

Report of Chief Regeneration Officer

Report to Director of Environment and Neighbourhoods

Date: 13th December 2012

Subject: Little London Community Hub – HRA asset funding requirements

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Exempt under Rule 10.4 (3) Appendix 2 of this report contains exempt information under Access to Information Rule 10.4 (3). Appendix number: 2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

In order to deliver the sustainable regeneration of Little London, investment is required in the existing out of date community facilities to ensure they are fit for purpose, efficient and attractive to users. This report outlines the proposals for the 'Community Hub' to include primary school expansion, Community centre, Neighbourhood Housing Office (NHO) and retail facilities. It requests that HRA funding is used to support the delivery of this project..

The Primary School requirement is to open as an extended 3FE (from 1FE) by September 2014, which places emphasis on resolving related site issues within a short timeframe.

Recommendations

The Director of Environment and Neighbourhoods is requested to note the contents of this report and:

Support the progression of the Community Centre/ NHO project to feasibility stage alongside the school expansion.

Support the delivery of the temporary Neighbourhood Housing office and allocate £97,000 revenue for the delivery of this facility.

Agree to receive a further report on the Community centre/ NHO following the completion of the feasibility study.

1 Purpose of this report

- 1.1 This report provides an update on the Little London Community Hub project and seeks funding support for the delivery of the project through the Housing Revenue Account.
- 1.2 The Community Hub project is an essential element of the sustainable regeneration of the Little London area - improvements to the facilities it offers to tenants and residents will support the wider benefits of the PFI investment in the surrounding estate.
- 1.3 The project includes a new retail development, the extension of Little London Community Primary School, improved community centre and Neighbourhood Housing Office (NHO).

2 Background information

- 2.1 Proposals for investment in the Community Hub were originally included in the Housing PFI project, to include redevelopment of the retail facilities, community centre and neighbourhood housing office as a complement to the new and refurbished homes. The PFI investment model included a contribution from the Housing Revenue Account (HRA) for the delivery of these facilities as part of the wider project.
- 2.2 The Community Hub was removed from the project in 2011 following a value for money review of the national housing PFI programme by Government. However, Members have continued to support the principle of investment in the Community Hub and have publicly committed to improving community facilities in the area (including shops and the community centre).
- 2.3 In response to demographic pressures in the Little London area, it is also now proposed that Little London Primary School will expand from 1 Form of Entry (FE) to 3FE utilising land at the community hub site, to place it prominently at the centre of the community. The school will need to be at this capacity by September 2014.
- 2.4 The Council remains committed to the delivery of community facilities on the site. The facilities proposed are central to the long term sustainability of the neighbourhood alongside the housing investment being made by the PFI.
- 2.5 The plan at Appendix 1 shows the component parts of the site. It is proposed that the Community hub includes:
 - Site A:** the expansion of Little London Primary School, a new or refurbished community centre and NHO
 - Site B:** retained greenspace and play area
 - Site C:** new retail provision
- 2.6 The land at the Community Hub site is within freehold Council ownership (Sites A

and B vested with Environment & Neighbourhoods), however there are existing occupiers and important uses associated with these, that require a managed programme of relocation and re-provision in order to realise the overall project. It is proposed that the existing retail units on site A will be demolished to allow the school expansion to take place, and the existing NHO will be demolished on site C to allow for disposal and new retail development through private commercial investment.

- 2.7 There are several challenges relating to each aspect of the project to ensure delivery on time to allow the various project elements to be delivered in a co-ordinated way. The key driver for the project is the statutory delivery of school places by September 2014. Temporary accommodation will already be needed for the school in order to accommodate these places in 2014 as the school expansion cannot be completed until summer 2015 at the earliest.
- 2.8 The critical path for the development of the site as a whole can be summarised as follows with further details provided in the sections below:
- (i) The proposed site for school expansion is currently occupied by 7 small HRA shop units, two of which are occupied and providing services for local residents;
 - (ii) There is a need to retain retail provision on the Community Hub and the Council is in active discussions with a retailer to sell the site currently occupied by the NHO site to allow for the development of a convenience store and two smaller retail units. Delivery of the new retail is required by December 2013 to allow continuity of retail prior to the demolition of existing shops in January 2014;
 - (iii) Disposal of the site will only be possible if the current NHO can be relocated. Relocation will need to take place by March 2013 to allow for retail provision to the timescales agreed above; WHNWH requires a replacement site in a central location in the Little London area;
 - (iv) As a result the relocation of the NHO will enable the new retail development and upon its opening, closure of the existing retail units. Following closure and vacant possession of the retail units the school expansion site can be assembled. A timeline and dependencies are shown at appendix 3
- 2.7 The remainder of this report details the implications for the HRA under the proposals. A separate report is presented at the same panel meeting dealing with the Environment & Neighbourhoods land, vesting and disposals.

