from the Winchester Town Account as previously stipulated;
2. the condition requiring equal match funding from the South Downs National Park Authority be removed, and replaced with a requirement for SPUD to have secured the full project costs in order for the Council to release its total contribution of £75,000;
3. the Council's offer of funding be made available for a twelve month period from the date of this report, works having been procured with an imminent start date within this period;
4. the Council's total grant be approved for release in accordance with Financial Procedure Rule 6.4 subject to production of written evidence from SPUD that the project is fully funded.
5. the broad approach of SPUD's mitigation strategy set out at section 9 be endorsed.

To Winchester Town Forum:

That:

1. the sum of £25,000 allocated in the Winchester Town Account budget for 2017/18 be reconfirmed as a grant towards the construction and delivery costs of The Handlebar Cafe, subject to match funding of £50,000 from the General Fund as previously stipulated and set out in recommendation 1 above to Cabinet.
2. the broad approach of SPUD's mitigation strategy set out at section 9 of the report be endorsed.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

The cycle café would support delivery of three outcomes:

- a) improving the health and happiness of the community by encouraging people to cycle and walk by creating a 'destination' café on the Viaduct Way, along with bicycle hub that can assist with repairs and training for cycle owners, and be used as a starting point for longer community rides. It would also involve young people and volunteers in designing, creating and running the café;
- b) promoting Winchester District's aspiration to be a 'premier business location' by enhancing the tourism/leisure 'offer' of the City. It is already providing new skills for the SPUD youth team working on the project, and has the potential to provide 'entry level' training and development for paid employees working at the café once operational;
- c) enhancing the built and natural environment by creating a new feature of interest along Viaduct Way, which simultaneously celebrates the city's railway heritage whilst also encourage people to spend time outside enjoying the rural landscape and the South Downs adjacent.

2 FINANCIAL IMPLICATIONS

- 2.1 These are set out in some detail in [WTF246](#) - Handlebar Café Update - which was presented to Winchester Town Forum in November 2016 and Cabinet in December 2016. Most of the information is still correct, but there has been a significant change in relation to the anticipated funding from the South Downs National Park Authority (SDNPA).
- 2.2 The Authority has revised its early advice to SPUD about funding, which originally indicated that a sum of up to £50,000 might be made available to support the Café project in view of its 'gateway' location. This commitment was therefore supported by a match funding requirement requiring SPUD to secure the Authority's £50,000 as a condition for making the Council funding available. Following changes of personnel and approach at the Authority, the last written indication – received by SPUD on the day of the Winchester Town Forum meeting in November 2016 – was that it would encourage an application for up to £10,000 from its [Sustainable Communities](#) grants fund, of which a significant proportion would be expected to go into the presentation of the café as a SDNPA 'hub' or showcase rather than to meet essential project costs.
- 2.3 Paragraph 5.3 below sets out the uncertainty for project costings presented by the lack of information about Southern Water's high pressure sewerage pipes running under the site. When the associated survey work is finally completed, final calculations on the overall project cost can be confirmed. Estimates at the time of the last Report were in the region of £350,000, of which pledges

for 30% (£126,000) had been made including a grant of £50,000 from Hampshire County Council which has subsequently been confirmed in writing. Commitments for sponsorship in kind equated to a further 29% of the project cost, leaving an outstanding amount of £125,000 to be raised.

- 2.4 To this end, SPUD has been active in seeking other external funding , and engaged the services of a professional fundraiser to support this work. The most significant aspect is a large grant application to [Sport England's Community Asset Fund](#) for £150,000. Assessors from the grants programme had visited the site at the time of writing this report, and responded encouragingly. However, this fund as a whole was oversubscribed by 433% and applications are taking much longer than expected to process.
- 2.5 Enquiries are also being made direct to the Department for Transport for match funding, with the support of Cllr Rob Humby in his Hampshire County Council Executive Member capacity and Steve Brine MP.
- 2.6 SPUD has also been exploring options for an application to Biffa, but has been advised that a lease for a minimum of ten years must be in place before this can be considered. As a charitable organisation, SPUD is obviously not keen to commit to a lease until there is greater certainty about other funding.
- 2.7 An earlier application for funding from Veolia was not successful (due to the level of competition for funds), and following operational changes there is no longer a Veolia facility within the required radius from the Café site so another attempt is not possible.
- 2.8 Members are asked to reaffirm their commitment to providing a total of £75,000 in grant funding for The Handlebar Café, making this funding available for a period of twelve months from the date of this report. Works would need to have been procured within this twelve month period, with an imminent start date, for the grant offer to stand.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None other than as set out in Report [WTF246](#) – Handlebar Café Update.

