

**Report of Director of Environment & Housing and Director of City Development**

**Report to the Executive Board**

**Date: 25 June 2014**

**Subject: Design & Cost Report for Little London Community Hub**

**Capital Scheme Numbers: 32140/000/000 and 32036/CJ3/000**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Hyde Park & Woodhouse	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Community Hub is an important site in securing the sustainable regeneration of Little London, where work is already underway to improve the housing estate through a multi-million pound PFI project. The site provides a range of essential services for local people from buildings that have, in large part, been in need of significant investment and refresh for some years. It is highly prominent on the main route to the city centre from the area and has had a long focus as a key part of the regeneration vision for the area that has been developed with residents, community groups and Ward Members.
2. The actions detailed in this report will assist in delivering a co-ordinated and comprehensive redevelopment of the site to provide for an expansion of school places, new retail facilities, a new build community centre and a new build Neighbourhood Housing Office.
3. The vision for a mixed-use development on the Community Hub was set out in the Little London Development Framework in 2007 and was originally intended by the Council to be delivered through the housing PFI Project. Following the government's Comprehensive Spending Review in 2010, the Council reluctantly removed the site from the PFI project but made a commitment to local residents and tenants that the vision for the site would still be delivered within the same timescales as the PFI housing investment.

4. Through partnership working with Ward Members, Executive Members, Childrens Services, Environment and Housing, City Development, Citizens and Communities, the private sector and the local community, a scheme has been drawn up which delivers the benefits that would have arisen from the original PFI proposals as well as an opportunity to add to the regeneration and sustainability of the area by expanding the school as identified in a separate report on this agenda.
5. Work on the Little London Community Hub development has already started to progress with private investment in new retail units that are now open for business on the site. These provide a much improved retail offer for local people and a very positive sign of market confidence in the area. This retail development was an enabling phase which allows the remaining place making of the Community Hub to proceed through the development of the new build community centre and Neighbourhood Housing Office and primary school expansion.
6. The comprehensive redevelopment of the site will provide for sufficient school places in the community and ensure children in the area have the best start in life. The development also provides job and training opportunities through construction and long-term jobs through the provision of new retail and the proposed school expansion. A new well-designed community centre designed for a variety of uses and users, located close to an expanded school provides opportunities to bring people of different ages and interests together, to become involved in their communities and for new and existing activities to take place that will support people in leading active lifestyles contributing to the health and wellbeing of the Leeds population.
7. The 'Community Hub' building with the housing office located with the community centre means that the council and its partners can have a collaborative and joined up approach to delivering vital services in the area from this facility, through a 'one stop' type of facility to meet the community's needs whatever they might be. The community hub building will be energy efficient as Leeds works towards becoming a lower carbon city.
8. The benefits outlined above directly contribute to the delivery of the Best Council Plan 2013- 2017 objectives of 'supporting communities and tackling poverty' and 'promoting sustainable & inclusive economic growth'.
9. The Little London Community Hub will contribute to the 'Best City' vision for Leeds by supporting people who live in the area to enjoy a good quality of life, provide the opportunity of a good education, offer access to activities and services that will support good health and wellbeing as well as offering access to new jobs and training opportunities.
10. The report seeks approval to inject and incur capital expenditure of £677.7k from the General Fund capital scheme 32140/000/000 to deliver a new build community centre in Little London and incur capital expenditure of £264.7k from the Housing Revenue Account capital scheme to deliver a new build Neighbourhood Housing Office. This would deliver £942.4k of Council investment to the neighbourhood, complementing the multi-million pound investment from the Housing PFI project, and the investment from the new privately funded retail units on Oatland Drive.

11. The new build community centre and Neighbourhood Housing Office elements of the Community Hub project are being jointly procured alongside the Little London Community Primary School expansion. The school expansion is subject to a separate Executive Board report elsewhere on this agenda.
12. The school expansion, new community centre and Neighbourhood Housing Office elements of the Little London Community Hub development will be delivered in conjunction with Leeds City Council's Joint Venture partners Norfolk Property Services (NPS) Leeds Ltd. The construction partners are Wates Construction Ltd.

