

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	28 October 2010
Title:	Portchester Community Centre
Decision Reference:	2145
Report From:	Director of Property, Business and Regulatory Services

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1. Executive Summary

1.1. The purpose of this report is to seek approval for the allocation of funding to an important partnership project between Hampshire County Council and Fareham Borough Council, in order to deliver a new Community Centre in Portchester.

1.2. This report seeks approval to the following measures relating to the County Council's financial support to Fareham Borough Council and the proposal for a Community Centre in Portchester:

- Purchase by the County Council, at value, of the site of Portchester Community Centre, including the car park and adjoining amenity land
- Provision of a grant towards the building of the new Community Centre, including a replacement Children's Centre, such that the grant and purchase price of the land total £1 million
- Provision of a five year interest free loan of a further £1 million to Fareham Borough Council to enable the project to proceed
- A lease back to Fareham Borough Council on a long-term basis at a peppercorn rent
- The new Children's Centre to be protected in the long term through a sub-lease or similar arrangement
- The County Council to be commissioned by the Borough Council to design and procure the new Centre.

1.3. This report:

- Explains the current circumstances regarding the Community Centre, which is owned by Fareham Borough Council and is in very poor condition

- Sets out ways in which the County Council can offer financial assistance to the project.

2. Background

- 2.1. Portchester Community Centre is owned by Fareham Borough Council and is leased to Portchester Community Association. The Association's current lease runs until March 2011. The County Council has a Children's Centre located within the premises and the Children's Services department has confirmed that this facility is necessary and located in the best possible position.
- 2.2. The Community Centre comprises a two storey building of around 1500m². The building is of steel frame construction and dates from 1963. The building fabric and its services are both in a very poor condition and the property is reaching the end of its economic life. There are significant problems relating to health and safety, which includes an extensive presence of asbestos, issues of major water ingress, and a very poor electrical installation. Since a Fire Risk Assessment two years ago, the first floor accommodation has remained closed.
- 2.3. Since 2008, Fareham Borough Council has been considering the future of the Centre. Following an approach by the local member to the Leader of the County Council, officers undertook a feasibility study in 2009. Studies have shown that the Centre represents an important facility to the community offering a wide range of services and leisure opportunities, with over 3,500 visits to the centre each week. The replacement of the Community Centre is a high corporate priority for Fareham Borough Council.
- 2.4. The Leader of Hampshire County Council has been approached by the Leader of Fareham Borough Council for assistance to ensure the continued provision of community facilities in the area. Discussions have been held and a range of possible options for refurbishing or replacing the Centre have been explored.

3. Options for the Community Centre

- 3.1. Four options are identified for the Community Centre. These options are each set out and considered in the following paragraphs:
- 3.2. Option 1 – Refurbish the existing Centre – this option would involve refurbishment of the existing 1500m² Centre. Some initial feasibility work has been done which identifies a likely cost of up to £4 million. This cost is considered to be prohibitive.
- 3.3. Option 2 (preferred option) – build a new Centre on the existing site – this option would involve constructing a new Centre of up to approximately 900m² (building area to be determined within available funding with the option to extend at a future date) on amenity land owned by Fareham Borough Council. This is equivalent to the ground floor area within the existing centre. Provision for a new Children's Centre would need to be included in the proposal. Fareham Borough Council propose to build the new Community

Centre whilst the current Centre remains in use thereby avoiding temporary closure or decanting. The budget figure identified for this scheme, including construction, basic fit out, minimal external works, demolition of the existing buildings and fees, is around £2 million.

- 3.4. Option 3 – build a new Centre on other land – a search has been undertaken of existing County Council and Borough Council landholdings to identify other possible sites for a new Community Centre. Such an arrangement would allow the site of the existing Centre to be sold in order to raise capital funding for the project. However, no obvious solutions have been identified. There are some County Council sites on the periphery of Portchester which could be considered but they are somewhat remote from the main residential areas and achieving the necessary planning consent may not be straight forward. Neither would it be straight forward achieving a planning consent for say housing development on the site of the existing Community Centre and its adjoining open space to enable a high value receipt to be obtained for reinvestment.
- 3.5. Option 4 – permanent closure of the Community Centre – it appears that this will be inevitable unless a feasible alternative is identified. It is not the favoured solution as studies show that the existing Centre delivers a range of valued services and is very well used.
- 3.6. Consideration has been given to co-locating other County Council services at a new Community Centre on the basis that this might enable capital to be raised through freehold disposals. There are no obvious services which would benefit substantially from co-location at this time and certainly none which would allow a significant capital receipt to be achieved.
- 3.7. If a Community Centre is to be retained in Portchester, then it appears that Option 2, new build on the existing site, provides the most likely solution. The scale of Option 1 is considered to be excessive, and the cost is likely to be prohibitive. A suitable site has not been identified which would allow Option 3 to be progressed.

