



**NORTHAMPTON
BOROUGH COUNCIL**

Item No.
[Item number and title as
on agenda]

7

**Name of Committee
CABINET**

OPEN AGENDA

**Directorate: Governance and
Resources**

Corporate Director: Isabell Procter

Date: 5 June 2007

Report Title

**Kingsthorpe Hall Community Centre – Options for
reconfiguration and suitability for use**

Key Decision

YES

1. Recommendations

- 1.1 That Cabinet authorises capital expenditure of up to £3,000 to remedy defects in this new community centre building so as to make it immediately useable.
- 1.2 Cabinet should consider whether it wishes to prioritise the expenditure of up to £45,000 of capital in 2007/8 to carry out alterations to the internal layout of the building, taking into account other existing programmed works within the Capital Programme (that would have to be substituted by this expenditure – if there was not be further borrowing).

2. Summary

- 2.1 As part of an agreement concerning a property disposal agreed in 2005, C S Thorntonhall Limited were contractually obliged to construct a new community centre to replace an existing community facility (Thornton Hall).
- 2.2. The building has been constructed and was substantially completed in October 2006. However, a number of defects were identified and the building has not been opened to the public. Furthermore, the internal layout is not now considered as optimal. There is one large meeting space that inhibits

dual use of the building by different user groups at the same time.

- 2.3. Whilst the building defects identified have now been substantially remedied by the Developer and certain final works (by agreement) are presently being completed by them, other works still remain to be done at an approximate maximum cost to the Council of £3,000. Legal advice is that it would not be worthwhile to pursue the Developer for the costs of these works.
- 2.4. The building was constructed in accordance with a basic internal layout requirement prepared by NBC Community Development in 2005 and recorded in the contractual documentation. There is no recourse against the developer in this respect.
- 2.5. Plans have been prepared by the Council's Asset Management Section for two potential alternative internal layouts, to indicate options for separating the building into two meeting areas with independent access to each. Estimates of likely costs are between £30,000 and £37,500 exclusive of fees and other on costs.

3. Report Background

3.1 In 2005 The Council entered into an agreement with C S Thorntonhall Limited to grant a 125 years lease of land (including the existing Thornton Hall), in return for the payment to the Council of £475,000. A central pre-condition of that contract was that the developer should construct, at their cost, a community centre building for the Council. The Council provided a limited specification of the required building, but had no contractual control of the construction process to deliver it.

3.2 On 25 October 2006, the Building Control Division of the Council issued a Certificate of Completion and on 7 November 2006 the long ground lease of the original building was granted to the developer. Notwithstanding these events, it was identified that the building suffered from a number of physical defects and did not in fact wholly comply with the relevant building regulations. In light of these facts, the Portfolio Holder at that time confirmed that the building should not be utilised by the public whilst these issues were resolved.

3.3 It was additionally considered at that time, by Councillors, that the layout was not what they considered to be the best use of the space. The fact that there is one open area for group use prevents the ability of various user groups to have occupation of the building simultaneously. However, this layout is in accordance with the stated requirements set out in the original 2005 agreement.

3.4 A schedule of defects was prepared by the Borough and served upon the Developer. Legal advice obtained indicated there would be limited scope for action for recovery of costs. By agreement the majority of the identified defects and omissions have been rectified by the Developer, and certain further works should be completed imminently by them. However, there are a number of matters that have not been agreed by the developer, including the installation of mechanical ventilation. The estimated costs of these outstanding works that would have to be met by the Council are less than £3,000. If these are completed the building will be utilisable in its existing layout.

3.5 In response to Councillors concerns about the internal layout of the new building, two alternative schemes have been proposed to re-configure the space to provide a means of separating the meeting space and also to provide a separate office room. Estimates of the costs of these alternative schemes have been prepared and are referred to above. Any changes or amended schemes may result in the costs being higher and no tenders or independent quotations have been obtained.

4. Options and Evaluation of Options

The options would be:

- 4.1 To leave the premises in their existing condition and not complete outstanding works. The use of the building by the public would not be recommended in the absence of full compliance with statutory requirements. The expenditure of a small amount of capital would allow remaining works to be completed. The premises would then be available for full use by the public and thus meet the pressing needs of community groups in the area to have a meeting place.
- 4.2 To prioritise the expenditure of capital monies over existing programmes in 2007/8 to fund the costs of re-configuring the layout of the building. This would offer more flexible use of the building and help to maximise the number of user groups who could benefit from access to the building within any given period. It should be noted that some user groups do in fact need the larger space to use and it would not always be the case that the rate of use would increase from internal layout changes. Further, in the absence of community groups having direct experience of utilising the building, it may be that their needs are not fully known at present and that the existing layout may be acceptable to them. If a decision is taken to prioritise this project for capital expenditure in 2007/8, there will necessarily need to be an assessment of what alternative schemes could be reduced and/or additional borrowing.

5. Resource Implications (including Financial Implications)

- 5.1 To carry out the works as recommended will incur up to £3,000 of capital expenditure, not presently budgeted for.
- 5.2 To prioritise the expenditure of capital of up to £45,000 on a reconfiguration scheme would either require a reduction of expenditure on other existing programmed capital schemes and/or additional unsupported borrowing.
- 5.3 There are no direct revenue implications arising from either decision, unless additional borrowing is undertaken to fund either 5.1 or 5.2.

6. Risk and Opportunity Issues

- 6.1 The risk in not completing the minor works recommended is that the building will not be in conformity with statutory requirements and this will (in the case of inadequate ventilation) cause swifter deterioration of the fabric of the building. The opportunity is that completion of these modest but necessary works will enable the community to use this building.
- 6.2 The risk of deciding to prioritise the expenditure of up to £45,000 of capital in 2007/8 on reconfiguring the layout of this building is that other Council priority works will not be undertaken and/or additional borrowing and interest costs will be incurred. The opportunity arising from this prioritisation of expenditure may be that the building better fits the needs of the various proposed users.

7. Consultees (Internal and External)

Internal	Legal Regeneration and Growth (via Clive Thomas) Community Development Councillor Beardsworth
External	User Groups via Cllr Beardsworth

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan

N/A
Corporate Plan
N/A

B: Other Implications

Other Strategies
N/A

Finance Comments

Legal Comments

9. Background Papers

Title	Description	Source
N/A		

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