

Report for: Cabinet 15 November 2016

Item number: 7

Title: Recommendation of a Preferred Bidder to Secure the Future of Hornsey Town Hall – Outcome of Call-in to Overview and Scrutiny Committee.

Report author: Councillor Charles Wright, Chair of Overview and Scrutiny Committee

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Key decision

1. Describe the issue under consideration

This report sets out the outcome of the Overview and Scrutiny Committee's consideration of the Cabinet decision of 18 October 2016 'Recommendation of a Preferred Bidder to Secure the Future of Hornsey Town Hall', following its referral to the OSC under the Call-In process (as described in Part 4 Section H of the Council's Constitution).

2. Introduction

The Overview and Scrutiny Committee considered the Cabinet's decision at a special meeting on 8 November. The Committee heard from a deputation from representatives of Hornsey Town Hall Appreciation Society, and from the lead signatories of the two call-in requests received.

It is rare for decisions of the Cabinet to be called in, and it is rarer still for there to be more than one call-in request in relation to one decision. Aware of the level of interest in this Cabinet Decision, the Committee were keen to give it our full attention. We are grateful to the Cabinet Member and his officers for their helpful participation in the scrutiny process, to the deputation and the callers-in, and to all attendees at what was a long session.

The Committee did not find that the decision reached fell outside the Budget or Policy Framework, and we are not referring it back to Cabinet under that process.

The Committee also took the view that it would be most appropriate, for the purposes of allowing detailed further consideration of matters raised in the Call-Ins, for the decision to be referred back to the Cabinet, as the executive decision-maker in this case, rather than to the Full Council.

Following full discussion, the Committee therefore proceeded to agree to refer the matter back to the Cabinet, as decision maker, to reconsider its decision of 18 October before taking a final decision, as set out in paragraph 10(b) of the Call-In Procedure rules set out in Part 4 Section H of the Council's Constitution.

To assist with this, the Committee makes a number of recommendations to Cabinet, as follows.

3. **Recommendations**

The Overview and Scrutiny Committee makes the following recommendations in respect of the decision taken by Cabinet on 18 October to “agree to the selection of Far East Consortium International Ltd as the preferred bidder for the HTH site based on the scoring set out in Appendix E [of the Cabinet Report] and to enter into a Development Agreement for the HTH site with either Far East Consortium International Ltd or a special purpose vehicle set up by Far East Consortium International Ltd and the grant of long leases with such appropriate tenants as agreed with FEC based on the main terms set out in paragraph 6.27 of [the Cabinet] report; and that delegated authority be given to the Director of Regeneration, Planning and Development after consultation with the Assistant Director of Corporate Governance to agree the final terms of the Development Agreement, long leases and all associated legal agreements”.

- a) That the Cabinet consider imposing a legal covenant guaranteeing free public access to the square, running with the land in perpetuity;
- b) That the Cabinet Member explores in conversation with the preferred bidder increasing the amount of affordable housing offered on the site, noting that an increased level of affordable housing cannot be imposed;
- c) That the Cabinet Member for Housing, Regeneration and Planning continues to explore possible support from the Mayor of London for increasing the amount of affordable housing offered on the site;
- d) That the Cabinet consider ring-fencing the capital receipt obtained from the transaction for affordable housing, or foregoing a proportion of any capital receipt in order to increase the amount of affordable housing offered on the site;
- e) That the Cabinet consider ring-fencing any overage monies to provide additional affordable housing;
- f) That the Cabinet consider offering a tailored package of support for businesses currently located at Hornsey Town Hall that will be displaced by the proposed development;
- g) That the Cabinet ensure the community is engaged with as soon as possible after an agreement is made with the preferred bidder to ensure the community can be as fully involved as possible. This engagement should not be delayed until the building is reopened;
- h) That the Cabinet confirm in its negotiations on final terms with the preferred bidder how the community use of the building, including the arts centre, be ensured, particularly in mitigating against potential financial obstacles and the impact of shortfalls or assignment;
- i) That the Cabinet agree an active method of policing the lease and the use of the building. This could include a requirement for the Cabinet Member and officers to provide an update to Cabinet on the progress of the project, compliance with legal requirements, at least annually and in the event of any proposed material changes;

- j) That the Cabinet seek to ensure a high standard of design and accessibility in the development of the site, alongside compliance with planning requirements in respect of density, massing and height levels.

4. Background

The papers considered by the Overview and Scrutiny are attached to provide the background to this paper. They are:

- Copies of the two Call-In requests
- Excerpt from the draft minutes of the Cabinet Meeting held on 18 October 2016
- Report to Cabinet 18 October 2016 – Preferred Bidder to Secure the Future of Hornsey Town Hall
- Report of the Monitoring Officer
- Report of the Director of Regeneration, Planning and Development