4 WORKFORCE IMPLICATIONS

- 4.1 No new implications, over and above those reported in Report [WTF246](#) – Handlebar Café Update.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 [WTF246](#) – Handlebar Café Update - gave a detailed account of the property implications of this project, which is not repeated here.

As was reported to Members in that Report, the land near Garnier Road where the café is to be sited is owned by the Council. In line with its obligation to advertise the proposed letting of this land and consider any

objections, officers in the Estates Team placed a statutory Notice in the Mid Hants Observer for two weeks in April 2017, as well as a Notice on the site and on the Council's website. Two representations were received in response, one generally supporting the project but requesting the Council takes steps to ensure no excess litter was generated as a result and the other objecting on the basis that the proposed development was not appropriate for the location. Estates officers asked Ward Members to consider this feedback. At the time of writing this Report they were responding to these concerns in writing, and proposing to move ahead with disposal of the land.

- 5.2 As is recorded in the [minutes](#) of Winchester Town Forum in November 2016, SPUD reported orally that:

“the issue which had slowed down the progress of the project significantly was the identification of a high pressure sewerage pipe situated underneath the site. Surveys had been carried out to try and establish its exact location and depth... SPUD had been waiting on Southern Water's permission to do a 'test drill' which had taken 18 months of communication to progress to the current stage. It was reported that a number of surveys had now been carried out *pro bono* by Sumo Surveys and Soils Ltd and paperwork submitted. It was noted that this was a critical element of the project in terms of getting onto the site to complete the survey work.”

6 CONSULTATION AND COMMUNICATION

- 6.1 An account of the engagement work which has been integrated into the project was included in Report [WTF246](#) – Handlebar Café Update. SPUD has continued to raise awareness of the project, through initiatives such as:
- a) the display of small on-site posters promoting the idea of a café and directing supporters to the crowdfunding website to make contributions;
 - b) a stand at the Winchester Criterium and CycleFest 2017;
 - c) continued development of the project website and social media activity, including the production of a film at <https://www.spudyouth.org/cycle-cafe>
 - d) a presentation to Winchester Town Forum by SPUD on 21 June 2017.
- 6.2 The project continues to evolve in line with feedback received, as well as to accommodate new information about the site.
- 6.3 SPUD have also held meetings in recent months with the Vice Chancellor of the University of Winchester and the Bursar of Winchester College, both of whom have expressed interest in the café project.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The project has the potential to encourage more cycling and walking in the Winchester area, so helping to support behavioural change in relation to the Council's objectives for improved air quality and a reduced carbon footprint for the District.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 As reported in [WTF246](#) – Handlebar Café Update.

9 RISK MANAGEMENT

- 9.1 As set out in [WTF246](#) – Handlebar Café Update, with the exception of the additional risks identified below.

Risk	Mitigation	Opportunities
<p><i>Property</i></p> <p>Uncertainty by Southern Water over the exact siting and depth of high pressure sewerage pipe running directly under the site – currently being traced</p>	<p>Southern Water granted permission for test drilling to take place on 28 July 2017 as part of mapping exercise which will inform any adjustments to design.</p>	<p>Café could be redesigned to allow it to be physically moved if access to mains pipes were required (eg on 'train tracks') – this would fit well with 'train' character and is not considered likely to add significantly to build cost</p>
<p><i>Financial / VfM</i></p> <p>Uncertainty about final project costs in view of ongoing situation with water mains pipes above</p>	<p>As above. ARUP are undertaking a review of the required foundations for the structures and cost implications.</p> <p>In the meantime, other work continues to review and reduce project costs wherever possible</p>	<p>As above</p>

- 9.2 The agreed Council funding is a contribution towards the costs of a new structure, and is not start-up funding or a revenue grant for the business operation accommodated within it. Nevertheless, Members of Winchester Town Forum requested at their meeting in November 2016 some further clarification about the future of the building should the café/bike hub operation fail.