4. County Council involvement in the project - Financial

- 4.1. Currently, the only involvement of the County Council with the Portchester Community Centre is the Children's Centre located at the premises. Children's Services have confirmed an ongoing need for this facility in its current location. It should be noted that to develop a stand alone Children's Centre would cost around £300,000 more than the proposal to develop it as part of the Community Centre project. There is, in any event, clearly a potential for a significant partnership project involving the County Council and Fareham Borough Council which would deliver a quality facility for the residents of Portchester.
- 4.2. It is proposed that that the County Council assist Fareham Borough Council financially in a number of ways:
 - Purchase the site of the existing Community Centre and the adjoining amenity land from Fareham Borough Council. This would be at value, and

the cost could be met from funds currently available for advantageous land purchases. This approach would, of course, also provide a degree of security in terms of the County Council's investment in the project, as the County Council would be able to consider reselling the land in the future should the Community Centre ever permanently close

- Provide a grant towards the construction costs. There are further monies available in the Advantageous Land Purchase Budget, which could be vired for this purpose
- To secure the Children's Centre within the Community Centre. Children's Services have confirmed the availability of capital funding of £400,000. This would be sufficient to ensure the provision of quality facilities in a location where there is undoubtedly a demand
- Provision of a loan facility to Fareham Borough Council of £1 million interest-free to be repaid over a 5 year period, the interest cost being met by virement from the advantageous land purchase budget

4.3. Further work is required in order to clarify the likely project costs, but based on a budget figure of £2 million, a potential funding solution could involve:

	£
Advantageous land budget - purchase at value plus grant up to maximum of	600,000
Children's Services Capital Programme	400,000
5 year Interest Free Loan to FBC from HCC	1,000,000
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Total project cost	2,000,000

5. Other County Council involvement in the project

5.1. One option would be for the County Council simply to provide any agreed financial support to the project thereby allowing the Borough Council to implement the scheme. Under such an arrangement, if the County Council acquires the freehold of the site, the land could be leased back to Fareham Borough Council on a long term basis, probably at a peppercorn rent. The Borough Council would then be able to sub lease the Centre to the Community Association. The detailed terms and conditions to apply will be developed and brought back to the Executive Member.

5.2. Fareham Borough Council have advised that they would wish to commission the County Council's Property Services team to design and implement the proposed project.

6. Performance

6.1. The proposals considered in this report fit very well within the Hampshire Sustainable Community Strategy and strongly support the County Council's corporate priorities. In particular, they maximise the well being of the

residents of Portchester by ensuring that improved community facilities are provided and for the long term. The proposal also enhances our quality of place by enabling the removal of a poor quality 1960s building and replacement with a modern building of quality design.

7. Conclusions

- 7.1. This project has the potential to deliver a new Community Centre for the people of Portchester, working in partnership with Fareham Borough Council. It is proposed that the project be taken forward on the basis outlined in the report, and that further discussions be held with all interested parties to establish that there is a viable project. It will be important to ensure that all necessary consents and funding are in place before any legal commitments are made on the project, including any land purchase. A further report would be brought back to the Executive Member on the detailed design and project proposals following further investigations and discussions.

8. Recommendations

- 8.1. That subject to a further detailed report, the Executive Member for Policy and Resources gives approval to the following measures relating to the County Council's support of a new Community Centre in Portchester:
- Purchase by the County Council, at value, of the site of Portchester Community Centre, including the car park and adjoining amenity land
 - Provision of a grant towards the building of the new Community Centre, including a replacement Children's Centre, such that the grant and purchase price of the land total £1 million
 - Provision of a five year interest free loan of a further £1 million to Fareham Borough Council to enable the project to proceed
 - A lease back to Fareham Borough Council on a long-term basis at a peppercorn rent.
 - The new Children's Centre to be protected in the long term through a sub-lease or similar arrangement.
 - The County Council to be commissioned by the Borough Council to design and procure the new Centre.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Corporate Improvement Plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement Plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement Plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An equalities impact assessment has been considered in the development of this report and no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

- 3.1. The proposals in this report have no impact on the carbon footprint of the County Council, as the Council does not own Portchester Community Centre. The proposals do, however, improve the overall position in this respect as they involve replacement of a poor quality, inefficient 1960's property with a modern building of quality design, which will incorporate the latest standards in terms of sustainability and energy efficiency.

FEEDBACK FROM CONSULTEES:**OTHER EXECUTIVE MEMBERS:**

Executive Member & Portfolio	Reason for Consultation	Date Consulted	Response:
Councillor Perry	Executive Lead Member for Children's Services	19.10.10	Councillor Perry supports the proposals, and is in agreement with the comments made by the previous Executive Lead Member for Children's Services.

Organisation	Reason for Consultation	Date Consulted	Response:
Councillor Woodward	Leader of Fareham Borough Council and Local Member for Fareham Sarisbury	14.10.10	Councillor Woodward supports the proposals and his feedback is incorporated in the report.
Councillor Price	Local Member for Fareham Portchester	14.10.10	Councillor Price is in full support of the proposals, although he would like the new community centre to remain in the ownership of Hampshire County Council.