

Nottingham City Council

Business Case

Project Title: The Wells Road community centre

Lead Department: Commercial & Operations



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DOCUMENT CONTROL

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1.0 PURPOSE OF DOCUMENT

This document defines the project's Business Case and provides the baseline against which the project is continually assessed. NB: For support in completing the following financial sections either contact your financial representative or refer to the 'Project Appraisal Handbook'.

2.0 EXECUTIVE SUMMARY

The existing community centre located on The Wells Road and serving the 3 main local housing conurbations (these being the Brewsters, Kingsthorpe & Pearmain estates, along with part of St Ann's Well Road) has reached the end of its life cycle. If a community provision is to be retained within the immediate area of The Wells Road, a new build is required. The key rationale for this option is the continued provision of locally based services and activities, delivered to meet the diverse needs of the citizens within the local ward. This also aligns with the overall Council plan together with local manifesto commitments.

Working in conjunction with local Ward Cllrs, NCH and the local Neighbourhood development officer, the option preferred is the demolition of the existing centre.

This option requires the retention of the existing foundations slab, whilst replacing the structure with a pre-built design. This will have the ability to include a number of high-energy efficient measures such as solar paneling, to deliver an extremely energy efficient centre within the constraints of the existing footprint.

This efficient design will reduce operating costs, and potentially make the centre financially sustainable.

This project funding will be from a combination of NCH and local ward Cllr budgets, as the communities' budget does not have sufficient funding for this type of development.

Existing community space capacity would suggest there are a number of other local centres that may have capacity to absorb the current services offered.

The new build should therefore have a degree of flexibility that would allow for the exploration of alternative uses should the centre experience low use and become unsuitable for Ward Cllr funding support. This flexibility will be considered, as part of the design.

Due to this investment in local community space, it is proposed to review the existing capacity within the local ward. The review will help to shape the retention strategy, and level of effective community space currently under consideration.

3.0 STRATEGIC FIT

The recent improvements in this ward have resulted in an increase in space available for groups and activities to hire. The Wells road centre has in recent times, experienced a reduction in use. This can in part be attributed to the poor quality of the building, and its limited flexibility with only having one large internal room. This centre was therefore part of a strategic review, which would have resulted in discussions around the future viability of the centre being required. However, facilities for citizens in their local area remain a commitment and priority, and therefore it is viewed as being beneficial to have a new centre built for the continued delivery of community engagement and support.

3.1 Background to Business Need

The existing community building on the Wells Road dates back to the late 1940's and is one of a number of community centres that operates in the local area. To the North of the area sits Mapperley Community Centre, owned by Nottingham City Council. At present this community centre has a limited range of activities, these being mainly dance, karate and snooker. Whilst services have expanded in recent times, the usage of the centre could be improved. The Mapperley building has some historical significance, being the old Mapperley Institute, previously used by workers from the brick factories that were active in the area in former times. Due to the small distances typically travelled by people to access community facilities, the Mapperley site is not an ideal location to provide community facilities for the people living in the Wells Road area.

To the South of the area, in St Ann's ward, there are two further community centres: The Chase, which is an independently managed centre, and Bluebell Hill, owned by Nottingham City Council. People from the southern area of St Ann's ward generally use both these centres. Citizens tend not to migrate from the Wells Road area southwards to use these centres.

The Wells Road building has reached the end of its serviceable life. It would not represent best value, were it be refurbished. The centre has a small program of activities currently, and in the past has dealt with a number of area needs such as social isolation. A community association has managed the Wells Road centre for a number of years, and have provided the much-valued volunteering time, to facilitate these activities. In recent times, the land surrounding the centre has been developed providing a range of social housing units. This development may increase the use and need for the centre to remain going forward.

There is also one other community centre within the area of the Wells road, owned by Metropole housing, and run by Spirita. The Hillview Community Centre on Ransom road is hired by a variety of groups, and is favoured by new groups, as many are able to use the space with discounted rates being offered.

A new facility would broadly contribute to the overall aims of three Local Themes, which are:

- Safer Neighbourhoods
- Healthier Communities
- Active Citizenship

Car ownership within the Wells Road area is also lower than average, with 36% of households not having access to a private car or van. As a result, this increases the importance of providing facilities that are easily accessible by public transport.

3.2 Strategic Objectives and Outcomes

The ultimate objective for this proposal is to establish a new community facility that will, through the provision of services and activities, meet the needs of local citizens. This need is evidenced by the results of the consultation exercise conducted by Ward Councilors, and is identified by the local area plan. The centre will be managed and administered by citizens who, it is envisaged, will be from the surrounding area of benefit/need.

Outcomes envisaged from the proposal include:

- To provide affordable letting space
- To establish a new community association to manage the centre
- To operate to a business plan which reflects sustainability and generates sufficient income to keep the centre functioning.
- Encourage local people to use the facility by regularly promoting events and activities
- Establish a programme of activities that seek to reflect the needs of the local citizens.

3.3 Scope

The scope of this project is to deliver a brand new building on an existing foundation slab, that has high-energy efficient measure incorporated into the design. The building is to have one main letting space, with a community kitchen facility for use by community groups and service users throughout the day and office space with some limited storage. The build is to sit within the curtilage of the existing centre, and will have all internal decoration supplied and fitted as part of the project. The external areas are to be landscaped, and a hard paving area provided to allow the external bins to be stored. The existing wrought iron fencing will be re-instated once the building works are complete.