## **Recommendations**

Executive Board is recommended to:

- i) Note and support the progress made to commence regeneration in Little London and to revise proposals for the Little London Community Hub;
- ii) Note the link between this report and that of the Director of Children's Services (Design & Cost Report for Little London Primary School Basic Need Project) elsewhere on the agenda for the expansion of Little London Community Primary School and support the proposal that the school expansion, Neighbourhood Housing Office and community centre form part of the same procurement and construction contract, as set out in paras 3.26 and 3.27.
- iii) Note that the costs identified in this report at paragraphs 4.4.4 – 4.4.5 are based on RIBA Stage D - detailed design;
- iv) Authorise the Director of City Development to inject and incur expenditure of £677.7k from the General Fund capital scheme 32140/000/000 to deliver a new community centre forming part of the Little London Community Hub, with an anticipated contract award in July and start on-site in July/August 2014, as set out in paragraph 3.29;
- v) Note scheme 32036/CJ3/000 to deliver a new Neighbourhood Housing Office forming part of the Little London Community Hub at £264.7k is funded within the overall Housing Leeds refurbishment programme as approved by Executive Board in February 2014 and will be delivered by the Director of Environment and Housing, with an anticipated contract award in July and start on-site in July/August 2014, as set out in paragraph 3.29.

## **1 Purpose of this report**

- 1.1 This report seeks authority to incur capital expenditure for the construction and re-provision of the community centre and Neighbourhood Housing Office in Little London, forming part of the Little London Community Hub redevelopment.
- 1.2 The report sets out the key components of the Little London Community Hub which includes expansion to the Little London Community Primary School, a new build community centre and Neighbourhood Housing Office and a new retail development. The details of the primary school expansion proposals will be subject to a separate report to Executive Board elsewhere on this agenda.
- 1.3 An update is also provided within this report on the Little London Housing PFI project and how this complements the regeneration proposed as part of the Little London Community Hub development.

## **2 Background information**

- 2.1 The Community Hub occupies a prominent position in the centre of the Little London estate and is a site that has accommodated a range of important facilities for local residents, including Council-owned shops, car parking, play space and mature open green space, a Neighbourhood Housing Office, community centre and IT training rooms and a now-demolished social club. Immediately adjacent to the Community Hub is the site of Little London Community Primary School and the Little London Children's Centre.
- 2.2 This is a hugely important site for the Little London providing a range of essential services for local people from buildings that have, in large part, been in need of investment and refresh for some years. It is highly prominent on the main route to the city centre from the area and has had a long focus as a key part of the regeneration vision for the area that has been developed with residents, community groups and Ward Members.
- 2.3 Recognising the importance of the Community Hub, the Council had included the site in the Little London Housing PFI Project, through which it was envisaged that a comprehensive redevelopment and improvement would be undertaken as a critical component and complement to the housing investment that will deliver regeneration of the wider estate.
- 2.4 Under the PFI, the community hub development would have delivered a new community centre, a new Neighbourhood Housing Office, new retail units, a refurbished play area and 12 residential apartments. However, during the procurement of the project and as a consequence of the Comprehensive Spending Review in 2010, a number of scope changes were required to enable the core housing improvements to receive government approval and for the PFI contract to proceed. The most significant change was the removal of the Community Hub from the PFI project.

- 2.5 Executive Board approved this change in July 2011 but affirmed the Council's continued intention to pursue improvements to the Community Hub as a critical part of the regeneration of Little London. The main body of the report details the position now reached in pursuing this.
- 2.6 Little London as a whole is now undergoing a major transformation through the Housing PFI project and its delivery by Sustainable Communities 4 Leeds (SC4L). A report to Executive Board in July 2013 confirmed Financial Close for the PFI project and mobilisation commencement in September 2013. The first phase of refurbishments of Council-owned homes has been completed and handed over to tenants. The refurbishment programme continues to progress on schedule with designated properties receiving an external makeover and internal improvements including, energy efficiency improvements, electrical rewiring, gas central heating, smoke detectors and extractors, new fitted kitchens and new bathrooms. The Little London refurbishment programme is due to complete in September 2016.
- 2.7 Work has also started on the site of new build council homes to be built through the project; groundworks commenced on the first phase of 26 flats on Carlton Gate in January 2014. The first new homes will be completed by January 2016 and will consist of a mix of two and three storey townhouses and flats. In total 113 no. new build homes will be completed by January 2016 and available for letting as part of the Council's stock.
- 2.8 All the development and refurbishment works delivered through the PFI project will be subject to a 20 year service contract to ensure the ongoing maintenance and life-cycle improvements of the buildings and estate, prior to being handed back to the Council. This will form a lasting investment for the area and for Council tenants.
- 2.9 Alongside work with local residents and Members to explore alternative plans for the regeneration of the Community Hub, the Council has also been assessing how the need to increase the number of primary school places to accommodate local population growth could be met in the area. It has proved opportune to consider the role of the Community Hub site in relation to this given its position adjoining the existing Little London Community Primary School. The potential to expand the school campus has been explored and the benefits of providing for the increase in school places in a central location alongside new community facilities to support the sustainability of the site and wider area quickly became clear.
- 2.10 A report to Executive Board in December 2012 set out the emerging proposals for the Community Hub and established the principle that the expansion to the Little London Primary School should form part of the redevelopment proposals alongside new retail, community centre and Neighbourhood Housing Office provision.

