



Haringey Council

Report for:	Cabinet - 15 July 2014	Item Number:	
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Title:	Hornsey Town Hall: Gateway Review
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Report Authorised by:	Lyn Garner, Director Regeneration, Planning & Development
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Lead Officer:	Jon McGrath, Assistant Director Property & Capital Projects
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Ward(s) affected: Crouch End	Report for Key/Non Key Decisions: Non Key Decision
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1. Describe the issue under consideration

- 1.1 A Local Partnerships Gateway Review was held in December 2013 on the Hornsey Town Hall project.
- 1.2 The Gateway Review report provided a delivery confidence assessment and made a series of recommendations which were each given a prioritisation in order to increase the likelihood of a successful outcome for the project. Two of the higher priority recommendations were for an open book appraisal to be carried out of the Mountview Scheme and that an options appraisal be undertaken to include broader options for the Hornsey Town Hall complex site.
- 1.3 This report provides a summary of the Gateway Review recommendations and how these have been addressed.
- 1.4 It is proposed that a report is provided to Cabinet in Autumn 2014 to ask Members to consider the options generated by the options appraisal, to present the results of the options appraisal and to seek agreement as to how to proceed with the options considered for the Hornsey Town Hall site.

2. Cabinet Member introduction

This review has provided a valuable, independent appraisal of the scheme to date and allowed a critical review of actions required by all parties. Some of the key



recommendations have already been implemented and the remainder are in course, which will inform future decisions.

3. Recommendations

3.1 Members are asked to:

- Review the Gateway Review report and its recommendations as set out in Section 4 and Appendix A.
- To agree that a report should be brought forward to Cabinet in Autumn 2014 presenting the options generated and results of the options appraisal and seeking agreement as to how to proceed with the options considered for the Hornsey Town Hall site.

4. Alternative options considered

Gateway Review

- 4.1 The Council initiated and organised a Gateway Review, run by Local Partnerships, which was held in December 2013. A Local Partnerships Gateway Review is a peer review process applied to a project or programme at key decision points in its life cycle. It is designed to provide fully independent external quality assurance. The purpose of the Gateway Review for Hornsey Town Hall was as a mechanism to assess the progress of the project to deliver the outcomes expected both by the Council and Mountview and to enable the Council to make informed decisions about the level of risk it is prepared to take in proceeding to the next stage in the delivery of the project.
- 4.2 The timing of the Gateway Review coincided with conclusion of Mountview's outline design stage and release of their cost plan and fundraising report to indicate the costs and available funds for the project. This indicated a significant funding gap for delivery of the project, much higher than previously reported. This gap is a result of both an increase in costs associated with delivering the Mountview scheme and a reduction in Mountview's fundraising target.
- 4.3 The Gateway Review provided a delivery confidence assessment of Amber/Red. This assessment is defined as '*Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible.*'
- 4.4 The Gateway Review also made 8 prioritised recommendations. These are set out in the table below alongside a status column to set out how these recommendations have been addressed:

Gateway Review	Prioritisation	Actions Undertaken/On-going
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Recommendation	Rating	
Reassess governance arrangements, including membership of the Hornsey Town Hall project board and meetings.	Critical	Terms of reference and governance have been refreshed to ensure continued effective collaboration between Haringey Council, Mountview and the Hornsey Town Hall Creative Trust (HTHCT). Regular Steering Group Meetings have been scheduled.
Haringey Council, Mountview and HTHCT to carry out a joint analysis of options to meet the project's funding gap.	Critical	Haringey Council, in partnership with Mountview and HTHCT commissioned GVA to carry out a joint open book analysis, which has included looking at different funding partners and delivery strategies.
Haringey Council to identify a communications lead for the project to work with stakeholders and community groups.	Recommended	The Council has identified a communications lead officer. Work is underway on options for better engagement with community groups and stakeholders, including continued joint working with HTHCT.
Haringey Council, Mountview and HTHCT to develop a joint communication plan and stakeholder strategy.	Essential (3 months)	The Council, Mountview and HTHCT have agreed on a joint communications and stakeholder engagement strategy, including a rolling programme of community activity and opportunities.
Haringey Council should resource and assemble a wider professional team to undertake options appraisal work.	Critical	The Council and Mountview are continuing to review the business case from all sides and against current market conditions. The Council have appointed GVA as independent consultants to carry out an options appraisal to review the existing Mountview options and to identify key alternative options available to the Council.
Haringey Council should review its risk management strategy to include broader options for the Town Hall.	Recommended	A robust risk management process is already in place as part of the council's standard project management procedures. Further analysis and workshops will be held as a part of the next stage of work to review risks and mitigating actions associated with any broader options.
Haringey Council should consider and implement proposals for interim uses of the Town Hall and Square.	Recommended	The Hornsey Town Hall Interim Uses Group continues to meet to consider opportunities for interim use to make the most of the Town Hall and Town Hall Square. Future Cinema currently occupy the Town Hall through a



		license and Crouch End Festival is underway on the Town Square.
Remedial works should be carried out to make the building weather tight	Recommended	Surveys are due to commence in July 2014 to assess what works are needed.

