



Haringey Council

Agenda item:

Special Overview and Scrutiny Committee

on 19 August 2008

Report Title: Future Accommodation for Civic Centre and Ceremonial Functions – Called In

Report of: **Director of Corporate Resources**

1. Purpose

- 1.1 To outline the issues and options considered by Cabinet, arising from the feasibility study carried out for the future accommodation for the Civic Centre and Ceremonial functions in the context of the Accommodation strategy adopted by the Council in 2003.
- 1.2 To provide commentary on the reasons stated for calling in and “Variation of Actions Proposed”.

Wards(s) affected: All (primarily Woodside ward)

Report for: Consideration by Overview and Scrutiny Committee under Call-In Procedure Rules

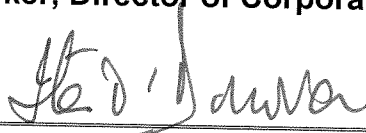
2. Recommendations

- 2.1 To note the contextual background, in particular the Accommodation Strategy, and consider the comprehensive review of options and feasibility work prepared prior to Cabinet making the decision to relocate the Civic Centre and ceremonial functions to Woodside House.
- 2.2 To note that stakeholder engagement was carried out as part of the Feasibility Report and Cabinet have now approved that further consultations, including public exhibitions are carried out to prior to preparation of the design and specification of the new facilities for submission for planning consent.
- 2.3 To note that all existing users of Woodside House have been reassured that appropriate alternative accommodation will be provided and discussions on suitable options have commenced.

2.4 To note that the proposed investment for the re-provision of civic and ceremonial function is an integral part of Accommodation Strategy which aims to rationalise the portfolio through investment in modernising the retained stock to improved standards of use and operating efficiency.

2.5 To note that the disposal strategy of the existing Civic Centre site will take into account both the method and timing of the sale to optimise the benefits in terms of regeneration as and capital receipts.

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3. Chief Financial Officer Comments

- 3.1 The budget for accommodation strategy is based on a self-funding principle so that receipts from disposals and savings from lease re-negotiations etc. are utilised to invest back in the infrastructure to achieve the objectives of the strategy. This is approved as part of the financial planning process each year and included in the capital programme reviewed annually. The original allowance for the civic centre provision was based on partial sale and partial refurbishment, however, following the options appraisal the decision was made to dispose of the whole site, thereby creating a larger funding provision for investment.
- 3.2 The decision made by Cabinet follows the self-funding principle with an element funded by additional prudential borrowing. This can be met from a budgeted contingency after taking into account savings in running costs from the new centre, therefore there is no additional budget required above that approved by Council in February 2008.
- 3.3 It is intended the scheme will be completed in two years time and therefore as stated in the original report there may be some timing issues with the capital receipt as well as ensuring that maximum value is derived in the property market. It is envisaged that this short term borrowing can be managed through the treasury management function without the need to increase the overall revenue budget.

4. Head of Legal Services Comments

- 4.1 In relation to the "no fixed Council Chamber" option, Members should take into account that local government legislation requires Councils to have available a meeting room large enough to accommodate all Members of the Council and reasonable numbers of the public. There would need to be arrangements that ensured the accommodation was available for

urgent/special meetings at short notice notwithstanding other bookings in shared buildings.

4.2 The Council has certain statutory obligations in respect of registration of births, deaths, marriages and civil partnerships and the conducting of marriages and civil ceremonies. Suitable accommodation has to be provided for both staff exercising these statutory functions and the public at large in need of these services.

5. Local Government (Access to Information) Act 1985

5.1 Background Papers

- Corporate Property Services Property Terrier
- Accommodation Strategy – Report to Executive 15 May 2003
- Project Mandate dated May 2008.
- Feasibility Report and Plans prepared by Capita Symonds.

6. Introduction

6.1 This report provides supplementary information and commentary to assist the Committee in considering the reasons cited for the calling in the Cabinet decision and the variation of action proposed; in particular, the accommodation strategy, funding priority, value for money, timing (of the investment and disposal decisions), effect on users and consultation.

7. Accommodation Strategy

7.1 There is a separate report of the Monitoring Officer / Chief Financial Officer to this Committee responding to the call-in in respect of the budget/policy framework.

7.2 The Council agreed an Accommodation Strategy in May 2003 to improve customer focus by integrating customer access points, improve facilities for democratic and civic functions and modernise work spaces for employees.

7.3 Following consideration of a number of options a “hub and spoke” model was adopted with Wood Green forming the civic and administrative hub and customer service centres in four localities; Hornsey, South Tottenham, North Tottenham and Wood Green.

