



Executive
20 May 2013

**Report from the Director of
Regeneration and Major Projects**

Wards affected:
Willesden Green

**Proposed redevelopment of the Learie Constantine Youth
and Community Centre**

1.0 Summary

- 1.1 For several months Council Officers and the Learie Constantine West Indian Association (Association) have collaborated on redevelopment options for the Learie Constantine Youth and Community Centre located at 43-47 Dudden Hill Lane. The Council owns the freehold of this site and the premises is let to the Association on a long leasehold interest, which has an unexpired term of approximately 84 years. The centre is in need of repair and would benefit from renewal, which could be supported through redevelopment of the site comprising a form of joint venture agreement that would deliver the benefit of a new building for the Association and provide additional housing in line with the Council's Corporate Strategy.

2.0 Recommendations

- 2.1 That the Executive approves the proposed redevelopment strategy which has been set out in paragraphs 3.7 to 3.26.
- 2.2 That the Executive notes that there is an opportunity to consider the redevelopment of the Learie Constantine Centre site comprehensively with adjacent Council owned land at 41-37 Dudden Hill Lane to increase the total developable area, as set out in paragraphs 3.19 and 3.20.
- 2.3 That the Executive notes that the final redevelopment proposals will be recommended to the Executive for approval at a later date once the details have been agreed with the Association and approved by the Council's Major Projects Review Panel.

3.0 Detail Background

- 3.1 The Learie Constantine West Indian Association, established since 1972, is a local community organisation that for some time has wanted to extend and improve its community centre at 43-47 Dudden Hill Lane to better suit its needs.
- 3.2 The Association holds a long leasehold interest in the premises (appendix 1), which they purchased from the Council under lease dated 9th October 1998 for the term of 99 years from 1st April 1997, of which approximately 84 years remain. The Council owns the freehold interest of the site.
- 3.3 The Association is a community organisation that provides services to the local community, particularly to Black and Minority Ethnic groups. The community centre is considered to be a valuable facility for the local community.
- 3.4 The site comprises a single-storey brick built end of terrace property located on the corner of Villiers Road and constructed in the 1930s. The total building area is approximately 259 sq. m and the car parking area is approximately 412 sq. m. The potential redevelopment area of the demised site is circa 671 sq. m. The building is not listed and does not fall within a conservation area.
- 3.5 The site adjoins Council owned land and buildings at numbers 41-37 Dudden Hill Lane (refer to paragraphs 3.19 and 3.20).

Options appraisal

Do nothing

- 3.6 Without Council support the Association would need to continue their activities from their existing building or make their own alternative arrangements.

Redevelop the site jointly for mutual benefit (preferred option)

- 3.7 For several years the Association has been seeking to purchase the Council's freehold interest in order that they may bring the site forward for redevelopment. However, an agreement for the sale of the freehold was not reached between the Council and the Association.
- 3.8 More recently, the Association has approached the Council with a proposal based on their negotiations with a registered provider with whom they wish to redevelop the site. Officers were not party to these negotiations and could not support the proposal to bring forward redevelopment through private treaty because it was not considered to meet best value considerations. Instead, Officers have given their support for redevelopment by a developer selected through a competitive tendering exercise on the open market.
- 3.9 There is a clear commitment to the importance of culture in Brent and a strategic context for change is outlined in the Council's Regeneration Strategy for Brent 2010-2030 and the Borough Plan that is being revised with a bigger emphasis on voluntary sector organisations. A redevelopment of the site

comprising a form of joint venture agreement is the preferred option as it would deliver the benefit of a new community centre for the Association and much needed additional housing for the borough.

Strategic principles

- 3.10 Officers recommend the Council sells a long leasehold interest to a developer on the open market to safeguard best value considerations and secure the use of the new centre for community benefit for the term of the lease.
- 3.11 The proposal is to redevelop the site to provide the Association with a new community centre in a single modern building on the ground floor and provide residential accommodation on the first floor for rent or sale by the developer.
- 3.12 The Association is seeking two new residential dwellings in addition to a new community centre as part of the redevelopment proposal. However, the Association does not currently have the benefit of residential accommodation and therefore Officers cannot support this.
- 3.13 The Council would seek nomination rights from the developer to any affordable housing dwellings developed as part of the scheme.
- 3.14 As part of proposal the developer will be asked to provide the Association with off-site re-provision of the community centre for the duration of the building works, or the community centre activities will need to be suspended temporarily if the developer is unable to secure another facility.
- 3.15 Planning consent will need to be obtained by the developer of the new scheme. The scheme will be subject to planning permission for a change of use being approved.
- 3.16 Given the number of unknown variables, the financial feasibility and valuation of the scheme will not be known with certainty until the site has been market tested. The scheme's viability will to a large extent be determined from the level of affordable housing requirement and the cost of rebuilding the community centre and also market interest in the site. Whilst market price for housing on this site is anticipated to be moderate, the development of this site for housing and a new community centre is expected to be economically viable (achievable).
- 3.17 Officers will carry out a due diligence exercise on financial and legal matters before the project is commenced.
- 3.18 Based on an architectural capacity assessment commissioned by the Association, the site area would accommodate approximately 13 homes and a new community centre of approximately 671 sq. m in size.
- 3.19 The Learie Constantine Centre site adjoins Council owned properties at numbers 41-37 Dudden Hill Lane, which the Council owns freehold. Number 41, which abuts the Learie Constantine Centre site, is a 5 bedroom house and is vacant and in dilapidated condition. Number 39a is also vacant and in

dilapidated condition and number 39b is let to a secure Council tenant. However, Brent Housing Partnership has made a recommendation to decant the tenant because of disrepair and therefore this property could become vacant in the near future. The Council could therefore consider bringing these properties forward to extend the developable site area (see appendix 2).

- 3.20 Numbers 37a and 37b Dudden Hill Lane are let to secure Council tenants and have been reported by Brent Housing Partnership as being in good condition. Officers are therefore discounting these properties from the current proposal. However, Officers will review the options should the circumstances surrounding these properties change in the future.
- 3.21 An outline specification will be required to be developed by the Association in order to provide guidelines to potential developers on the facilities required. Officers will review the specification for reasonableness prior to marketing.
- 3.22 There are a few key issues that need to be agreed with the Association before the proposals can be progressed and implemented.
- Site boundary to be developed;
 - Legal/ownership structure of the redeveloped site;
 - Management of developer;
 - Rights, obligations and conditions of the parties;
 - Termination arrangements;
 - Funding and costs;
 - Project delivery method;
 - To agree the lead partner.
- 3.23 These issues will be discussed and agreed within the framework of a formal agreement between the Council and the Association, which will need to be approved by the Council's Major Projects Review Panel and the Executive before being entered into.
- 3.24 A number of steps are required to progress the project. These are set out below:

i) Agree a Memorandum of Understanding with the Association:

To put in place a Memorandum of Understanding or similar document between the Council and the Association to capture the broad aims, principles and conditions of the transaction being sought i.e. an 'in principle' agreement in line with the principles set out above.

ii) Enter into a formal agreement with the Association:

Both the Council and the Association have a legal interest in the site and therefore a formal agreement between the parties would be required to enable the site to come forward for redevelopment. The parties will need to consider the most appropriate structure of the agreement and agree the details of the proposed final scheme.

iii) Commission agent to take the proposed scheme to market:

The Council and the Association will need to market the site and transfer a legal interest in the site to a developer who in turn will provide the capital contribution for the new development.

- 3.25 The proposed redevelopment of the site is expected to take approximately 2 years and could be completed by mid 2015. The complexity of the transaction requires a detailed and lengthy process of agreement between the parties to ensure that the proposed redevelopment does not impact negatively or pose a risk to either party.
- 3.26 An indicative timetable is set out below (note that the timetable may be impacted by the length of negotiations and OJEU considerations):

Executive decision on proposed strategy	May 2013
Agree MOU	May - July 2013
Agree formal agreement in principle	July - August 2013
Executive authority to enter agreement and tender	September 2013
Commission marketing agent	October 2013
Selection of bidder & exchange contracts	December 2013 – March 2014
Start on site	March 2014
Completion	June-September 2015

4.0 Financial Implications

- 4.1 The financial implications will be set out in a further report to the Executive once the details of the final scheme are known.

5.0 Legal Implications

- 5.1 The Council owns the land at 43-47 Dudden Hill Lane freehold with title absolute and holds it under Education Act 1944-1953, which was transferred to Community Development Financial Management Sub Committee on 8 December 1998. The Council owns the freehold in adjoining land at numbers 41-37 Dudden Hill Lane.
- 5.2 Disposal and safeguard considerations will need to be concluded prior to entering into a formal agreement with the Association.
- 5.3 As detailed in paragraph 3.24, the intention is for a developer to be involved in this scheme. The Council and the Association will need to procure a contract for a developer partner. At the present time, the estimated value of this contract is not known. There is potential that such a contract would be regarded as a public works contract and subject to the Public Contracts Regulations 2006 (the "EU Regulations"). If the EU Regulations apply to the procurement then Officers will need to ensure that the procurement is compliant with the EU Regulations.

- 5.4 Once negotiations have been finalised with the Association there will be a further report to the Executive seeking approval to enter into the agreement with the Association and in connection with the procurement and award of the contract with the developer partner.

6.0 Diversity Implications

- 6.1 Brent is one of only two local authorities serving a population where the majority of people are from Black and Minority Ethnic communities. 54.4 per cent of Brent residents are from black and minority ethnic communities, this compares to approximately 40 per cent of London's population and 12 per cent of the population of England and Wales.
- 6.2 Brent is a borough with a young and diverse population, located close to the cultural riches of central London, and its rates of cultural participation are low. The mapping of cultural assets suggests that Brent's cultural assets, particularly the most important ones, seem to be reasonably well spread across the borough. However, there are relatively few facilities in Willesden.
- 6.3 The Learie Constantine Youth and Community Centre runs activities for a wide range of people living in Willesden and the surrounding areas. To avoid any adverse impacts on equalities target groups the Council is committed to working with the Association to secure for it a sustainable future.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 No staffing issues and accommodation issues as highlighted in the body of the report.

Background Papers

Appendices:

Appendix 1&2: Site plans

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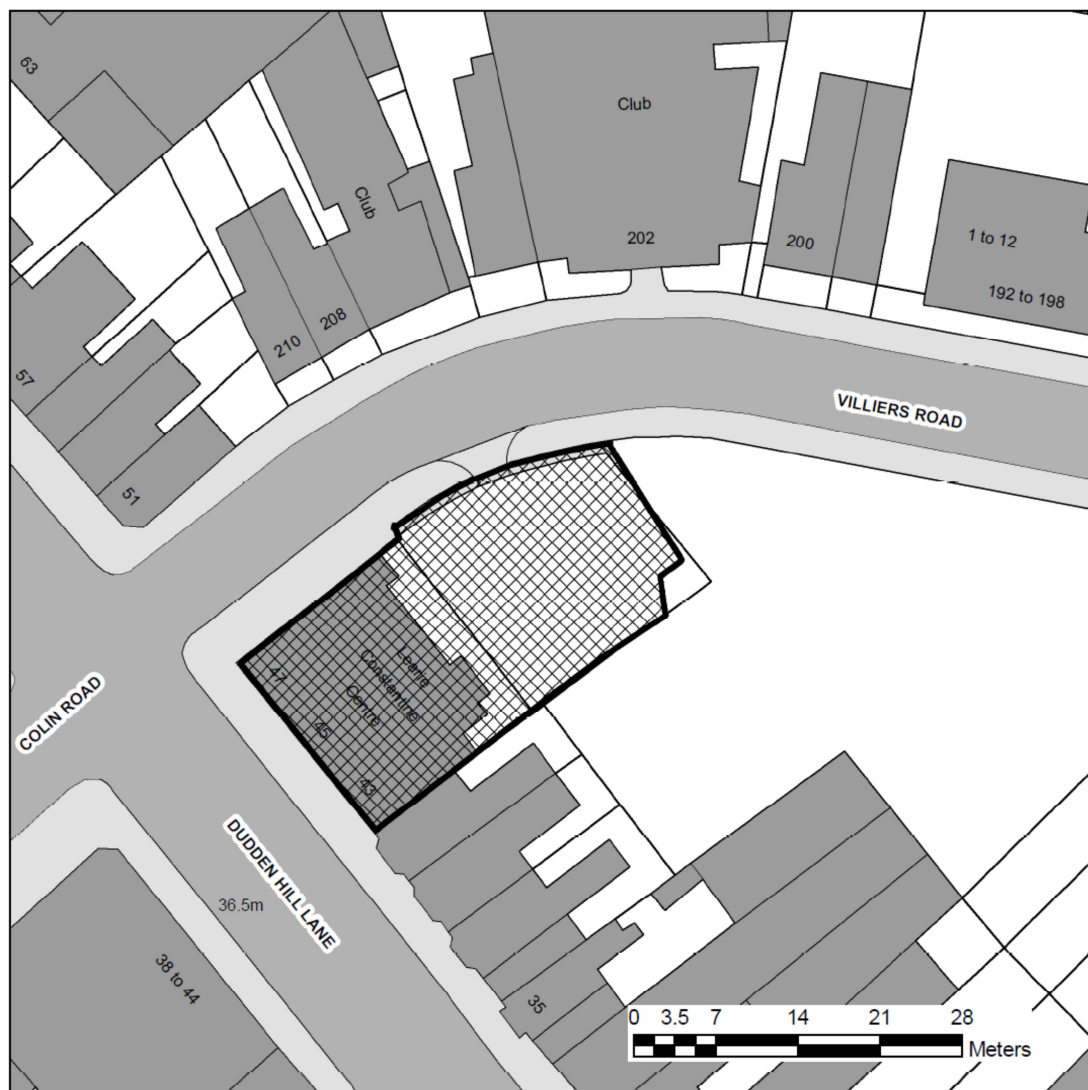
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Appendix 1: Site plan – Learie Constantine Site 43-47 Dudden Hill Lane

EXECUTIVE COMMITTEE - 20th May 2013

**Learie Constantine Centre, 43-47 Dudden Hill Lane,
London, NW10 2ET**



Learie Constantine Centre

Plan for information purposes only.