Due to the importance of the base remaining intact following demolition, this aspect has now been included into the scope of the NCH project management but will funded by NVCC communities team up to a maximum value of £10,000.

3.4 Constraints

The known constraint that may effect this project is the culverted watercourse, which sits below the existing slab base. Investigations conducted by NCH deem the risk to the culverted watercourse will be minimised by the design of the new build and the subsequent non-requirement to pile foundations.

There is limited flexibility within the budget and whilst some contingency is included in the project, this is below the normal percentage. The project will therefore require diligent and careful financial and project management.

3.5 Dependencies

The success of this facility going forward is the formation of a new voluntary committee to facilitate the running of the building once completed. To build it without this being in place ready for handover would be a distinct disadvantage to the future running of the centre and its future success. A strong community led management committee is essential.

3.6 Key Risks

Significant Assumptions:

- That a fully costed plan will be provided by main contract management (NCH) with the understanding that the current budget of £189,000 cannot be exceeded to the expense of Nottingham City Council
- That the utility costs will be less than a comparable sized centre due to the energy efficient measures being applied by the design
- That there will be sufficient interest from the local community to help run and manage the new facility
- That the centre's single area of useable space will not prove disadvantageous to potential hirers
- That the centre will be accessible 7 days a week to maximise availability to potential centre users, and widen opportunities for service delivery
- That the centre will generate sufficient income from its hire of space to remain open.
- Demand for the centre will improve as a result of the replacement centre being built
- There will be no internal charges levied by our internal teams for project management, design and structural advice, that may be required to deliver the project, as this will be seen as in-kind officer support provided by NCC

Risks: (to the project)

- The management committee structure is weak and inexperienced and unable to sustain the management requirements for the centre
- Centre management will have to be outsourced to another local organization at a cost to ward budgets
- Low take-up and use of the community centre resulting in an unsustainable offer/service which will require the building to have an identified alternative building option.
- Other local centres continue to offer low start up hire costs in order to compete with the newly built centre

- Political change after the May 2019 elections
- Funding sources for potential user groups declines further
- The existing slab base suffers damage during demolition phase
- Cost of materials rises during the interim period prior to any contractual sign off of the project

3.7 Benefits

- The provision of affordable space for local activities and services
- The element of social inclusion as a result of getting more local people together
- A reduction in future high maintenance costs as a result of improved building condition
- A reduction in centre running costs by having new technology, and improving the thermal efficiency of the building, therefore reducing energy costs
- A more appealing centre for users
- The potential injection of new volunteers, creating a sustainable centre management team for the centre going forward
- An increase in centre usage as a result of an improved service and activities being offered.

4.0 OPTION APPRAISAL (Economic Case)

Option 1- Do nothing

The existing centre will be closed as it is beyond economical repair resulting in, services and activities for the community being lost or transferred to another venue, which may prove to be less accessible for local citizens.

Current cost to Communities service

Refuse and water costs; £1,400

Assisted rate rebate £1,100 approx.

Ongoing repairs £2,400 av over last 4yrs

Compliance checks £1,250

Total service costs £6,150

There would be a saving of approx. £6,150 per annum if centre closed and not rebuilt.

Cost of demolition £10,000

Option 2 – Refurbish existing space

This option would be least cost effective, as it would require a variety of trades to be on site making efficiencies and economies of scale difficult to achieve. The materials currently in place would not be fit to re-use, and as a consequence, the protracted time to re-work existing services and combine these with new

technology would not be cost effective

Current cost to service

Refuse and water costs; £1,400

Assisted rate rebate £1,100 approx.

Ongoing repairs £1,400 av projection per annum

Compliance checks £1,250

Total service costs £5,150

A saving of approx. £1,000 per annum would be realized by reduced maintenance costs due to the centre not requiring such a high degree of ongoing repair

There would also be a saving of £10,000 as demolition would not be required

5.0 AFFORDABILITY

CAPITAL COSTS

Current proposed design sets the cost of new build at £185,200- This cost is not available from or being met by the Communities budget as the funding commitment has been sourced from other departmental areas, and Ward Cllr budgets, as defined below:

Ward Member Budget 2017/18	£ 15,000
Ward Member Budget 2018/19	£ 10,000
NCH Environmental (HRA) Budget 2016/17)	£ 44,000 (accrued 2015/16 & 2016/17)
NCH Environmental (HRA) Budget	£ 29,430.22 (2018/19)
ACF Public Realm (2017-18)	£ 35,100
ACF Public Realm (2018-19)	£ 28,224 (budget reduced this year by £6,876)
ACF Public Realm (2019-20)	£ 28,224 (subject to further budget reduction)
Total budget currently available	<u>£189,978.22</u>

DEMOLITION COSTS:

This is approx. £10,000 and is a cost associated with 2 out of the 3 options considered. As a result, this cost is to be borne by the communities budget as it is an unavoidable cost

Internal resource costs are related to officers time only and this is accounted for with current staffing provision

6.0 ACHIEVABILITY (Project Management case)

- The existing centre is to close at the end of December 2018
- The demolition of the existing building will commence early Jan 2019 and will take approx. 2 weeks to complete
- There is an anticipated build programme of approx. 20 weeks once the site has been cleared, which is expected to start at the end of Jan 2019
- New centre completion date to be around the June 2019
- Expected snagging one week later – 1st week in July 2019

7.0 SENIOR RESPONSIBLE OFFICER/[SPONSOR] SIGN OFF

I confirm the information provided in this Business Case is the best information available to me, as SRO/Sponsor, at the time of the application.

Signature:

Name:

Position: