

**Report of:** Communities and Partnership Scrutiny Committee

**To:** City Executive Board

**Date:** 1<sup>st</sup> July 2009

**Item No:**

**Title of Report:**      NORTHWAY CENTRE OFFICES CALL –IN

### **Summary and Recommendations**

**Purpose of report:** To report to the City Executive Board the recommendations of the Communities and Partnership Scrutiny Committee regarding the call –in of decisions around the future use of the Northway Centre offices site.

**Board Member:** Cllr Oscar van Nooijen

**Approved by: Finance:** Sarah Fogden  
**Legal :** Jeremy Thomas

#### **Recommendation(s)**

That the City Executive Board reconsider its decision, taking into account the following:-

- 1) The Northway Centre offices should not be demolished. Instead the Scrutiny Committee's preference was for it to be maintained and used for community (especially youth) facilities or workshops;
- 2) Should this option not be taken the Scrutiny Committee asked the City Executive Board to investigate, now, the provision of community and youth facilities in the area and how these might be provided better provided;
- 3) On disposal of the land the Scrutiny Committee's strong preference was for the Council to provide all affordable housing on the site.

In addition the Scrutiny Committee members asked to receive, within a reasonable time, a complete timetable for the site including the disposal plan

## 1. Background

1.1. Four members called into the Communities and Partnership Scrutiny Committee the CEB decision of the 20<sup>th</sup> May to formally declare Northway Centre Offices and adjoining land:

- Surplus to the Council's requirements
- Demolish the Northway Centre Offices
- Dispose of the land at a future time

1.2. The reason given for the call-in was:-

“there may be short term options for their use rather than immediately proceeding with disposal and demolition”.

1.3. The Interim Head of Property and Facility Management outlined that vacation of the Northway Centre offices would lead to immediate savings in revenue costs of £73,000 per annum. Members were concerned that demolition costs would outweigh any immediate savings and that disposal in the present economic climate would not make good business sense. The Interim Head of Property and Facilities Management stated that payback against demolition costs was anticipated within 5 to 6 years and that the future sale of the site would be likely to reduce that payback period.

1.4. Members of the Committee questioned whether alternative uses for the Centre had been explored. They were concerned that options such as work shops and youth facilities had not been fully explored in area were community facilities were recognised as poor. Furthermore members could see no evidence of extensive community consultation around the disposal of the site and it was therefore not clear what residents would want in terms of the future for this site. The involvement of local residents both now and for the future of the site was seen as essential.

1.5 The Interim Head of Property and Facilities Management stated that an extensive options appraisal had been conducted. The retaining of the Northway Centre Offices was not a short term viable option. The building was in poor condition and was surplus accommodation. The Executive Director of City Regeneration added that the building had a low utilisation rate. It was preferable to make the savings now from the closure and re-invest in front line services. Members advice would be sought over the future use of the site.

1.6. Members stated that if CEB were still minded to demolish and dispose of the site then their strong preference was for affordable housing.

The 20<sup>th</sup> May CEB Northway offices report is re-circulated with the CEB agenda for 1 July (agenda item 20).

## 2. Draft Minutes of Communities and Partnership Meeting – 18<sup>th</sup> June 2009

### 4. "NORTHWAY CENTRE OFFICES – CALL IN

*Councillor Sinclair explained that this item had been called in to the Committee from the City Executive Board on the basis that there might be some short term options for the use of the Northway Centre, rather than the immediate demolition of the buildings.*

*The following key points were made:-*

- (a) There had been no firm decision to sell the site. The demolition of the building and the relocation of staff would save £73,000 per annum, thus paying back the demolition costs within 5 or 6 years. This had been accepted as a budget saving by the Council, and as a result there were no plans to continue to run the Northway centre beyond July 2009;*
- (b) If the building was allowed to remain empty for a prolonged period, the Council would have to pay empty rates on it;*
- (c) The Northway Centre offices provided circa 10,000 square feet of office accommodation, however the complex of buildings was in a poor state and poorly used. Refurbishment costs were not evaluated as this had not been considered to be an option. It was strongly felt that the best option was its demolition, with the site used for affordable housing in the future. It had been properly surveyed and the advice was that it was a liability and not fit for purpose;*
- (d) Serious concern was expressed that there had been no consideration of alternative uses for the site, such as youth or community facilities, and that there appeared to have been no consultation with community groups. In addition, there were several art groups that were actively seeking workshop space, which perhaps the Northway Centre offices could provide;*
- (e) The timing of the proposed demolition was questioned. Was this the best time, economically, to dispose of assets?*
- (f) Although affordable housing was an attractive proposition, there was a good deal of local unhappiness at the proposed demolition of the Northway Centre offices, and the feeling that community use would be a better use for these buildings. Affordable housing on the site could not be completely guaranteed as much depended on the market at the time;*

*(g) The Council would need to investigate that the building was fit and suitable for alternative community use before it could be so used, and this could be a fairly lengthy process.*

**RESOLVED:-**

*1. To support the call in of this issue, and thus ask the City Executive Board to reconsider its decision, taking into account the following:-*

*i) The Northway Centre offices should not be demolished. Instead the Scrutiny Committee's preference was for it to be maintained and used for community (especially youth) facilities or workshops;*

*ii) Should this option not be taken the Scrutiny Committee asked the City Executive Board to investigate, now, the provision of community and youth facilities in the area and how these might be provided better provided;*

*iii) On disposal of the land the Scrutiny Committee's strong preference was for the Council to provide all affordable housing on the site.*

*In addition the Scrutiny Committee members asked to receive, within a reasonable time, a complete timetable for the site including the disposal plan."*

### **3. Comments from Board Member : Service Transformation**

No formal comments

### **4. Comments from Executive Director of City Regeneration**

The Council's Corporate Plan 2009-2012 states that by March 2010 the Council will "develop a comprehensive asset management plan that rationalises our property holdings, releases capital for investment and ensures that our buildings are properly maintained."

Early work on the Office Accommodation Project – a workstream derived from the overall asset management plan – has identified that Northway Offices are significantly under utilised, not fit for purpose, in poor repair and provide an opportunity for the Council to make early progress in reducing its office footprint, together with savings in related running costs and carbon emissions.

The existing Northway Community Centre, sports hall and workshops are substantially unaffected by the current proposal to demolish the office block.

Any proposals for the subsequent redevelopment of the site will be the subject of consultation with the local community in the normal way through the planning (development control) process for which the city council has devolved arrangements.

The Northway office block is a significant building and would constitute a very significant undertaking for a voluntary group or any other party without significant resources.

In the event that Members wished to retain the vacant Northway office block, officers would be required to undertake the following:

- (a) Identify options for cutting budgets to front line services in order that the council approved budget for 2009/10, which included the revenue saving of closing Northway offices, could remain balanced. The budgeted saving from the closure of the Northway offices for 2009 / 10 is £50K .
- (b) Identify alternative options for reducing the council's office footprint and concomitant carbon emission reduction, however it is unlikely that alternative savings could be made in 2009/10 having regard to the nature of the office accommodation portfolio.

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