



Report of the Director of Environment and Neighbourhoods

To: Inner North West Area Committee

Date: 14 July 2011

Subject: Little London Community Centre – Allocation of Woodsley Road Centre Capital Receipt for Improvement Works

Electoral Wards Affected: Hyde Park and Woodhouse

Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council Function

Delegated Executive Function available for Call In

Delegated Executive Function not available for Call In Details set out in the report

Executive Summary

Following a national value for money review by the government of Housing PFI project, the Little London Housing PFI project has been subject to some changes. The housing related outcomes have been left generally intact. However, following a government determination that PFI credits could no longer be used to fund non housing outcomes, the mixed use community hub site in Little London has been removed from the project.

The Little London Community centre would have been rebuilt as part of the Housing PFI project. The existing centre has suffered a serious lack of investment pending the provision of new build facility and now requires remedial works at a total cost of £145,000.

There is understandable disappointment locally that the new facilities will not now be provided by PFI credits and in acknowledging the ongoing commitment to the regeneration of Little London, the council has made a commitment to complete the works required to the community centre as soon as possible. These works are focused upon redressing the recent managed decline of the community centre and are not designed to extend the life or usability of the building for more than a few years. If the longer term strategy for investment is realised, the existing community centre would be demolished to make way for the construction of new retail and new community facilities.

Funding is therefore sought for short term improvements to community facilities in Little London at a total cost of £145k, to be funded from the capital receipt held from the disposal of the Woodsley Road Community Centre.

1.0 Purpose Of This Report

- 1.1** The purpose of the report is to update Area Committee on progress of the procurement of the Little London Housing PFI Project, the changes resulting from a Government value for money review and to request that part of a capital receipt held from the sale of community assets be used to meet the cost of improvement works to the Little London Community Centre.

2.0 Background Information

- 2.1** Approval to proceed to the next stage of procurement for the Little London Housing PFI project has been delayed by the government's value for money (vfm) review of the national PFI housing programme lead by the Department for Communities and Local Government (CLG). The outcome of the review resulted in the application by the government of revised vfm benchmarks, a reduction in the level of PFI credits available to fund the project and new guidance on works no longer considered eligible for PFI funding.

- 2.2** The government broadly supported the project and recognised that the council has achieved good value for money for most elements. The major impact for Little London however, was the determination by CLG that non-housing outputs would no longer receive PFI support, a move that has forced the removal of the community hub from the Housing PFI project.

- 2.3** The redevelopment of the community hub site had included the construction of new retail units, a new community centre, 12 new council dwellings, new housing office and PFI contractors office plus improvements to the central green space. These works will now not proceed as part of the Housing PFI project.

- 2.4** The government has now given the council the go ahead to proceed to the next stages of procurement for the Housing PFI project which included the formal appointment of the preferred bidder and financial close. It is anticipated that work will commence on site early in the new year.

- 2.5** Despite the delays and loss of the community hub redevelopment, there are a number of positive outcomes for Little London. The Housing PFI project will still refurbish a total of 889 existing homes, build 113 new energy efficient family sized homes and improve the quality of the estate. These properties and neighbourhoods will then be maintained for a period of 20 years to the same high standard.

3.0 Main Issues

- 3.1** The loss of the long anticipated community hub re-development of new retail units, community centre and housing office plus green space improvements, will undoubtedly serve as a disappointment for stakeholders and particularly local residents.

- 3.2** An interim communication strategy has been implemented to ensure that key messages from the council are delivered to those who will be directly affected. Meetings have been held with key stakeholders including local members, the community centre management committee and the community advisory group. The Deputy Leader and Executive Member for Housing, Neighbourhoods and

Regeneration has written to every resident affected by the scope changes to the Housing PFI project.

- 3.3** The overarching key message is that the council remains committed to the regeneration of Little London and focused to the redevelopment of the community hub site despite the down turn in economic circumstances. This includes the provision of an improved retail offer for Little London and replacement community facilities within the timescales of the Housing PFI project. A plan showing the red line boundary of the community hub site is attached as an annex to the report.
- 3.4** It has been important to reassure users of the facilities in the community hub that the existing structures will be retained and improved in the short term whilst a strategy for improvement and investment can be brought forward for consultation as a separate project from the Housing PFI project.
- 3.5** This report focuses particularly on the existing community centre and how services and activities can be maintained whilst options for longer term development can be explored and a solution established.
- 3.6** It is fair to say that the community centre has suffered from a lack of investment in the fabric of the building leading to generalised dilapidation. The Strategic design Alliance has completed a survey of the community centre and provided estimates for repair which are attached in an annex to this report. (Please note that the estimates do not include fees for which an additional percentage has been added for the purposes of this report) The mobile classroom extension roof has collapsed and is both dangerous and beyond economical repair. Emergency works are now required to make the community centre structurally sound. These works will include demolition of the classroom extension and fire prevention and disabled access works to make the building compliant with current legislation. The cost of these urgent works is estimated at £40k.
- 3.7** A further sum of £105k has been estimated as necessary to improve the internal fixtures and fitting of the brick built element of the community centre.
- 3.8** Any short term investment in the community centre would however be subject to consultation with local residents and community centre users. The centre is very well used and oversubscribed for day time use. It may be therefore, that users of the centre may choose when offered a choice to use any available funding to meet the cost of re-providing the demolished classroom extension which was originally purchased by the centre management committee.
- 3.9** The limited funding available would only pay for the improvement of an existing building and would not meet the cost of the purchase and installation of a replacement classroom. It would assist the viability of the existing shop units if community use could be extended into the empty shop units in Little London and this option will be explored further. There may be an opportunity to share a shop unit with the PFI contractor who may be interested in investing in a temporary front facing contact point in Little London.
- 3.10** Little London Community Centre is part of the portfolio managed by the Corporate

Facilities Management Team which provides caretaking and cleaning services plus a repairs and maintenance service. The budget is managed centrally and has been reduced by 50% for the current financial year as a contribution towards council efficiencies. As a result, only urgent repairs relating to health and safety are being carried out therefore precluding any expenditure on the Little London community centre.

- 3.11** Funding is therefore sought for both the urgent demolition and health and safety works and the more extensive improvements and or the provision of additional space at a total cost of £145k from the capital receipt held from the disposal of the Woodsley Road Community Centre.

4.0 Implications For Council Policy and Governance

- 4.1 Inner North West Area Committee has the delegated powers to allocate the capital receipt from the disposal of Woodsley Road Community Centre

5.0 Legal and Resource Implications

- 5.1 This proposal would require the allocation of the capital receipt from the disposal of a former council owned community facility in the inner north west area to meet the cost of the improvement of council owned centre in Little London.

6.0 Conclusions

- 6.1** The Little London Community centre has suffered from a period of managed decline in anticipation of the provision of a new community centre as part of the community hub site redevelopment under the Housing PFI project. Now that the community hub site has been removed from the Housing PFI, alternative strategies for investment need to be developed. In the short term the community centre and its users would benefit from the implementation of urgent health and safety works followed by further improvements to increase the usability of the existing centre or provide additional space to replace the demolished classroom. It is proposed that the use of the capital receipt from the disposal of Woodsley Road Community Centre be used to fund the works.

7.0 Recommendations

The Area Committee is requested to:

- A. approve that the cost of repairs to Little London Community Centre estimated at a cost of £145,000 be met from the capital receipt set aside from the sale of Woodsley Road Community Centre
- B. Note that the demolition and health and safety works be carried out as a matter of urgency
- C. Note that users and local residents be consulted on the exact works to be funded from the remaining £105,000

Appendices:

- Community Hub Red Line Boundary
- Estimate of Works provided by SDA