3 Main Issues

3.1 Neighbourhood Housing Office

- 3.1.1 The NHO is currently located on site C and provides front and back-office facilities for West North West Homes Ltd. This is a Housing Revenue Account (HRA) asset on Council land vested with Environment & Neighbourhoods. WNWH Ltd occupies the building but do not pay rent on the property. This site is required for the provision of three new retail units on the site.
- 3.1.2 In order to progress with proposals in line with the timescales above WNW Homes Board approved (on 27th September 2012, see appendix 2) to vacate the existing NHO and move to temporary accommodation in Little London in early 2013. This approval is on the basis that a permanent NHO is subsequently located within the community hub (on site A) as part of redevelopment plans. The move is for the customer services staff only, with back office staff being relocated to adjoining housing offices (i.e. Kirkstall Housing Office). It should be noted that this was the only delivery option acceptable to the Board when considering alternative locations for the NHO or a different approach to delivery in the neighbourhood focusing on drop ins and surgeries.
- 3.1.3 The NHO will need to be relocated on site A by March 2013 to allow the sale of land and the proposed new retail development to progress to the proposed investor's timescales. This will subsequently enable the school expansion to its own required timescale.
- 3.1.4 The permanent solution for the NHO is likely to be relocation to a shared facility with a refurbished or new build community centre. However this option will not be available from March 2013..
- 3.1.5 As a result a temporary NHO is required from March 2013. This could be located on site A next to the community centre. Co-location with the PFI contractor in temporary accommodation alongside the PFI contractors customer service function is also being considered. It should be noted that co-location with the PFI contractor will only provide a temporary solution as the office will only be in place for the works period which is 4 years.
- 3.1.6 The specification for the temporary accommodation has been agreed with WNW Homes. In order to provide temporary accommodation by March 2013, work needs to commence now in order to refine the design and specification and submit planning permission before the end of December 2012 to allow the temporary structure to be procured and delivered. The estimated costs for this work, based on advice from NPS, are detailed below:

1) Design, specification and planning application	£5,500
2) Planning application fee and surveys	£2,500
3) Building services fees (connections and base)	£34,000
4) NHO moving costs (including IT and scanning house files)*	£10,000
5) Temporary accommodation (2 year lease)	£45,000
TOTAL	£97,000

* these costs are approximate and TBC.

3.1.7 Costs 1 and 2 above are immediate costs for work that will need to be commissioned before the end of December 2012. The costs outlined at 3,4 and 5 will be required between January –March 2013. Please note the moving costs are currently estimated.

3.1.8 Work on the permanent solution for co-location with the community centre also needs progressing to feasibility stage alongside the school expansion feasibility work. This is detailed in the community centre section below.

3.1.9 It should also be noted that the demolition costs for the NHO on site C will fall to the retail provider when the site is transferred.

3.2 Community Centre & NHO (new build/ refurbishment)

3.2.1 An Options Appraisal for the refurbishment or new build of the community centre has been completed by NPS. The options provide an initial assessment of what is achievable on site alongside the school expansion and an initial indication of costs. The options and costs are outlined in the table below. In addition to these costs it is anticipated that there will be further design fees from NPS of approximately £50,000.

Option	Total Cost	Floor area (sqm)
1) Basic maintenance of the existing structure and replacement of essentials & new build NHO extension	£272,000 (£112k maintenance, £160k new build)	330
2) Light refurbishment of community centre (DDA, fire compliance, services, windows, doors, roof repair, brickwork) & new build NHO extension	£500,000	330
3) Full refurbishment of community centre, as above with reconfiguration of internal space, external cladding, re-roof, energy efficiency & new build NHO extension	£578,000	330
4) Full refurbishment of community centre as above & remodeling to include NHO internally	£504,000	280
5) New build community centre and NHO	£448,000	201

3.2.2 Alongside the options appraisal a review of the community centre use has been undertaken. This has highlighted that although the centre is consistently booked out by groups, attendance levels are relatively low for the various activities provided.

3.2.3 This indicates that if the centre is to be maintained work needs to be done to increase the number of people that use the facility and attend the activities that are provided.

3.2.4 The local MP, Executive and Ward Members have been consulted on the future of the community centre and support the retention of this facility within the community hub. The MP has shown a preference for a single, efficient building with the community centre incorporated into the school expansion. Ward members would

prefer a building separate to the school but at the same size that it is currently. Members also noted that there is a need to retain the NHO in the community hub.

