

## Newington Community Centre project

<b>Meeting</b>	14 March, 2024
<b>Report Author</b>	Louise Askew- Head of Regeneration and Growth
<b>Portfolio Holder</b>	Cllr Rick Everitt, Leader of the Council
<b>Status</b>	For Decision
<b>Classification:</b>	Unrestricted
<b>Key Decision</b>	Yes
<b>Reasons for Key</b>	The report involved a decision about incurring expenditure, by the Council, which is anticipated to be £250,000 or above.
<b>Ward:</b>	Newington

### Executive Summary:

This report sets out the proposal to create a new project at the Newington Community Centre as part of the Housing Revenue Account (HRA). The Community Centre is located within a housing estate and is part of the HRA portfolio. The works to upgrade the existing building to an appropriate standard will be delivered alongside the Levelling Up Fund project that is delivering an extension to the building in order to house further training space in the building.

The proposed works for this new project are primarily Mechanical, Electrical and Plumbing items, which will significantly upgrade the energy efficiency of the building and lead to much lower operational costs for the centre in the long term. These improvements will also support the council's transition to net zero across its asset portfolio. Other items included in these works are the renovation of the w/cs in the centre, creating accessible facilities for the community. Two small one-to-one offices will also be created to facilitate wellbeing sessions in the centre, and a new accessible entrance. These minor layout alterations will have large impacts on the operation of the centre overall and allow multiple uses of the space simultaneously, as opposed to one activity requiring the entire space.

This project is directly delivering in one of Thanet's most deprived wards, and is supporting people within the local community to access further training opportunities in order for them to be able to take advantage of the jobs being created through the wider regeneration programmes.

## **Recommendation(s):**

Cabinet is asked to agree the following:

- Approve a new project for Newington Community Centre as part of the HRA capital programme.
- Approve that the refurbishment works to the Newington Community Centre be delivered with the Levelling Up Fund project at the Centre.

## **Corporate Implications**

### **Financial and Value for Money**

An additional £300,000 HRA capital budget will be requested as part of the Budget Monitoring Report to the full Council on 28 March 2024. The funding will come from the HRA Major Repairs Reserve and the project will be incorporated into the council's capital programme.

The Levelling Up Fund allocation for the Newington Project is £576,250 and the budget for this scheme is already approved and allocated within the council's capital programme.

In accordance with the council's key decision framework, further Cabinet approval will be sought before the tendering of any individual contract associated with these projects with an annual expenditure anticipated to be of £250,000 or above or with a total contract value of £750,000 or more.

### **Legal Implications**

The Housing Revenue Account (HRA) is governed by the following legislation:

Housing Act 1985 (Part II)

Housing Act 1988

Local Government and Housing Act 1989 (section 74)

Local Government and Housing Act 2003

Localism Act 2011

Provisions contained within the Local Government and Housing Act 1989 mean that the HRA is now a 'ring-fenced' account and is completely separated from the General Fund. As a consequence the Council can only include items in the HRA for which there is statutory provision, and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. Funding of the work proposed in this decision report falls within the scope of the HRA.

In accordance with the provisions of Council's scheme of delegation, decisions in connection with the Council's budget framework are decisions that must be taken by Full Council.

### **Risk Management**

Through the development and delivery of previous regeneration projects, the council has established the apparatus and experience for reviewing and managing the various key risks

of delivering large capital programmes, including those which rely on ongoing management, improving heritage buildings, and enhancing protected coastal environments.

The council is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the external funding programmes are exposed.

The risks management for this additional project will be monitored in the same way as the Levelling Up Fund (LUF) projects, as it will be managed alongside the LUF project. Through the monitoring and evaluation process for the three programmes the most significant risks are reported back to the Department of Levelling Up, Housing and Communities on a quarterly and six monthly basis in the monitoring and evaluation reports.

### Key Risks

#### Availability of materials and labour

- A risk/contingency allowance is included within the cost plan.
- Suitable contract terms between the client and the main contractor will be included at the point of agreeing the Main Works Contract.
- Cost/delay likelihood expected to be known far in advance of commencing on site.
- Constant reviews of the market and supply chain will be undertaken to establish lead in times and general market concerns and issues.
- Possible value engineering required.