- 2.11 A further report to Executive Board in February 2013 set out in more detail the revised approach to redevelopment of the site including the expansion of Little London Primary School from 1 to 3 forms of entry (FE) utilising land at the community hub site placing it prominently at the centre of the community; phased relocation of the Neighbourhood Housing Office within the site; rebuilding of the community centre; and securing investment from a private retail concern to provide a new local convenience store.
- 2.12 The main part of this report now sets out the final detail of the masterplan for the Community Hub site and how the community facilities within this will be delivered. It shows how the aspirations of the local community and ward members to upgrade facilities, retain and improve services whilst maintaining their continued availability throughout the redevelopment process has been and will continue to be achieved. The completion of this site will deliver a local centre that will be as good as – if not better – than that originally envisaged through the PFI Housing project.

### **3 Main issues**

- 3.1 The regeneration of the Little London Community Hub comprises four separate elements:
- new retail on the site of the former Neighbourhood Housing Office (NHO) site on Oatland Drive (now complete);
  - a combined new community centre and new NHO on the corner of Meanwood Street and Oatland Lane; and
  - an expansion to Little London Community Primary School increasing from 1FE to 3FE on the site of the existing council owned shopping parade and former social club site off Meanwood Street and Oatland Green.
- 3.2 The plan at Appendix 1 shows the existing site with proposed locations of the new facilities. The plan at Appendix 2 identifies the ownership of the land and different Council portfolios in which parts of the site are held and Appendix 3 shows the masterplan for the new community centre, new Neighbourhood Housing Office and school expansion.
- 3.3 The number of different services and stakeholders involved in the Little London Community Hub project has led to a cross-directorate co-ordinated approach to project delivery and in the case of the community centre, housing office and primary school expansion it has resulted in the construction work being procured and (subject to consideration of this report) let as one contract.
- 3.4 The regeneration proposals have been driven by the need to retain important services for local people, provide for continuity of service during redevelopment of the site and to deliver new facilities and buildings that are robust, fit for purpose and efficient in both their use of space and cost of long term management/operation.

- 3.5 Delivery of each of the site elements has a strong relationship with the others but for ease of presentation the main issues are set out separately below.

### **Retail**

- 3.6 To provide sufficient space for the primary school expansion some of the land currently within the HRA portfolio that is currently occupied by the Council-owned retail units will be required to accommodate new school buildings and associated outdoor spaces.
- 3.7 The retail units are of an outdated, unattractive design, difficult to maintain and in a very dilapidated condition and would require significant council investment for a comprehensive and sustainable refurbishment. The requirement to provide an alternative location within the site for new retail provision has provided an opportunity to attract private sector investment for the provision of the new shopping facilities.
- 3.8 During the summer 2012 market testing was undertaken to establish private retail interest in the former NHO site on Oatland Drive. Following a subsequent marketing exercise a retail developer obtained planning approval for three retail units in July 2013 and acquired the site from the council in October.
- 3.9 Three new retail units are now open for business, occupied by a convenience store as the anchor (operated by One Stop, opened in April 2014), a national pharmacy chain (Lloyds, opened in May) and a clothes shop (Barnado Childrens Charity Shop, opened in May).
- 3.10 All previous retail tenants in the Council shopping parade agreed lease terminations with the Council in 2009. Lloyds Pharmacy has relocated to the new unit keeping jobs and service in the area. A convenience store (Mace) relocated elsewhere within the area and is now retailing from a private unit on Carlton Gate, further enhancing local shopping options. Other occupiers, including a taxi office, fast food restaurant and hairdressers have left the area.
- 3.11 To enable the school expansion to proceed the vacant retail units will be demolished in June/July 2014.
- 3.12 The provision of new retail in Little London has been a real success story – it is the first crucial enabling phase of the redevelopment of the wider site and has resulted in a good retail offer for local residents, that has improved in both quality and range. The private investment secured in new development is a very positive sign of confidence in the area.

