

<b>Report of:</b>	Executive Member for Finance & Governance Director for Finance
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	6 September 2022
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<b>Title:</b>	Proposal to Progress the Development of Nunthorpe Community Centre
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Physical environment
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000
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<b>Urgent:</b>	No
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<b>Why:</b>	N/A
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### **Executive summary**

This report seeks approval for the process to develop a community centre within the Nunthorpe ward. The report sets out the following:

- The previous process undertaken to identify a suitable organisation to develop a community centre and documents the issues regarding this.
- The options for a revised process including both a new bidding process, and the alternative consultative process which details the council undertaking the management of the build phase.
- A recommendation to pursue a community engagement exercise to determine the preferred location for the community centre, the tender for the build phase led by the council and a process for the identification for a community organisation to run the asset which will be undertaken during the build phase.
- The report re-affirms the commitment of finances available for the project from the Towns Fund, with a further commitment of £100k from Local authority capital resources, once all other grant funds are exhausted.

## **Purpose**

1. To seek approval for the proposals to progress the development of the community centre provision within Nunthorpe ward.

## **Background and relevant information**

2. Middlesbrough Council have committed to funding the development of a community centre within Nunthorpe Ward and have identified £900k from the Towns Fund to support the development of the centre.
3. The Council received interest from separate organisations proposing a community centre at two separate locations. Location 1 being next to the new medical centre, and location 2 being at Nunthorpe & Marton Playing Field Association.
4. A bidding process was developed in Autumn 2021 in order to identify the most appropriate organisation to design, build and manage the community centre. The process was a two stage bidding process in which initial expressions of interest were submitted, with further refinement at stage 2. The deadline for submissions at stage 2 was 17<sup>th</sup> December 2021.
5. The bidding process was independently evaluated by external stakeholders, along with Middlesbrough Council staff, and a conclusion was reached regarding a successful bidder. This however was challenged and further scrutiny was undertaken concerning the building cost detail. As a result the successful bid was subject to scrutiny from the Council's Quantity surveyor and it was determined there were issues with the build costs. The same scrutiny was provided to the second bid which was deemed acceptable.
6. On review of the process undertaken the Council's section 151 officer concluded that whilst the process had sought to be as flexible as possible it had not been clear from the outset in regard to key parameters. The process had focussed primarily on building management, rather than design and build, and as such the scrutiny on design and build was undertaken towards the latter part of the evaluation and was not articulated at the outset. This was therefore challengeable.
7. As a result of the section 151 officer review it was concluded the process be paused and reconsidered in terms of approach.
8. A revised approach has now been identified which removes a central bidding process and seeks to resolve the key issue of location, by engagement with the community. The revised process will also involve the council managing the build phase, and during the build phase a process will be undertaken to appoint an organisation to run the community facility once built.

## **What decision(s) are being recommended?**

That the Executive:

Agree to the following proposed plan to develop the Community centre at Nunthorpe

- Consult the community on which of the two available locations that is the site

next to the GP surgery or the current site of the NMPFA building the community would prefer a community centre to be located. The residents of Nunthorpe will be engaged specifically on their preference regarding the location of the community centre and not the historic supporters or proposed management options associated currently associated with those sites. The consultation exercise will be managed by the council and will outline two locations from which ward residents will select a preference.

- The Consultation process will run for a fixed period of 6 weeks
- Following the outcome of the consultation the council will manage the community centre development at the preferred site
- During the build a process will be progressed to select a community organisation to manage the new community asset.
- Approve an additional £100k from council capital resources due to increased construction costs, once all other grant funds are exhausted.

### **Rationale for the recommended decision(s)**

9. Within this project, location is the key factor. Once the location is determined and agreed, the build and management of the centre can follow due process. The community should be involved and consulted on the location as the community will utilise the centre. Once the location is determined the council will oversee the development phase, during which a process can be twin tracked to agree an appropriate organisation to manage the facility in the long term. This option should minimise demands on community organisations, and ensure the outcome delivered is the one the majority of ward residents support.

### **Other potential decision(s) and why these have not been recommended**

10. The alternative course of action is to re-run the bidding exercise with clearly defined parameters from the outset, however this has is not recommended for the following reasons:

- Community organisations have already expended significant time and resource in the bidding exercise
- The expectation for a community organisation to manage a £1million build is significant, the risk is high for the Town fund resource and as such it is appropriate for the council to manage the construction to mitigate risks in this area.
- Tension within the community and within community groups would be heightened through running this exercise, the council has a responsibility to assist with community relations and following discussion at Nunthorpe Parish council, community views have been taken on board.

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

11. The construction phase will follow the local authorities standard procurement processes and a competitive process will be followed to ensure value for money is obtained for design and build. The revised Community Asset policy process will be undertaken if required to secure an appropriate organisation to manage the asset, this process will be undertaken during the build phase.

### ***Strategic priorities and risks***

12. This links to the following key strategic priority as outlined in the revised strategic plan:
- We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.

The specific milestone linked to this priority is:

- Commence work on Nunthorpe community centre – June 2023

**Human Rights, Equality and Data Protection**

13. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report at Appendix 1, and has found there to be no impact at stage one.

**Financial**

14. The Towns Fund has identified £750k for the development of the community centre, along with additional section 106 fund results in an overall budget of £866k. In addition the council has identified a further £100k reflective of the increasing costs of materials since this project was initially agreed. The construction phase will be subject to an appropriate competitive tender process and will be managed by the council’s regeneration team.

**15. Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
To develop the detailed project plan with milestones for the key phases of community centre development	Louise Grabham	30 <sup>th</sup> November 2022

**Appendices**

1	Impact Assessment
2	
3	

**Background papers**

Body	Report title	Date

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