

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee, 13th July 2021

Subject: Dover Discovery Centre Community Hub Redevelopment

Key decision: Yes - Value of the Contract over £1m

Classification: UNRESTRICTED

Future Pathway of Paper: N/A

Electoral Division: Dover Town
Nigel Collor and Oliver Richardson

Summary:

This paper seeks to update The Policy and Resources Cabinet Committee on progress to redevelop the Dover Discovery Centre, the finalisation of the agreement with Dover District Council and seeks endorsement to enter in contract(s) for works at the appropriate stage.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision:

To authorise the creation of a Dover Discovery Community Hub including the following KCC services, Community Learning and Skills, Children Social Services, a Library, Good Day Programme Services. Delegate authority and authorise the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to enter into a Funding Agreement setting out the funding arrangements with Dover District Council and to enter into any contracts or property arrangements required to deliver the Community Hub.

1. Introduction

1.1 The Dover Discovery Centre has been identified as key programme of activity in the Medium-Term Financial Plan.

1.2 This paper seeks to update The Policy and Resources Cabinet Committee Members on the progress of the redevelopment of Dover Discovery Centre,

including financial summary and the current budget position following RIBA 2 Design completion.

- 1.3 This paper outlines the next steps that will be taken by the project delivery team, overseen by the Project Board, throughout RIBA Stages 3 and 4 ahead of proposed contract award for the redevelopment of the building.

2. Context

- 2.1 The Dover Discovery Centre was constructed in the late 1980s over four levels and is a concrete frame construction clad in brickwork. The building has been constructed around two separate areas of Roman remains at either end of the site and a Medieval church in the middle. The building is located in the centre of Dover between York Street and the Market Square and was acquired by KCC from Dover District Council (DDC) in 2003.
- 2.2 Dover Discovery Centre currently houses the Library and Registrars Service, the Adult Education Service, a Community Theatre, a privately run Nursery, the Bronze Age Boat and Dover Museum.
- 2.3 The building has ongoing maintenance issues associated with the building systems. The building, prior to its current use was a tourist attraction, with very limited works undertaken in building systems since that time.
- 2.4 In 2016, KCC were successful in a bid under the One Public Estate (OPE) Programme. The OPE programme is an established national programme delivered in partnership by the LGA and the Office of Government Property (OGP) within the Cabinet Office, to support Councils on projects transforming local communities and public services across the country. At its heart, the programme is about achieving more from the public sectors assets - whether that's catalysing major service transformation, such as health and social care integration and benefits reform; unlocking land for new homes and commercial space; or creating new opportunities to save on running costs or generate income. This is encompassed in three core objectives:
 - creating economic growth (new homes and jobs).
 - delivering more integrated, customer-focused services.
 - Generating efficiencies, through capital receipts and reduced running costs.

By working collaboratively with DDC, and having a masterplan for both DDC and KCC, the proposals play a key role in supporting the regeneration of the Town Centre, particularly the link through to Market Square, creating a connection and

core civic/community hub. This also supports the existing success and aims to create an enhanced cultural offer fit for the 21st century.

- 2.5 KCC and DDC are working as partners and have developed an appropriate masterplan for the site. Subsequently RIBA Stage 1 and 2 design has been concluded. The project objective is to provide modern, fit for purpose accommodation for the DDC and KCC services accommodated on site.
- 2.6 The plans for the Discovery Centre, involve the relocation of the Children's Services team and provision for The Good Day Programme to the site, redevelopment of the library and adult education offering, benefiting from improved public access, and the opportunity for an enhanced co-ordinated service offering, as well as bringing higher footfall to the Town Centre. In addition, the scheme also improves public access to both the archaeology which sits below the building, the external ruins of the St. Martin's Le Grand Church and the Classis Britannica Fort. The Discovery Centre and Dover District Council's (DDC) Museum are interlinked. The proposals have provided an opportunity to incorporate the provision of a walk-in archive facility and education room within the DDC owned area, which offers an opportunity to co-locate the DDC & KCC local studies archive within one single space. It is intended that the proposed archive facility will provide improved facilities for those undertaking local studies research and allow enhanced access to the extensive artefacts and ephemera held by the Museum.
- 2.7 Poltons Family Centre in Vale View Road is the base for Children's Services in Dover. Its current accommodation is unsuitable and it is proposed, as part of this project, that Children's Services relocate to the Dover Discovery Centre. Following completion of the project, Poltons will be available for disposal, generating a capital receipt, and reducing running costs. In addition, it is proposed that the Good Day Programme relocate to the Dover Discovery Centre, allowing the Walmer Centre to be used for other purposes.
- 2.8 The existing early years nursery will remain on site and is out of scope. KCC has an informal agreement, now expired, in place with a community theatre group. Should the theatre group seek a new location, KCC will support them identifying alternative premises.
- 2.9 By bringing together key services, KCC will enable a more holistic service offer to the residents in Dover, in a key location that supports the wider regeneration of Dover Town Centre.