### **Neighbourhood Housing Office**

- 3.13 Following confirmation of private sector interest to acquire the former NHO site for the new retail scheme, plans were put in place to relocate the ALMO staff and functions (now under Housing Leeds) to a temporary office adjacent to the existing community centre on Oatland Lane, pending confirmation of the final community hub proposals.

- 3.14 The Director of Environment and Housing approved funding for the temporary relocation in December 2012 in consultation with the Executive Member for Neighbourhoods, Planning and Personnel. Planning approval for the temporary NHO was obtained in March 2013 and staff were relocated in October 2013 following the lease and installation of a modular building and upon completion of the sale of the former NHO site.
- 3.15 The provision of a temporary NHO has enabled the continued delivery of an effective frontline service for council tenants during a time of significant change in the area.
- 3.16 The design and specification of the permanent new NHO facility has proceeded in parallel with this work, with officers from Housing Leeds fully engaged to ensure the design meets service and customer needs such as providing Wi-Fi access. Experience from the former NHO on Oatland Drive and other housing offices across Leeds has helped to inform and influence the new office layout.

### **Community Centre**

- 3.17 Following through on the Council's commitment to the delivery of a community hub redevelopment after its removal from the Housing PFI project, a community consultation took place in November 2012 where local people, ward members and other stakeholders were asked to preference a new build community centre or a refurbishment of the existing building.
- 3.18 The outcome highlighted a preference for a new build facility, which together with the new build NHO requirement subsequently formed the basis of a feasibility options appraisal which was completed in April 2013.
- 3.19 In summer 2013 further consultation was undertaken with existing community centre user groups on the feasibility work to seek further comments which would help inform the detailed design.
- 3.20 Detailed design work on the community centre and Neighbourhood Housing Office building commenced in October 2013. Before reaching design freeze in April 2014, a community consultation was held on 3<sup>rd</sup> March 2014 for the public to view the proposed floor layout of the building and masterplan for the area. Comments from this consultation informed final amendments to the layout design.
- 3.21 The final floor layout which can be seen at Appendix 4 shows the community centre and Neighbourhood Housing Office in a single new building, co-located for efficiency but designed with separate access, security and management arrangements. The community centre will be Wi-Fi enabled and has flexible space designed in to maximise opportunities for varied usage of the building thus maximising its benefit to local people/community groups whilst supporting the scope for increased flexibility, letting and income stream for the Council to support operation and management of the building over the long term.



- 3.22 The masterplan at Appendix 3 shows that the new building will be located on the corner of Meanwood Street and Oatland Lane and it includes dedicated car parking and landscaping. This location allows the existing community centre and temporary Neighbourhood Housing Office to remain fully operational during the new build construction and fit out period and provides for an efficient transfer of staff and services.
- 3.23 The design process has taken 18 months from the first public consultation in November 2012 and has included full engagement with Members, stakeholders and the community to ensure that the new building layout meets the needs of the end users.