- 3.2.5 Community consultation has indicated that the majority of residents and users would prefer a refurbished or new build community centre separate from the school expansion. However, it should be noted that there were only 21 responses to this consultation.
- 3.2.6 Feasibility work on the school expansion is due to commence at the end of November. Ideally the feasibility work for the community centre and NHO should be undertaken alongside the school so that work can progress up to the end of RIBA B feasibility stage as a joint project on the same site. This would allow for joint approach to parking and access arrangements and would help to confirm the land take for each of the buildings and give certainty to Children's Services on the way in which all facilities would be accommodated and relate to each other on site. It would also allow for greater cost certainty for the community centre and NHO provision.
- 3.2.7 It is proposed that the feasibility stage is progressed alongside the school expansion to allow a full cost comparison (build and running costs) of the refurbishment and new build (separate to the school) options, as well a lifespan comparisons of the two solutions.
- 3.2.8 NPS have provided a cost of **£14,838** for this work for the Community Centre and NHO. This cost will form part of the capital costs for the project following feasibility and will need approval from Executive Board for the delivery of the project. However, in principle approval is required from the Director of Environment & Neighbourhoods for the progression of this capital project to feasibility stage. This approval is needed by the end of December if feasibility work is to be undertaken alongside that for the school.
- 3.2.9 It should also be noted that WNW Homes has requested that this work is progressed as soon as possible so that a permanent solution can be sought for the NHO.

3.3 Retail units

- 3.3.1 Only 2 of the 7 retail units on site A are occupied (a chemist and general store). Renewed contracted out leases (with 3-4 month break clauses) have now been offered and accepted for two of the tenants (the general store and chemist) for a further 18 months.
- 3.3.2 The aim is to allow the retailers to continue trading until the new retail is operational on site C.
- 3.3.3 In order for the school expansion to take place the retail units will need to be demolished in early to mid 2014. This cost is part of the school expansion budget as the cleared site is needed for development to take place.

4 Corporate Considerations

Consultation and Engagement

- 4.2.1 A report (Appendix 2) was presented to West North West Homes Leeds Board at the end of September 2012 regarding proposals for the Community Hub project. The report approved the relocation of the neighbourhood housing office functions to make way for new retail as part of the overall redevelopment of the Community Hub.
- 4.2.2 As detailed above, the MP, Executive and Ward members have been consulted on the broad proposals for the community hub and are supportive in principle subject to details of design, site layout and cost.
- 4.2.3 Public consultation took place on 6th and 14th November. Residents that attended were broadly supportive of the principles for the redevelopment of the community hub subject to the details on how the community centre and NHO are reprovided. All properties in Little London were leafleted about the drop in events but it should be noted that only 21 formal responses were collected at these.
- 4.2.4 A separate report to the Director of Environment & Neighbourhoods details the issues for the portfolio land holdings and relevant requests to declare surplus.

4.3 Equality and Diversity / Cohesion and Integration

- 4.3.1 Equality, Diversity, Cohesion and Integration screening has been undertaken for the Community Hub project and is attached at appendix 4. It has been reviewed following the November 2012 consultation. The review did not suggest a need for any fundamental shift in the programme or related consultation, but reinforced the original outcomes and action plan, summarised here:
- Stakeholders will continue to be informed as early as possible about the redevelopment proposals for the Community Hub. The stakeholder engagement plan will now be reviewed following consultation to maintain confidence in the redevelopment of the Community Hub.
 - Current use is being carefully monitored and the community centre management committee is involved and informed
 - The potential to continue to provide services in temporary accommodation, reduced or substitute form, or in nearby premises is being actively considered. Home visits will still be available to WNWHL customers who require them. Designated disabled parking in any redevelopment plans will be provided in line with Planning requirements that will also cover the interests of pedestrian and highway safety during construction as well as future residential amenity.
 - Any means possible to encourage people to get involved will be pursued in the light of the diversity of the local population.
 - In line with comments received, more visually accessible discussion materials will be provided for further consultation.
 - All the points made by respondents will be factored into project team action plans and dialogue with elected Members

4.4 Council policies and City Priorities

4.3.1 The actions detailed in this report will assist in delivering the Little London Community Hub project (which includes school expansion, new retail, community centre and NHO provision), which through its implementation will contribute to and support the delivery of key council policy objectives in the following documents:-

- Little London Draft Development Framework
- The Leeds Council Business Plan (2011-2015) which has strategic outcomes relating to improved quality of life.
- The project objectives contribute to all the themes set out in the Vision for Leeds (2011-2030).
- The City Priority Plan (2011-2015) has key outcomes relating to Children & Young People; Business; Health and Wellbeing where people can live safely in their own homes, living longer and healthier lives; Safer and Stronger Communities where people are safe and feel safe, and that the are where they live is clean and welcoming; Housing and Regeneration where regeneration is delivering a vibrant and sustainable community, and local people benefit from the regeneration investment; Sustainable Economy and Culture.