- 9.3 To this end, SPUD has produced a Mitigation Strategy, the full version of which is available from officers on request. This sets out the legal relationship between SPUD as the owners and Bespoke Biking as the operators, ensuring that SPUD remains in overall control of the site and ensures that the facility is used long-term for the interest of the local community. Should the proposed operational model not prove successful, SPUD would seek to identify an alternative operator (with a charitable or social enterprise remit) or to run the business directly. If a café use proved unviable, SPUD would work with the Council to explore options to transform the building into a creative arts/studio space or into a youth/community facility. This would be very much dependent on the current local need and opportunities at the time. SPUD's intention would be to ensure that the facility remained accessible to and for the benefit of the local community.
- 9.4 The worst case scenario would be that long-term the facility proved unviable and an operator/alternative use could not be found. The nature of the structures would allow for them to be relatively easily removed and sold/re-used elsewhere, with funds raised used to return the site back to its original condition. The creation of new landscaped areas and an access path to the bridge as part of Handlebar Café will be enhancements to the site and it is likely that the Council would want to retain these enhancements.
- 9.5 Members are asked to consider the broad approach set out above.

10 SUPPORTING INFORMATION:

- 10.1 Over the last three years Winchester Town Forum and Leading Members have encouraged the development of a 'cycle café' sited along the Viaduct Way, which links the city centre to the East Park and Ride Car Park and forms part of National Cycle Network Route 23. The original proposal came from SPUD, a creative practice specialising in innovative public realm projects, through its local programme of SPUD Youth workshops.
- 10.2 Following a comprehensive project update to Winchester Town Forum and Cabinet designed to align with the Council's budget cycle for 2017/18 ([WTF246](#) – Handlebar Café Update refers), SPUD has continued to progress the project – mainly through funding applications and survey work to assess implications of the Southern Water high pressure sewerage pipes underneath the proposed site. SPUD's approach to dealing with these challenges is recorded in the earlier sections of this Report (see sections 2 and 5).
- 10.3 The main trigger for a Report at this stage is SPUD's request for Members to remove the requirement that the Council's own funding should be conditional on the securing of a £50,000 grant from the South Downs National Park Authority (paragraph 2.2 refers). This follows a change of personnel and strategy at the Authority. The funding secured to date is as follows

Source	£	Conditions
General Fund Capital Receipts Reserve	50K	Conditional on Town Forum funding below, and match funding from SDNPA of 50K
Winchester Town Forum	25K	Conditional on General Fund contribution above
Hampshire County Council	50k	None - confirmed
TOTAL	125K	
In kind contributions	100k	None
Fundraising	1K	confirmed
TOTAL	226K	
SHORTFALL	C 125K	
OTHER FUNDING OPTIONS		
Sport England	150K	Assessors have visited site – decision on second stage application imminent

Members are asked to consider the available funding streams and confirm the terms under which the City Council funding is provided. It is proposed that the Council's total funding is made available only on receipt of evidence from SPUD that the full project costs have been raised.

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 This was addressed in [WTF246](#) – Handlebar Café Update, in which Members were given three options in relation to the project. The decision was taken to support it in its proposed form, with grants from both the Town Account and General Fund to help facilitate delivery.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[Minutes](#) of Winchester Town Forum at which an Oral Report on the Handlebar Café was given by SPUD, 21 June 2017

[WTF246](#) – Handlebar Café Update, 16 November 2016 (also Cabinet on 7 December 2016)

[CAB2811](#) – Capital Expenditure Outturn 2015/16, Appendix D, 6 July 2016

[Minutes of Winchester Town Forum](#) at which an Oral Report on Cycle Café was given to Members, 10 June 2015

[WTF214](#) – Proposal for a Cycle Café on Viaduct Way, 21 January 2015

[Minutes of Winchester Town Forum](#) at which an initial presentation on the Cycle Café was given by SPUD Youth, 24 September 2014

Other Background Documents:

More information on SPUD, SPUD Youth and The Handlebar Café can be found at www.spudgroup.org.uk/

Mitigation Strategy

APPENDICES:

None