

EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL

Cabinet

19 November 2008

PROPOSALS FOR NEW COMMUNITY FACILITIES IN ALTON

Deputy Chief Executive

DCE02/08

FOR DECISION

REPORT DETAILS

PURPOSE OF REPORT

To update Cabinet on proposals for a combined community centre/theatre facility on the Bank Car Park in Alton; to seek Cabinet's approval to a feasibility study for this combined scheme; subject to the outcome of the feasibility study, to authorise the Deputy Chief Executive in consultation with relevant Councillors, to proceed with further stages of the project.

RECOMMENDATIONS

That Cabinet:-

- a) Amends its previous decision to proceed with a new community building on the Bank Car Park and agrees in principle to proceed with a combined community centre/theatre.
- b) Approves a feasibility study of the proposed combined facility to be funded from the budget provision in the approved capital programme.
- c) Authorises the Deputy Chief Executive in consultation with the Leader, Deputy Leader, Portfolio Holder (Finance) and Lead Councillor for Alton to decide, after having considered the feasibility study, VAT advice and land valuation, whether or not to proceed with the project, and if the decision is to proceed, to progress the project to the stage of receipt of tenders.
- d) re-confirms its previous decisions (Minute 57, November 2007) to:-
 - i. Continue the appointment of Harris & Porter, Quantity Surveyors, to assist up to the stage of going out to tender for the design-and-build contract;
 - ii. Confirm the appointment of Whitbybird as structural engineers to undertake a ground survey and related work, and
 - iii. Authorise the Deputy Chief Executive to go out to tender for the employer's agent.
- e) Confirms the Council's overall budget for this project of £3.7m over 2 years.

- f) Asks the Holybourne Theatre Group for up-to-date valuations of their land.

RESOURCING IMPLICATIONS

The approved Capital Programme has budget provision for £3.7m over 2 years for a new community building in Alton. In addition, Holybourne Theatre Group has indicated they would put funding into the scheme as a result of the sale of their existing site. Officers therefore suggest we ask the Group for an up-to-date valuation of their site.

Around £100,000 has been spent on this project to date. The cost of the proposed feasibility study can be met from the existing budget provision. A very "preliminary" budget estimate for the combined community centre/theatre by our Quantity Surveyors. Harris and Porter suggest that the capital cost could be higher than the budget provision. Hence, officers suggest the need for a more in-depth feasibility study to clarify the likely costs.

In the meantime, Cabinet is asked to confirm the existing Capital Programme provision as the budget for this project.

CONSULTATION

Leader of the Council
Deputy Leader of the Council
Lead Councillor for Alton

CONTRIBUTION TO CORPORATE PRIORITIES:

Building Successful Communities	✓
Providing Good Quality Services	✓
Protecting the Environment	✓

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Report of: Deputy Chief Executive
Committee: Cabinet

PROPOSALS FOR NEW COMMUNITY FACILITIES IN ALTON

1.0 BACKGROUND

- 1.1 Cabinet considered a report on proposals for new community facilities in Alton at your November 2007 meeting (report DCE12/07). That report considered the results of a public consultation exercise. We asked people whether they would prefer a new community building or a refurbishment of the existing community centre. Most people were in favour of a new building and Cabinet agreed to proceed with a new community building.
- 1.2 However, very much at the “eleventh hour” in the preparation of that report, Holybourne Theatre Group approached us. They asked if we would consider incorporating a new 250-seat theatre into the new community centre building. The Group indicated that they could fund or part-fund the additional cost of incorporating a theatre through the sale of their exiting site.
- 1.3 At that time, Cabinet Members were concerned about the impact of the theatre proposal on the overall cost of the scheme and the time delay it would cause. Cabinet agreed therefore to proceed with the original scheme of a new community centre only. (Minute 57, November 2007).

2.0 CURRENT POSITION

- 2.1 Since last November the Leader, Lead Councillor for Alton and other Councillors have had further discussions with key stakeholders about the project. The Chairman and Trustees of Alton Community Association (ACA) the County Councillor, Councillor Dr Tony Ludlow, the Trustees of Holybourne Theatre Group (HTG), the Town Council, (and the Town Partnership) are all very much in favour of the combined facility. The ACA and HTG have produced a combined discussion document in an effort to progress the proposal. This is attached as Appendix 1.
- 2.2 The Community/Stakeholder support for the combined facility is hence very strong.
- 2.3 Our existing Quantity Surveyor has undertaken a very preliminary cost estimate of the combined scheme. This gives a possible total contract cost of £3.9m excluding VAT or £4.6m including VAT.
- 2.4 However, the Quantity Surveyor recommends that we undertake a brief, but properly considered, feasibility study. This would take into account not just user requirements, but site constraints, planning,

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building regulations and fire officer requirements etc and give a better cost estimate.

- 2.5 Harris and Porter and local architects, Pottinger, have come forward with a proposal for the suggested feasibility study. This is attached as Appendix 2. The fee is estimated to be £3,500 plus VAT and other fees and disbursements. This cost can be funded from the existing budget provision for this project. Cabinet is strongly recommended to authorise the officers to proceed with this study.
- 2.6 Two other key issues will impact on the feasibility of this proposal:-
- Firstly, the VAT position.
 - Secondly, the funding which HTG can put into the project.
- 2.7 Officers have asked our VAT experts LAVAT to advise us on our VAT liability and we are awaiting their report.
- 2.8 It is suggested that we also ask the HTG for an up-to-date valuation of their site. This will then help us to factor their contribution into the calculation of the overall scheme costs.

3.0 NEXT STEPS

- 3.1 At this stage Cabinet is asked to give approval in principle to the combined scheme. Once we have the results of the feasibility study, the VAT advice and the HTG's valuation we will clearly be in a better-informed position on this proposal. In order not to delay the project still further, it is suggested that this information is discussed with the Leader, Deputy Leader, Finance Portfolio Holder and Lead Councillor for Alton to decide whether to proceed with subsequent phases of this project.
- 3.2 At your November 2007 meeting, Members authorised the continued appointment of Harris and Porter, Quantity Surveyors, to assist us up to the stage of going out to tender for the project. You also confirmed the appointment of Whitbybird as structural engineers to undertake ground survey work and you authorised the Deputy Chief Executive to go out to tender for the employer's agent at the appropriate time (the employer's agent helps us select the contractor, manages the contract for us, is our key liaison with the contractor and acts as our technical advisor). It would make sense for Cabinet to reconfirm these decisions in respect of the new combined scheme – thereby minimising any further delay.

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4.0 RISK ASSESSMENT

- 4.1 Councillors have previously been concerned about the risk of delivering a scheme, which was not supported by local people. The combined scheme clearly has the support of all the key stakeholders.
- 4.2 Risks associated with the feasibility of implementing this combined facility will be assessed by the feasibility study. We will then be able to take steps to minimise these risks.
- 4.3 Cabinet Members are very aware of the risks associated with capital building projects. The appointment of specialist advisers, including (at the appropriate time), the employer's agent, will help to mitigate against these risks.
- 4.4 There are risks associated with our VAT liability and the ability of HTG to secure its funding for the scheme. Again, we are seeking expert advice on these issues.

5.0 CONTRIBUTION TO CORPORATE PRIORITIES

- 5.1 The proposal for a community centre/ theatre facility in Alton will contribute to the corporate priority of Building Successful Communities.

6.0 CONCLUSION

- 6.1 This report proposes a way forward for a combined community centre/theatre facility in Alton. It brings us closer to bringing this exciting project to a successful conclusion.

EHDC Readability Level: 3.7

This score is based on average word and sentence lengths. Writers should be aiming for a score of around 6.

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