#### Current market conditions

- Market testing will be carried throughout each design stage to ascertain cost trends.
- Early contractor engagement to ensure the supply chain is being actively managed.

#### Failure or underperformance of contractors

- Use of established procurement routes, robust contracts and engagement with potential contractors early on
- The proposed procurement route is 'traditional', which allows the council's design team to retain control during the construction phase.

#### Capacity of the council to support delivery of significant spend from projects within programme timescales

- Review use of extra external resources to add capacity to existing teams within the council. - Utilise funding for fees within the projects to add capacity.
- Hold workshops to review priorities across the council in terms of delivery
- The Design Team is on the project from start to finish which will support the mitigations.

### **Corporate**

The refurbishment of the Newington Community Centre identified in this report will help the council to deliver against Priority 4: creating a thriving place as part of the council's new Corporate Plan 2024-28. By delivering the projects we will strengthen the local economy and do what we can to enable the whole community to take more pride in living here.

## **Equality Act 2010 & Public Sector Equality Duty**

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
- To advance equality of opportunity between people who share a protected characteristic and people who do not share it
- To foster good relations between people who share a protected characteristic and people who do not share it.

The project identified in this report will improve the accessibility to community provision in one of Thanet's most deprived wards. As part of the design process of the work people from the communities in Ramsgate have been engaged with and considered in the design of the services at the Centre. In finalising the designs for the new build element of the building and the works to the existing building a Customer Impact Assessment will be completed. This report allows the funding to be allocated for the project delivery.

## **Corporate Priorities**

This report relates to the following corporate priorities: -

- *Priority four: To create a thriving place*

### **1.0 Introduction and Background**

- 1.1 The Newington Community Centre (NCC) is located in the Newington Estate in Ramsgate and is one of the most deprived areas in the District. The NCC is run by the Newington Community Association (NCA), who are in turn supported by Starlings Support as part of the Big Local programme.
- 1.2 The Community Centre building is located within a housing estate and is part of the HRA portfolio. The building is currently leased to the Newington Community Association until 2027.
- 1.3 The Newington Community Centre runs a successful food-based programme of activities (among others) spanning multiple age groups. The Association was included as part of the Levelling Up Fund (LUF) application as part of the 'Access to Opportunities' project. The proposal was for an expansion of the Community Centre's

kitchen, so that formal training can be provided in an appropriate setting, whilst the rest of the community centre can simultaneously be used to deliver other activities.

- 1.4 Through surveys of the building and the development of the designs for the Levelling Up Fund project a number of challenges and issues with the existing building have been identified, this report will outline them and seek for a new project to be added to the HRA programme, with funding from the Major Repairs Reserve, to be used for the refurbishment works.

## **2.0 The Levelling Up Fund project**

- 2.1 Upon securing the LUF, the scheme was proposed to be delivered directly by the Newington Community Association and Cabinet provided agreement that a grant could be provided directly to them. Through discussion, it was agreed that the council would be better placed to deliver the capital works, working in partnership with the Association. It was agreed that both parties would work towards a new extended lease period to coincide with the completion of the capital works. The Community Association have had a number of building issues over the term of their lease, and the basic nature of the building construction has meant high running costs and inefficient energy usage, which impacts on the operations of the centre. A new lease will be proposed for the completion of the works, on the basis that the community centre would be in a good condition following completion of the project. It would also be easier to operate and maintain.
- 2.2 In the development of the LUF scheme an initial feasibility design process was undertaken over the summer of 2023 by Jan Kattein Architects (JKA), with input and discussion with the Newington Community Association, Starling Support and feedback from the local community. JKA were subsequently appointed, following a competitive process, as the design team for the remainder of the design and delivery period for the Newington Community Centre scheme.
- 2.3 The design process has reached the end of RIBA Stage 2, and a number of surveys have been undertaken. The surveys have identified issues and shortcomings in the existing building that require a resolution to ensure that the Newington Community Association can maintain and operate the new and existing facilities effectively into the future, and to deliver the outputs that are allocated as part of the LUF.