### **Little London Primary School**

- 3.24 In April 2013 Executive Board approved the expansion of Little London Community Primary School from 1FE to 3FE on land at Meanwood Street/Oatland Green, to provide for 630 school places (a 420 place expansion) to meet forecast basic needs growth in the area.
- 3.25 More detail on the school proposals is provided in a separate Design & Cost Report on the agenda for this Executive Board meeting.
- 3.26 The design, planning and procurement of the School and NHO/Community Centre projects have been combined as a single project in view of the close site and programme relationships, to obtain efficiency and economies of scale in the delivery. The component costs of each element have however been separated for the purposes of the separate DCRs.
- 3.27 Wates Construction Ltd was engaged through a two stage tender procurement process from RIBA stage C. This process allows early contractor engagement to develop designs and costs in advance of the formal market testing process and formal contract award; open book market testing will validate the costs ensuring best value for money on the project.
- 3.28 Following design sessions involving Wates and the Council's joint venture partners NPS, a planning application for the primary school expansion, new community centre and Neighbourhood Housing Office building has now been submitted and is due to be determined in early July 2014. The planning application reference is 14/00825/FU and can be viewed on the council's public access system at [www.leeds.gov.uk/publicaccess](http://www.leeds.gov.uk/publicaccess).
- 3.29 The key milestones for the completion of the Little London Community Hub are as follows:
- Planning submitted March 2014
  - New retail fully operational End of May 2014
  - School & NHO/Community Centre planning permission obtained July 2014
  - Contract Award July 2014

- Demolition of former retail units June/July 2014
- Contractor lead-in / mobilisation July/August 2014
- Start on-site August 2014
- Completion and occupation of Community Centre/NHO March/April 2015
- Demolition of existing Community Centre/ removal of temporary NHO April/May 2015
- Completion of school July 2015
- New school buildings occupied August 2015

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The revised proposals for the NHO/Community Centre have been subject to public consultation and stakeholder engagement following removal of the Community Hub from the Housing PFI project in 2011.
- 4.1.2 The first round of public consultation was in November 2012 to establish the community's view on a new build or refurbished community centre would be preferred. Views were also sought on what the public would like the community centre to include e.g. flexible spaces, ICT etc. The outcome of this informed the early design stages.
- 4.1.3 Consultation with the community centre users has taken place throughout the design process to ensure that the final specification and layout of this facility is fit for purpose and meets the needs of both existing and prospective new users. The most recent consultation took place in early March 2014 and where practical the outcomes of this were taken into account in the final design.
- 4.1.4 Following submission of the planning application, the public has had further opportunity to comment on the proposals through the statutory consultation period - the closing date for comments on this consultation was 8 May 2014. All comments will be considered by the Local Planning Authority in determining the application.
- 4.1.5 Ward Members and the Executive Member for Neighbourhoods, Planning and Personnel have been engaged at all stages on progress of the Little London Community Hub. Briefings to Members will continue at key milestones throughout the project as required.
- 4.1.6 During the design process the Project Team has worked with officer representatives from Citizens and Communities and Environment and Housing to ensure their full engagement in design development of the proposed new build community centre and Neighbourhood Housing Office.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Equality, Diversity, Cohesion and Integration (EDCI) screening has been undertaken for the Little London Community Hub project and is attached at Appendix 5. It has been reviewed following the end of RIBA Stage D – Detailed Design. EDCI relevant action for the community centre and Neighbourhood Housing Office is summarised here:

- Specific user and provider needs identified and incorporated into the design;
- Prioritise continuity of service of the existing community centre and temporary Neighbourhood Housing Office to protect vulnerable users;
- DDA compliant inclusive design that responds to identified need including cycle storage;
- Parking provided for the wider Community Hub area ensures out of school hours access by the general public;
- Safeguarding for children and young people addressed by the school expansion security design.

## **4.3 Council policies and City Priorities**

4.3.1 This project will directly support the delivery of the Best Council Plan 2013-17 objectives of:

- Supporting communities and tackling poverty
- Promoting sustainable & inclusive economic growth

4.3.2 The actions detailed in this report will assist in completing regeneration of the Little London Community Hub. This will deliver new frontline facilities that will complement and support the Council's significant investment in the area through both the Housing PFI project and the Basic Needs school expansion and offer major beneficial improvements for the residents of Little London.

4.3.3 The vision for a mixed-use development on the Community Hub was set out in the Little London Development Framework (2007), which was consulted on widely with local stakeholders and adopted as informal planning guidance. The actions detailed in this report help achieve this vision.

4.3.4 The development will provide job and training opportunities through construction and other jobs through the provision of new retail and the proposed school expansion. Employment and training requirements will be included through the procurement of the works, though there is already considerable training and employment support activity underway in the area through the PFI project, where there are existing strong partnership arrangements with a range of agencies that can be used to engage and support local people in the construction works associated with the Community Hub. Local people entering the construction and

property trades through this route will be supported in accessing long term, permanent jobs in the sector, not just the short term opportunities on this site.

