

<b>Committee:</b>	<b>Dated:</b>
Grand Committee	19/06/2020
<b>Subject:</b> New Portsoken Community Centre – Business Planning	Public
<b>Report of:</b> Andrew Carter – Director of Community and Children’s Services	For Decision
<b>Report author:</b> Simon Cribbens – Assistant Director, Commissioning and Partnerships	

### Summary

A new community centre is being delivered as part of the Minorities development that adjoins the Mansell Street Estate. It will replace the current Portsoken Health and Community Centre.

The vision is for the centre to be community led (in the longer term) and financially self-sustaining. An appended report – see Appendix 1: Locality Report – has been commissioned to set out the business plan dynamics of the new centre and propose options for its management.

In light of the current COVID-19 health crisis, it is recommended that the City of London Corporation (COLC) take responsibility for the management of the centre during the post-lockdown and recovery phase. This will support the establishment of the centre and underwrite the risks of this uncertain period.

It is further noted that income is likely to be severely reduced in the recovery period. Income will not meet the business plan estimated operating costs of £114,000, and these costs have not been planned for in existing budgets.

### Recommendations

Members are asked to:

- Approve the proposal for Phase 1 management by the COLC
- Note the estimated operating costs of £114,000 and the risk to income in the short term to offset them
- Note that these costs have not been planned for, and it may not be possible to contain them within the local budget.

### Main Report

#### Background

1. A new community centre is being delivered as part of the development of 15-16 Minorities and 62 Aldgate High Street, by 4C Hotels Limited. The development includes a refurbished hotel, new office building, residential block and a landscaped park. The planning permission for the development also included Section 106 requirements for a new community centre space at the base of the new hotel.

2. The proposed facility – referred to as the Portsoken Community Centre – will replace the existing Portsoken Health and Community Centre (also known as the ‘Green Box’) located within the Mansell Street Estate. It is scheduled for completion and handover in September 2020.
3. In December 2019, the COLC commissioned Locality to undertake a business planning exercise for the new community centre, to inform options for the centre’s management and operation.
4. The work was informed by the COLC’s vision to establish a thriving and financially sustainable community centre, serving and driven by people living and working in the community.
5. The Locality Report (appended) sets out income and cost estimates based on Locality’s research and expertise in community centre operation. The report also outlines management options, including community-led approaches and commissioned voluntary sector providers. It should be noted that these were developed before, and therefore without regard to, the impact of COVID-19.
6. The business plan, options and recommendations are based on resident research, interviews with local stakeholders (including Members), Locality’s experience and expertise, and collaborative working with COLC’s officers and services.

### **Current Position**

7. The development of the site itself has been disrupted by COVID-19 restrictions. However, the developer is still working towards an autumn 2020 opening, subject to continual review. Currently, the Department of Community and Children’s Services and planning officers are in close liaison with the developer to finalise the design and layout of the centre in keeping with its vision.
8. For community and voluntary sector organisations, these are also unprecedented times given the dramatic demand, service and financial challenges that have been faced in response to COVID-19. The period that follows lockdown will also be a difficult time of recovery for any potential service providers. Therefore, it would not be prudent to pursue a commissioned solution in the short term.

### **Phase 1 – Proposal**

9. Given the current situation, a phased approach to achieving a long-term management and governance solution is proposed. This would place initial responsibility on the COLC to directly manage the new community centre through the risk and challenge of a post-lockdown period (Phase 1). This will provide a platform from which other management models (community-led, commissioned, and so on) can emerge that are informed by the centre’s operation experience.
10. The management and operation during this period would draw on the experience and structures that support the operation of the Golden Lane Community Centre.

11. Beyond Phase 1, the Locality Report sets out four scenarios for Phase 2. These options are:

- a) Third-party management (specialist commissioned provider)
- b) Managed by COLC as standalone centre
- c) Managed by COLC and federated with other City of London centres
- d) Establish new community-led structure to manage.

12. These options are not mutually exclusive. For instance, a specialist commissioned provider or COLC-led approach could focus on supporting the establishment of a community-led management vehicle.

13. The Phase 1 operation of the centre will allow for a transition to longer-term management. It is anticipated that Phase 1 will be for 12 months, but there are a number of possible factors that may extend this.

## **Issues**

14. The estimated operating costs in year one – based on the Locality projections, and COLC staff costs – are £114,000. Locality estimates the income potential – based on existing use of the Green Box and other potential sources – to be £118,000 in year one, therefore generating a small surplus.

15. However, within the context of COVID-19 and its aftermath, it is not anticipated that the first 12 months (within Phase 1) will include full capacity operation or achievable income targets. Instead it is anticipated that the income potential of the centre will be slow to develop post lockdown, and could be as little as 25% target (£30,000).

16. There is great uncertainty, and therefore the Department faces having to underwrite the unmet cost up to 100% in the first year.

17. There is no direct allocation in the Department's budget for the operation of the new community centre. However, some of the cost can be offset by redeploying operational resources for the current Green Box, which are £17,000 per financial year. The Department would have to manage the cost within its current overall budget, and therefore there is the risk of a departmental overspend.

## **Phase 2 – Operation**

18. Running in parallel with Phase 1 will be the preparation for Phase 2. The vision for Phase 2 is to transition to community-led delivery. To achieve this, the Department will explore options, including the potential to commission a specialist provider. These options may be constrained by available resources.

19. The current market of specialist providers is likely to be very limited as they focus on their own recovery in the short term. However, we expect this will take place over the next six to 12 months as a return to more normal operations resumes.

20. Future delivery will focus on building a community structure that increases the local community's role in the running and management of the centre year on year. This aspiration will be flexible to reflect the appetite and capabilities within the community, but could provide a long-term opportunity for outstanding community engagement and leadership.
21. The calibre of the space on offer should enable both a highly impactful provision for local residents and – over time – ensure that the space is financially sustainable at no net cost to the Department.

### **Corporate & Strategic Implications**

22. The delivery of the Portsoken Community Centre delivers to the aims of the Corporate Plan and the following outcomes:
- Communities are cohesive and have the facilities they need.
  - People have equal opportunities to enrich their lives and reach their full potential.
  - People enjoy good health and wellbeing.
  - We inspire enterprise, excellence, creativity and collaboration.
  - We are digitally and physically well-connected and responsive.

### **Implications**

23. The uncertainty resulting from COVID-19 will impact on the use of the community centre and its income potential. There is the potential for the Department to overspend if the additional costs can not be contained within existing budgets.

### **Conclusion**

24. The options set out aim to provide a safe and controlled delivery of the service in Phase 1 that responds carefully to the COVID-19 health crisis. In the long term, these options will support the development of a financially sustainable community centre that aspires to develop community-led provision.

### **Appendices**

- Appendix 1 – Locality Report

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