4.5 The full Gateway Review report is available at Appendix A.

Options Appraisal

4.6 To address the Gateway Review recommendations, the Council appointed GVA Ltd in February 2014 to undertake a detailed options appraisal of the Hornsey Town Hall project, including broader options for the Town Hall complex.

4.7 The options appraisal has generated a series of options for the Hornsey Town Hall site which will be evaluated against a set of criteria based on the objectives of the project. A financial assessment of each option will also be completed.

4.8 The scope of work prepared for GVA includes:

- undertaking an options appraisal considering the recommendations of the Gateway Review and including a review of the existing and potential options for the development of HTH
- to appraise each of those options and to prepare a business case for the recommended option.
- undertaking an open book appraisal of the Mountview scheme
- a market appraisal to ascertain a potential land receipt that the Council might expect to receive for the site in consideration of recent changes in the property market
- a soft market testing exercise to assess the demand for different options to be brought to the market.

4.9 The options appraisal undertaken by GVA Ltd, is being undertaken in conjunction with the Council, Mountview and the Hornsey Town Hall Creative Trust (HTHCT), and all parties are fully sighted on the options being considered and appraised and will be involved in consideration of the conclusion and recommendations. A Working Group representing all parties meets at least once fortnightly to review progress and agree the next steps.

4.10 The options appraisal is due to conclude in Summer 2014 and a full report will be presented to Cabinet in the Autumn 2014 seeking guidance as to how to proceed.

5. Background information



Planning

- 5.1 Planning and Listed Building consent was granted in December 2010 for the refurbishment of Hornsey Town Hall and for new residential development on the former car park to the rear of the Town Hall, Broadway Annex and Mews (123 units in total). The consent also included conversion of part of the building for residential use. The planning consent was implemented in 2013.
- 5.2 A condition placed on the planning and listed building consent links the refurbishment of Hornsey Town Hall to the residential development to prevent occupation of the residential new blocks on the site until the listed building has been refurbished. This places restrictions on any land sale to a developer as they are tied to the programme for the main Hornsey Town Hall works.

Mountview Academy of Theatre Arts

- 5.3 Mountview has a long history in the area and until 2007 was based just around the corner from HTH in Crouch End. Mountview is currently situated on four sites in close proximity to each other in Wood Green, although the nature of its operations does require it to rent other space such as the Bernie Grant Theatre in Tottenham. The current accommodation is all rented and whilst it is functional, it is considered far from ideal for an internationally renowned performing arts school.
- 5.4 Cabinet took a decision in April 2011 to progress the following option:
- a) Dispose of part of the Hornsey Town Hall Complex to Mountview Academy of Theatre Arts (MATA), which has a long history in the area and would take over the main Town Hall building under 125 year peppercorn lease term, using it largely for their higher education needs, but with public access to historic areas and an extensive programme of community activities both at this site and elsewhere in the borough; and
 - b) Dispose of the rest of the Hornsey Town Hall Complex on the open market for redevelopment.
- 5.5 This option requires Mountview to secure their own new planning consent for the Town Hall refurbishment and for them to procure a building contractor to undertake the works, with the Council providing forward funding to subsidise a proportion of the refurbishment. It was intended that the Council would use the capital receipt from the sale of the land to off-set their contribution and cover their on-costs on the project to date.
- 5.6 Mountview secured Round 1 Heritage Lottery Funding (HLF) in 2012 and, following an OJEU procurement process, appointed a Design Team in the Summer of 2013 to develop more detailed plans for the future use of the Town Hall and prepare designs and a revised planning submission. A series of intrusive building surveys have also been undertaken in the intervening period to assess the condition of the building and to inform Mountview's cost plan.
- 5.7 Since the Cabinet decision in 2011, Mountview have appointed a new Chairman and Principal which has resulted in a more focused and professional approach to



the project but also a revised strategy in terms of fundraising and risk to be taken on by the organisation in delivering the project. One of the implications of this is a reduced fundraising target which they believe is a more realistic and achievable target in the current climate.