## **3.0 New Project for Newington Community Centre**

- 3.1 A Stage 2 Cost Plan has been produced that demonstrates the works to upgrade the existing building to an appropriate standard require a further c£300,000 over the existing LUF project budget.
- 3.2 The additional costs are due to several factors including additional unforeseen requirements identified in surveys (systems non-compliant and/or at end of life, the basic construction of the existing building and inflation. The proposed works for this new project, to the existing building, are primarily Mechanical, Electrical and Plumbing items, which will significantly upgrade the energy efficiency of the building and lead to much lower operational costs for the centre in the long term. These improvements will also support the council's transition to net zero across its asset portfolio.

3.3 Other items included in these works are the renovation of the w/cs in the centre, creating accessible facilities for the community. Two small one-to-one offices will also be created to facilitate wellbeing sessions in the centre, and a new accessible entrance. These minor layout alterations will have large impacts on the operation of the centre overall and allow multiple uses of the space simultaneously, as opposed to one activity requiring the entire space.

3.4 The Stage 2 Cost Plan for the new Project for Newington Community Centre are:

- Accessibility external ramp - £2,500
- Air Source Heat Pump - £15,600
- Ceiling finishes - £24,650
- Communication, Security & Control - £13,970
- Drainage - £1,581
- Electrical Installations - £54,911
- External doors and windows - £5,800
- External Lighting - £770
- Fire & Lightning Protection - £1,595
- Fixed furniture and fittings - £11,800
- Floor finishes - £3,825
- Internal doors - £5,000
- Internal walls - £5,785
- Professional Fees and MEP On-Costs - £24,225
- Roof Insulation - £13,050
- Sanitaryware - £5,750
- Space Heating & Air Conditioning - £19,650
- Ventilation - £3,498
- Wall finishes - £2,360
- Water Installations - £2,607
- Main Contractor Prelims (15%) - £32,800
- Main Contractor Overheads and profit (6%) - £15,100
- Inflation Allowance (2%) - £5,200
- Construction contingency (5%) - £13,600
- Project contingency (5%) - £14,300

This has a total RIBA Stage 2 cost of £299,925. This is subject to further design stages and cost reviews, although it is not expected that the costs will rise considerably further than the above. This will be picked up in a further report for the procurement stage.

3.5 Carrying out these upgrade works at the same time as delivering the LUF project will allow all works to be delivered as one works package through one contractor; this is likely to create significant savings in comparison to delivering the same works in two phases with different teams. There will be efficiencies in the way that the works are delivered, but also there will be a reduction in the overall period of disruption to the centre whilst both the extension and upgrade works take place. Appointing one contractor to deliver all of these works will also mean one point of contact for future defects or issues with the building.

3.6 In addition, by delivering all works in one contract, there will be a saving on professional fees, as the team are already appointed and would deliver both

packages within their existing fees. If the works were carried out at a later date, there would be a likely additional fee cost of circa 15-18%.

- 3.7 At a Design Team meeting, including the council's project team, Newington Community Association and Starling support options were put forward, using the LUF monies to try and deliver as much as possible in the building. This included two options - one where the extension was made smaller in order to incorporate more urgent works in the building and the second was to deliver the original LUF scheme and then review options for refurbishment works to the remainder of the building at another stage.

## **4.0 Options**

- 4.1 The refurbishment works could wait until another time, rather than being delivered alongside the Levelling Up Fund project. However, this will see an increase in costs for the works as some of the services already engaged for the Levelling Up Fund would need to be engaged again separately. Completing the works at the same time also means there will be less disruption for the Community Centre and the community that uses it.
- 4.2 An alternative option would be to not complete any works to the main building and focus on the extension. This would leave the main building in need of repairs, whilst the extension would be brand new. The works to the main building aim to resolve some accessibility issues and work towards a more sustainable building.

## **5.0 Next Steps**

- 5.1 Planning permission is required for the whole project and this will go through the Design Review process.
- 5.2 Any procurement above the £250,000 threshold will require further Cabinet approvals and will be subject to further reports.
- 5.3 Officers will engage further with the Newington Community Trust on the long term lease arrangements for the building.

Contact Officer: Louise Askew, Head of Regeneration and Growth  
Reporting to: Bob Porter, Director of Place

### **Corporate Consultation**

**Finance:** Chris Blundell (Director of Corporate Services - Section 151)

**Legal:** Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)