NORTH

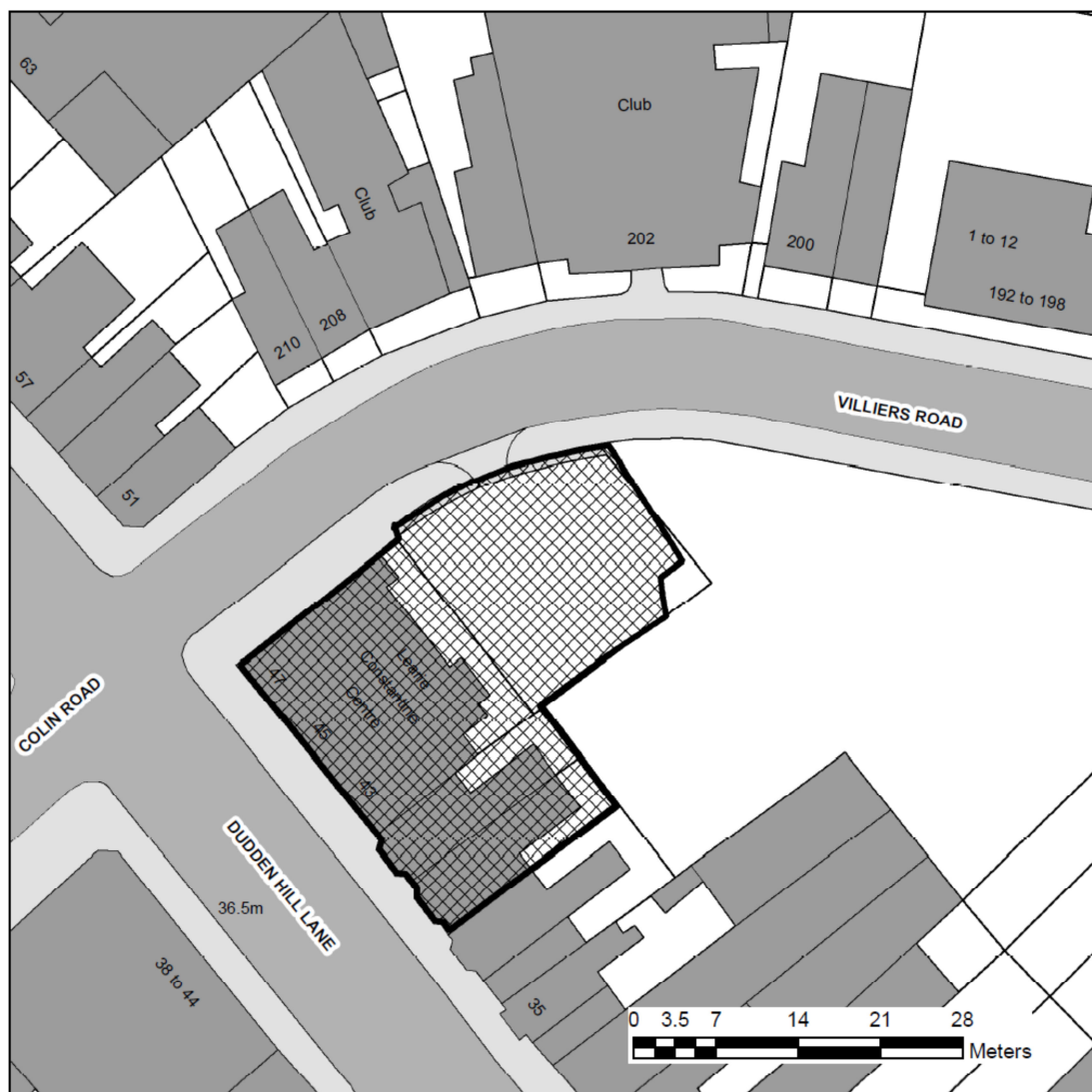


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Appendix 2: Site plan – 39-47 Dudden Hill Lane

EXECUTIVE COMMITTEE - 20th May 2013

**Learie Constantine Centre, 43-47 Dudden Hill Lane,
and 39 and 41 Dudden Hill Lane, London, NW10 2ET**



Premises

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