Land Sale for residential development

- 5.8 The Council has regularly sought advice as to the optimum timing for disposal of the land for residential development to the open market. Advice has consistently recommended that this should follow works to secure the revised planning consent for the Mountview option and also once there is more certainty on the timescale for delivery of the Mountview scheme. One of the main reasons for this is the conditions connected to the consent for the development works, which sets out that the phase one repair and refurbishment works are to be carried out and completed prior to first occupation of the new residential blocks.
- 5.9 The property market has also changed substantially in the last 12 to 18 months with values rising significantly. This has shown a potentially much higher capital receipt profile and prompted a review of the Business Case and justification for different options to be delivered on the site.
- 5.10 The current Mountview scheme requires a proportion of new build on the site in order to meet their accommodation requirements. This would mean part of the consented residential scheme would not be delivered and therefore the Council would not realise the full potential capital receipt of the land.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 Hornsey Town Hall is a valuable surplus asset which is capable of generating a significant capital receipt for the Council, and/or a potential future rental stream, depending on the redevelopment option selected. However at present the holding, security and depreciation costs are a drain on Council resources and it is important to secure a sustainable long term solution which removes this liability and generates future benefits for the community.
- 6.2 The Gateway and options appraisal process which are being undertaken are important review processes. They are designed to ensure that the Council's aims and objectives for the project remain clear and are capable of being delivered via an affordable solution, and that best value is achieved.
- 6.3 The costs of the project to date and the Gateway Review have been contained within existing budgetary provision. However it is likely that the budget will need to be reviewed once the results of the option appraisal become apparent. At this point it will be appropriate for the Council to update the amount and timing of the expected capital receipt and include within an updated Medium Term Financial Strategy.

7. Comments of the Assistant Director of Corporate Governance and legal implications



7.1 The Gateway Review makes eight prioritised recommendations; members should note the actions being taken to address the issues raised. Legal advice must be obtained as and when required. Following completion of the options appraisal, Members will be asked to choose an option for the site. Whichever option is chosen there are a number of legal obligations which the Council will have to comply with. Further legal advice will be provided once the preferred option is known.

8. Equalities and Community Cohesion Comments

8.1 Comments will be sought once preferred option is known.

9. Head of Procurement Comments

9.1 Further procurement advice and comments will be provided once the preferred option is known.

10. Policy Implication

10.1 The regeneration of the Hornsey Town Hall complex site is set within the context of the Council's Corporate Plan to 2015 called One Borough, One Future. The plan sets out delivery of four key outcomes which are:

1. Outstanding for all: Enabling all Haringey children to thrive
2. Safety and wellbeing for all: A place where everyone feels safe and has a good quality of life
3. Opportunities for all: A successful place for everyone
4. A better Council: Delivering responsive, high quality services, encouraging residents who are able to help themselves

10.2 The text below outlines how the project is strongly tied to and supported by the current Council Plan & priorities:

- **Opportunities for all: A successful place for everyone**

The redevelopment of the Hornsey Town Hall site will support the Council priority to deliver regeneration at priority locations across the borough and will seek to support plans to increase access to community spaces and optimise the use of council community buildings.

- **Corporate Investment Programme**

A sustainable option for the long term use of the Hornsey Town Hall building and site will support the Council's infrastructure programme which aims to ensure the council is achieving value for money.

- **A Better Council: Strive for excellent value for money**

Securing a long term plan for the Hornsey Town Hall building that relieves the Council of its short term and ongoing liability costs will assist the Council in optimising use of its building and assets.



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10.3 The wider strategic context of Hornsey Town Hall being listed on English Heritage's Buildings at Risk register also highlights a broader strategic context and driver for the project.

11. Reasons for Decision

11.1 The Local Partnerships Gateway Review held in December 2013 provided a delivery confidence assessment of Amber/Red and set out a series of recommendations to be addressed by the project.

11.2 One of the critical recommendations is that the Council commission a professional team to undertake an options appraisal to include broader options for the Hornsey Town Hall complex site.

11.3 The Gateway Review report is important context to a forthcoming Cabinet Report in Autumn 2014 when the options generated, results and conclusions of the options appraisal will be presented for consideration by Members.

12. Use of Appendices

Appendix A – Gateway Review Report

13. Local Government (Access to Information) Act 1985



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Appendix A: Gateway Review Report