- 4.3.5 A new community centre provides opportunities for people to become involved in their communities meet new people and get on well together. A new community facility with flexible space is an opportunity for new and existing activities to take place bringing people together and ensuring that the local community is leading a healthier lifestyle contributing to the health and wellbeing of the Leeds population.
- 4.3.6 The 'Community Hub' building with the housing office located with the community centre means that the council and its partners can have a collaborative and joined up approach to delivering vital services in the area from this facility, meaning that there is a 'one stop' type of facility to meet the community's varying needs. The community hub building will be energy efficient as Leeds works towards becoming a lower carbon city.
- 4.3.7 The Little London Community Hub will contribute to the 'Best City' vision for Leeds by supporting people who live in the area to enjoy a good quality of life, provide the opportunity of a good education, offer access to activities and services that will support good health and wellbeing as well as offering access to new job and training opportunities.

#### **4.4 Resources and value for money**

- 4.4.1 The design phase was extended to allow robust cost estimates to be provided by NPS on a fixed cost basis. These costs have been validated as part of the RIBA Stage D 'design freeze' report. The costs reflect the complexity of the project, comments received from Highways and Planning departments, perceived risk levels and site specific issues identified during the design development & consultation.
- 4.4.2 The original cost estimate for the new community centre and Neighbourhood Housing Office, based on the feasibility design option drawn up following the community consultation in November 2012 was £892.5k. This option included a gross internal floor area (GIFA) of 295 sq m. The final design has a GIFA of 298 sq m.
- 4.4.3 The following finance tables show the revised estimate and split of the new build community centre and Neighbourhood Housing Office costs. The split between the Housing Revenue Account and the General Fund has been calculated on a pro rata basis based on the GIFA of the community centre and housing office. The final design shows the community centre at 218 sq m and the Neighbourhood Housing Office GIFA at 80 sq m.

4.4.4 General Fund Scheme 32140/000/000 Finance Table, costs identified at RIBA Stage D:

Funding Approval :		Capital Section Reference Number :- 32140/000/000					
Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
INTERNAL FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	574.0		565.4	8.6			
FURN & EQPT (5)	23.0		5.0	18.0			
INTERNAL FEES (6)	0.0						
OTHER COSTS (7)	80.7		79.3	1.4			
<b>TOTALS</b>	<b>677.7</b>	<b>0.0</b>	<b>649.7</b>	<b>28.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Ring-fenced Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
Sub 37 Deptl Borrowing	677.7		649.7	28.0			
Total Funding	677.7		649.7	28.0	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

4.4.5 HRA Scheme 32036/CJ3/000 Finance Table, costs identified at RIBA Stage D:

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	214.0		210.8	3.2			
FURN & EQPT (5)	16.0		5.0	11.0			
INTERNAL FEES (6)	0.0						
OTHER COSTS (7)	34.7		34.5	0.2			
<b>TOTALS</b>	<b>264.7</b>	<b>0.0</b>	<b>250.3</b>	<b>14.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Ring-fenced Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
Sub 33 Major Repairs Reserve	264.7		250.3	14.4			
Total Funding	264.7		250.3	14.4	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

4.4.6 Value for money will further be supported through supplier open book market testing to validate the construction costs identified at RIBA Stage D – detailed design.

4.4.7 The HRA land on site A at Appendix 2 has been declared surplus to requirements by the Director of Environment and Housing and has been appropriated to Corporate Property Management for the purposes of a new build community

centre and Neighbourhood Housing Office and associated car parking. Housing Leeds will occupy and manage the Neighbourhood Housing Office, and Citizens and Communities will manage the community centre.