3. Alternative Options

- 3.1 Alternative options were considered for the future location of the KCC services and the future use of the building. These options have been discounted and are outlined below.
- 3.2 Option to vacate the building and relocate services elsewhere in Dover. Despite property searches there is no suitable building available. To build a new building, would require site acquisition and construction costs, this has been considered but the costs would exceed £15m. This option was therefore discounted. In addition, it would be challenging to let or dispose of the Dover Discovery Centre and it is unlikely in the market to attract any significant interest as a disposal.
- 3.3 Option to demolish part of the existing building and refurbish the remainder to consolidate services, improving the connection between the town centre and York Street. This option protects the Historic ruins and has been considered, but the costs would exceed £8m. This option was therefore discounted.
- 3.4 Option to do nothing - The building will continue to deteriorate; short term remedial works will be carried out, but the effectiveness of this approach is limited and unsustainable. KCC services will not be consolidated in fewer properties and revenue savings will not be achieved. The services within the building will continue to be dissatisfied and will seek to be relocated and located in accommodation that falls short of the service requirement.

4. Financial Summary

- 4.1 The RIBA 2 cost plan gives an estimated total capital project cost of £7.75M. This is inclusive of construction costs, professional fees and surveys, inflation, contingency, and an allowance for fit out (furniture and IT).
- 4.2 The table below sets out the current budget position and how the project funding is split.

COST	FUNDING	
<i>Stage 2 Cost</i>	<i>KCC</i>	<i>Dover District Council</i>
£7.75M	£7.2M	£0.550M

4.3 There are several key assumptions:

- Cost estimate is based on RIBA Stage 2 design information. Further detailed and intrusive surveys are required and are ongoing. Costs for surveys and anticipated works have been allowed for.
- All works to be carried out during the normal working hours. No allowance has been made for evening, night, or weekend working.
- Minimal decant costs have been allowed for.

4.4 There are several exclusions:

- VAT.
- Deflation/inflation.
- Revenue costs.
- Abnormal works above allowances included from surveys.

4.5 The total £7.75m projected cost of the project is funded, including the provision of a circa £587,000 project contingency.

4.6 The anticipated £7.2M cost to KCC is funded as follows, from the funding streams identified in the MTFP and approved by Full Council:

Funding	Funding Stream
£6.0M	MTFP allocation
£0.1M	One Public Estate (External)
£0.5M	Modernisation of Assets
£0.6M	Asset Utilisation

4.7 The table in section 4.2 shows a £550k contribution agreed by DDC to fund the element of the work related to their own areas, as well as part funding the 'common areas' of the building. On 12 April 2021, DDC's Cabinet welcomed the proposed investment by KCC in the redevelopment of the Dover Discovery Centre, and agreed to enter into an agreement with KCC to contribute the sum of £550,000 towards the cost of delivering the scheme. It is proposed that KCC and DDC enter into a funding agreement to formalise this agreement.

4.8 By virtue of consolidating services within the Dover Discovery Centre Community Hub the Council will release its use of Poltons with a current revenue outturn of £152,000 per annum. This will also realise a capital receipt of circa £550,000. A

further revenue saving of circa £21,000 per annum can be saved by the relocation of the Good Day Programme from Walmer Centre into the new Dover Discovery Centre.

5. Programme

5.1 The proposed key milestones for the main contract works are as follows:

ACTIVITY	DATE
Develop RIBA Stage 3 Design	March 2021 – July 2021
DDC Cabinet Approval for Capital Contribution	12 April 2021
Funding Agreement between KCC and DCC Executed	July 2021
RIBA Stage 3 Gateway and Board Approval	July 2021
Planning Submission	July 2021
Planning Determination	October 2021
Develop RIBA Stage 4 Design	July 2021 – November 2021
RIBA Stage 4 Gateway and Board Approval	November 2021
Construction Start	January 2022
Practical Completion	February 2023

6. Key Risks

6.1 The main project risks are detailed in the table below.

Risk	P	I	Comments / Mitigation Action
Capital cost increases beyond budget identified within this paper.	M	H	Cost based on developing RIBA Stage 2 designs. Contingency level considered appropriate for this stage of the project. Project Board will receive regular financial updates.
Phasing of construction works to limit and manage the impact on service delivery.	M	H	Close liaison with all services to continue through Stage 3 and 4 as the phasing plan is developed in conjunction with users and the contractor team.
Planning and Heritage risk given the archaeological importance of the historic buildings and artefacts.	M	M	Close liaison with planners at KCC and DDC as well as Heritage teams to continue during Stage 3 and 4 design in the run up to and following planning submission. Scheme has also been redesigned to minimise extension to building footprint
Leasehold arrangements may require legal input to redefine as a result of the scheme.	M	L	DDC and KCC Estates colleagues are on the Project Board and are sighted on key issues related to leases and so are best placed to action accordingly in line with Project Board guidance.

7. Equalities Impact Assessment

7.1 A screening assessment has been undertaken and will be kept updated as the project progresses.

8. Recommendations

Recommendation(s):

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9. Background Documents

Appendix 1 – RIBA Stage 2 Layout Plans

Appendix 2 – Proposed Record of Decision

Appendix 3 – Dover Discover Proposed Site Plan, Poltons Site Plan.

10 Contact Details

Report Author(s):

Ben Sherreard
Programme Manager
Infrastructure
Telephone: 03000 419815
Email address: ben.sherreard@kent.gov.uk

James Sanderson
Head of Property Operations
Telephone: 03000 417606
Email address: James.sanderson2@kent.gov.uk

Relevant Director:

Rebecca Spore, Director of Infrastructure
Telephone number: 03000 416716
Email address:
rebecca.spore@kent.gov.uk