4.5 Resources and value for money

4.5.1 The sale of site C for the provision of new retail facilities will generate a capital receipt, subject to the relevant approvals for disposal. Officers propose to seek Executive Board approval for the receipt to be used to support the delivery of new or refurbished community centre and NHO facilities.

4.5.2 However, the receipt will not cover all the costs outlined in section 3 above. In summary the costs are approximated as follows:

NHO temporary accommodation	£97,000
NPS RIBA B fees	£14,838
NPS further RIBA fees	£50,000
Community centre/ NHO (refurb/ new build)	£578,000 (max)
Total	£739,838

4.5.3 Children's Services has agreed to underwrite the costs for the feasibility and delivery of the temporary NHO accommodation and feasibility for the permanent NHO and community centre, to provide some initial certainty for the school design and development programme and progression of initial discussions with NPS. However these costs would not ordinarily sit with Children's Services and would more appropriately be considered through the Environment & Neighbourhoods portfolio, given the community centre and NHO uses.

- 4.5.4 The Director of Environment & Neighbourhoods is therefore requested to consider HRA funding for the NHO temporary accommodation and RIBA B fees totalling £111,838 in the first instance.
- 4.5.5 The temporary accommodation cost of £97,000 would be revenue expenditure as the unit will be rented rather than an asset acquired. This can be funded from the surplus currently projected against the HRA budget. These costs will be spread over the 2 year lease period.
- 4.5.6 The design fees of £14,838 can be capitalised against a final project which will require Executive Board approval. Approval in principle for feasibility design fees is sought at this point. .
- 4.5.7 It is proposed that a further report is submitted to the Director of Environment & Neighbourhoods following feasibility study completion to finalise design details and costs for the next stages of project delivery for the community centre and NHO. Approval for capital injection will then be sought from Executive Board for the community centre/ NHO permanent solution. It is proposed that funding will be utilised from the uncommitted HRA Strategic landlord capital budget.

4.6 Legal Implications, Access to Information and Call In

- 4.6.1 As the current provision on Site C of the existing NHO is provided under Part II of the Housing Act 1985 as an ancillary building serving a beneficial purpose for the authority's tenants of the associated Part II housing, the use of HRA funding for the relocation of the NHO to a temporary accommodation on Site A would be sanctioned under section 74 of the Local Government and Housing Act 1989.
- 4.6.2 The information in Appendix 2 of this report has been identified as exempt because it contains confidential information regarding the future of customer service delivery for the Arms Length Management Organisation for that area. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4.7 Risk Management

- 4.6.1 A project team and programme board has been established to manage and monitor risks to the overall project. A risk register has been prepared for the project and is available on request.

5 Conclusions

- 2.1 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 forthcoming Housing PFI investment.
- 2.2 There is currently an opportunity to work with internal and external partners to deliver a comprehensive redevelopment of the Community Hub site, which would

positively contribute to the wider regeneration of Little London. The timescales required for the delivery of the school expansion are driving the project, which requires the NHO to be relocated in March 2013 to allow retail delivery to commence as highlighted in this report. [

- 2.3 In order to progress work in line with the programme outlined in this report funding is required to deliver the temporary NHO facility and to undertake feasibility works for the community centre/ NHO. This report recommends that the Director of Environment & Neighbourhoods allocates funds (£97,000 HRA revenue) to support delivery the delivery of the temporary NHO, and approves progression to feasibility stage (£14,838 capital) for the permanent community centre/ NHO.

6 Recommendations

- 6.1 The Director of Environment and Neighbourhoods is requested to note the contents of this report and:
- 6.2.1 Support the delivery of the temporary Neighbourhood Housing office and allocate £97,000 HRA revenue for the delivery of this facility;
- 6.2.2 Support the development of the Community Centre/ NHO project to feasibility stage alongside the school expansion, and;
- 6.2.3 Agree in principle to HRA capital funding to deliver the permanent NHO/Community Centre facilities (including the £14,838 feasibility fund), subject to a further report on the design solutions and costs following completion of the feasibility study and the outcome of further consultations.

7 Background documents¹

- 7.1 EIA Screening
- 7.2 Timeline and dependences

¹ 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.