- 4.4.8 The existing annual maintenance budget of £20,000 for the former housing office and subsequent temporary office will be made available for the new Neighbourhood Housing Office.
- 4.4.9 The existing annual maintenance budget of £53,990 for the existing community centre will be made available for the new community centre. Maintenance of the new build community hub building and land will be undertaken by Facilities Management and recharged to Housing Leeds and Citizens and Communities.
- 4.4.10 The estimate outlined at paras 4.4.4 and 4.4.5 includes furniture and equipment for the new community centre and Neighbourhood Housing Office. There will be limited legacy furniture transferred to the new community centre from the existing centre. This is due to existing furniture not being fit for purpose combined with the storage availability in the new centre. Folding chairs and tables, and a portable stage allows storage to be maximised in the new building. A new community centre is also an opportunity for inclusivity with furniture and loose items such as crockery available to all groups who hire space in the new building.
- 4.4.11 The new Neighbourhood Housing Office will include the furniture range used in the council's 'New Ways of Working' approach. This will enable other council departments and partners such as the Police to use this Wi-Fi enabled office as a touchdown space to help deliver vital services in Little London in a collaborative way.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This report constitutes a 'Key Decision' and as such will be subject to 'Call-In'.
- 4.5.2 The Council's Executive Board has the authority to make decision on the recommendations in this report under powers granted within part 3 of the Council's Constitution.
- 4.5.3 The Housing Act 1985, Part II, S12 allows for the provision of other buildings or land which will serve a beneficial purpose in connection with the requirements of the persons for whom the housing accommodation is provided. Therefore Secretary of State consent was sought for the provision of a primary school expansion, a new community centre and a new Neighbourhood Housing Office on housing land. Approval was given by the Secretary of State on 24<sup>th</sup> March 2014 on the basis that the buildings are for community purposes.

#### **4.6 Risk Management**

- 4.6.1 Risk is to be managed through application of 'best practice' project management tools and techniques via the City Council's 'Delivering Successful Change' methodology.

- 4.6.2 A project team and programme board has been established to manage and monitor risks to the overall combined School and NHO/Community Centre project. A risk register has been prepared for the project and is available on request.
- 4.6.3 One of the key risks for the project is failure to correctly ascertain a project budget for the new community centre and NHO through inaccurate construction cost estimates and construction inflations during the design development and tender period. This has been mitigated through a number of actions, including:
- Fully inclusive project budget developed including a level of client authorised contingency;
  - Governance process developed and implemented by project and programme board at key stages of the scheme development providing a gateway challenge;
  - Monitor tender price index and construction indices on a regular basis to identify any major changes;
  - Regular cost reviews at key stages throughout the project.
- 4.6.4 In addition, pre-planning consultation with Highways and Planning has been undertaken with a view to designing out key planning risks. Expected planning conditions have been priced within the current budget estimate.

## **5 Conclusions**

- 5.1 The Council has an aim to deliver a mixed-use scheme on the Community Hub site to ensure the long term sustainability of facilities and services available within the Little London neighbourhood, to complement the Housing PFI and new retail investment.
- 5.2 The Community Centre and NHO are central to proposals for the Community Hub, providing essential services to Housing Leeds customers and the community. Working alongside the school expansion there is a clear benefit to a comprehensive and co-ordinated approach to regeneration of the site, delivering well planned cross-sector investment in one of Leeds most deprived neighbourhoods.

## **6 Recommendations**

- 6.1 Executive Board is recommended to:
- i) Note and support the progress made to commence regeneration in Little London and to revise proposals for the Little London Community Hub;
  - ii) Note the link between this report and that of the Director of Children's Services (Design & Cost Report for Little London Primary School Basic Need Project) elsewhere on the agenda for the expansion of Little London Community Primary School and support the proposal that the school expansion, Neighbourhood Housing Office and community centre form part

of the same procurement and construction contract as set out in paras 3.26 and 3.27;

- iii) Note that the costs identified in this report are based on RIBA Stage D - detailed design;
- iv) Authorise the Director of City Development to inject and incur expenditure of £677.7k from the General Fund capital scheme 32140/000/000 to deliver a new community centre forming part of the Little London Community Hub, with an anticipated contract award in July and start on-site in July/August 2014, as set out in paragraph 3.29;
- v) Note scheme 32036/CJ3/000 to deliver a new Neighbourhood Housing Office forming part of the Little London Community Hub at £264.7k is funded within the overall Housing Leeds refurbishment programme as approved by Executive Board in February 2014 and will be delivered by the Director of Environment and Housing, with an anticipated contract award in July and start on-site in July/August 2014, as set out in paragraph 3.29.

## **7 Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.