


Commissioner Decision Report 1 st April 2015	 TOWER HAMLETS
Report of: Corporate Director Development and Renewal	Classification: [Unrestricted]
Harford St Multicentre Twelve Month Licence Agreement	

Originating Officer(s)	Service Head Strategy, Sustainability and Regeneration
Wards affected	St Dunstons
Key Decision?	No
Community Plan Theme	Great Place to Live

Executive Summary

1.1 The Ocean Regeneration Trust (ORT) was created as the successor body to the Ocean NDC to promote the socio-economic regeneration of the Ocean area and to hold assets, receive income and generate income for the benefit of the local community. It has always been the Council's intention that ORT would take on the lease of the Harford Street Multicentre community space, sublet parts of it and be responsible for the management of the premises as the legacy body approved by DCLG.

1.2 Officers in the housing regeneration team have been managing the Harford St Multicentre on an interim basis since 2011, and has been doing so on the understanding that a lease is agreed with a 3rd party to manage the centre. The decision whether to keep the centre in-house or sign over to ORT is on hold for another year at request of the Lead Member for Resources whilst a wider review of community resources on the estate takes place. Set out below is the background to the application and a proposal for a twelve-month interim plan to keep the centre running in a way that benefits the local community and generates an income that reduces the cost of resourcing to the council.

1.3 The ORT/City Gateway partnership are proposing to fund the licence agreement from within their own reserves at the open market value.

Recommendations:

The Commissioners are recommended to:

1. To provide written consent for the council to grant a twelve month licence to the ORT in partnership with City Gateway at open market rental value at £10 per sq foot.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Commissioners.

Name.....*Patrick O'Donoghue*..... Signed.....*[Signature]*.....

Date.....*1/4/2015*.....

2. Commissioner

I agree with the recommendation proposed in this report for the reason set out in paragraph 1.1, 1.2, 1.3, 1.4 of this report.

Name.....*Max Caller*..... Signed.....*[Signature]*.....

Date.....*1/4/15*.....

Name.....*K Knight*..... Signed.....*[Signature]*.....

Date.....*1/4/15*.....

1. REASONS FOR THE DECISIONS

- 1.1 The first floor of the centre has been vacant since June 2014. The space has been designed to accommodate class room activities, child care training and provision of office space. It is a resource designed to deliver support to the community through many services such as English language support, youth and employment services, child care training amongst other longer-term fund raising ambitions.
- 1.2 These services have been identified in past reports and studies as required for the community but are not currently delivered on the estate. The Harford St space is ideally suited to cover the gap in services. The City Gateway proposal addresses these gaps which will benefit a significant section of the community.
- 1.3 The open market rental value at £10 per sq foot totalling 4194.30 sq ft at an annual cost of £41,943.00.
- 1.4 The decision will reduce the reputational risk to the council in ensuring the centre is used for its original purposes and satisfying residents that the legacy investment is benefitting the community.

2. ALTERNATIVE OPTIONS

- 2.1 The space is not in full use and would remain this way.
- 2.2 The council could seek alternative group/s to deliver the services on the estate. The process would be lengthy and would delay services which are ready to be delivered in the centre now.

3. DETAILS OF REPORT

- 3.1 The Council used Ocean NDC finance to purchase the 26-year lease on the Harford Street Multicentre community space and for the fit out costs as the building is an NDC legacy asset for the Ocean community. The space has consent for Class D1 use only.
- 3.2 The Ocean Regeneration Trust (ORT) was created as the successor body to the Ocean NDC to promote the socio-economic regeneration of the Ocean area and to hold assets, receive income and generate income for the benefit of the local community. It has always been the Council's intention that ORT would take on the lease of the Harford Street Multicentre community space, sublet parts of it and be responsible for the management of the premises as the legacy body approved by DCLG.
- 3.3 The council has been in negotiations with the ORT regarding management of Harford St. These negotiations have involved the highest levels in the council including the Head of Legal Services, Corporate Director D&R and the Head of Service for Housing and Regeneration. The council has been party to the Harford Street Multicentre lease negotiations and was responsible for producing the Heads of Terms and instructing the Council's legal team to prepare the draft underlease between LBTH and ORT for Part of the Community Centre Harford Street, E1, received by ORT on 12 April 2013. It has not been possible to conclude these negotiations because the Service Level Agreement between LBTH and ORT forms Schedule II of the underlease and due to internal discussions relating to ORT funding streams, the Trust is still waiting to receive the final document from the Council. This is likely to be concluded following the outcome of the estate service review.
- 3.4 The ORT/City Gateway partnership are proposing to fund the licence agreement from within their own reserves at the open market value. This decision was made as there is now a sense of urgency by the partnership to start delivery of services on the estate. The programme of delivery is set and new staff is to be recruited. As soon as the licence is agreed the marketing

strategy will be launched on the estate and across the borough for the services.

3.5 ORT/City Gateway propose a £185k a year project that engages the most disadvantaged from the Ocean Estate and surrounding area, aiming to improve their economic and social wellbeing whilst increasing community cohesion. Key elements of the proposal are:

- Services primarily aimed at the most disadvantaged women and families in Ocean Estate and the surrounding area;
- Engage, mentor and train the most excluded individuals;
- Bring together different groups and cultures, and work against conflict and division;
- ESOL, literacy, numeracy, and apprenticeship sessions every week
- Innovative community development programmes – Advice Champions, Health Café and Advice Cafe
- Employment development workshops, including CV writing and Apprenticeships
- Promote local economic growth through the development of sustainable social enterprises
- A structured plan in place to look at longer term fundraising for potential multi-year partnership.

4. ONE TOWER HAMLETS CONSIDERATIONS

4.1 The request for a twelve month licence supports the council's equality of opportunity aim. The proposed services enhance local residents chances to broaden their role in society and the workplace.

4.2 Activities in the centre will help promote good relations within the community as local people see the centre being used for the benefit of residents, particularly those who are more vulnerable in the community.

4.3 The ORT/City Gateway proposal aims to target all residents an equal opportunity to access the services that will potentially be provided.

5. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

5.1 NONE

6. RISK MANAGEMENT IMPLICATIONS

6.1.1 The Harford Centre sits at the heart of the Ocean estate, it is has a high visibility and is subject to high expectations from the local residents as a new

resource for the community, however the building has not been properly used since June 2014. A continuing failure to let the facility will increase reputational damage to the council.

- 6.1.2 There may be a risk that the tenant will continue to occupy the premises after the conclusion of the contracted term, however the licence conditions should successfully mitigate that risk.

7. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 7.1.1 NONE

8. EFFICIENCY STATEMENT

- 8.1.1 The first floor's current use is sporadic and inefficient. The licence will allow the first floor to be used to its full capacity.
- 8.1.2 Rental income from the building will reduce the pressure on HRA grant funding as the ORT/City Gateway partnership can fund the licence agreement from within their own reserves.

9. Safeguarding Implications

- 9.1 The proposal is aimed at the most disadvantaged families on the estate. It will actively promote engagement with excluded individuals and community development within the area.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- None

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

- Jackie Odunoye