7.4 The estate strategy adopted was to rationalise the diverse building portfolio (made up of 29 buildings including two Town Halls, one Civic Centre and a large number of office buildings throughout the borough) by refurbishing a smaller number of retained buildings to provide modern workspaces that are efficient to operate.

7.5 Development of the strategy was set out in two key components;

- Establishment of the customer service centres (CSCs) through retention of the area offices in South Tottenham and Hornsey and locating CSCs for North Tottenham at 639 High Road and Wood Green at 48 Station Road.
- Establishment of the Wood Green Hub, through retention of the buildings in the Station Road cluster, acquisition of River Park House and refurbishment of these

buildings to provide modern and efficient offices.

- 7.6A number of options were considered for the future provision of the civic functions including Alexandra Palace and re-provision within the existing site for both the democratic and ceremonial functions. In addition Tottenham Town Hall was considered for the democratic functions alone and Woodside House was considered for the ceremonial functions.
- 7.7 Based on an initial assessment, the preferred option for the long term location of civic functions was within a redeveloped Civic Centre site and it was agreed that a detailed feasibility study will be commissioned.
- 7.8 The acquisition of River Park House was considered to be an important tactical option that also enabled the first part of the implementation plan to be activated to enable the release for disposal and development of Hornsey Town Hall, Tottenham Town Hall and a large number of buildings not located in Wood Green. It should be noted that the decision to proceed with the acquisition of River Park House was not dependent on a final decision in respect of the civic centre.
- 7.9 In relation to funding it was noted that the capital costs of re-provision of the Civic Centre will need to be provided and for planning purposes it was suggested that a sum of £3 million be earmarked. Initial estimates at the time indicated that proceeds from the sale of freeholds will be sufficient to cover both the investment requirement and reimburse the forward funding of River Park House, thereby keeping the accommodation strategy within the self-funding principle.
- 7.10 Having substantially concluded the first phase of the delivery plan a review of the Accommodation Strategy was carried out during 2007. Work is now underway to develop the second phase of the plan which aims to both accelerate the pace of the portfolio rationalisation and implement workplace standards to facilitate modern work styles as part of the Council's SMART Working project. This is now part of the Council's Achieving Excellence programme and aims to release a substantial cashable value for money gain.

8 Priority

- 8.1 The future of the Civic Centre is one of the key components for delivering the full financial and service benefits from the Accommodation Strategy through acceleration of further rationalisation and modernisation of the estate.
- 8.2 The re-provision of the Civic Centre and funding is an integral part of the Accommodation Strategy and therefore it does not distort priority given to other multiple demands for Council investment. The majority of funding for the new Civic Centre is from the disposal of the existing site and therefore funding is not being diverted from other priorities.
- 8.3A decision to defer the refurbishment or relocation of the civic centre will present a financial burden as the site is under utilised and the need to incur large amounts of maintenance and renewal spend will become more urgent.
- 8.4 The decision to relocate the Civic Centre to Woodside House releases a larger site for disposal thereby enabling a more comprehensive regeneration scheme to be developed.

9 Timing

- 9.1 The timing of the disposal is dependent on vacant possession and whilst a phased release will be planned, final completion is not required for two years. The disposal strategy will consider the state of the property market before completing the sale.
- 9.2 In making the decision to develop Woodside House the Cabinet have agreed to fund the investment ahead of capital receipts. Cabinet have considered the risk of the current property market and is aware that the period of market correction will have an impact both on values and timing of disposal.

10 New Civic Centre at Woodside House

- 10.1 In May 2003 Executive considered options for the future provision of civic functions and set out a preference for re-provision within a redeveloped Civic Centre site. This was based on initial assessments of options including Alexandra Palace, Tottenham Town Hall, Woodside House and other land potentially available at the time. A final decision was not made at that stage as it was recognised that more detailed feasibility work will be required at a later date.
- 10.2 Based on this review and taking account of the opportunity to optimise the social, economic and environmental regeneration of the current Civic Centre site, which is within the area of the proposed Wood Green Town Centre Supplementary Planning Document (SPD), it was decided to reconsider the options for the future civic functions.
- 10.3 Following a review of potentially available sites and spaces within Wood Green, Woodside House was considered suitable for refurbishment and extension to provide a Civic Centre for combined civic and ceremonial functions. Capita Symonds were commissioned to consider the options and prepare a feasibility study on proposals for a facility that is functionally fit, affordable, consistent with the Accommodation Strategy in terms of value for money objectives and meeting other strategic criteria including sustainability targets.
- 10.4 The strategic case for developing the Civic Centre at Woodside House in preference to refurbishing the existing Civic Centre or acquisition/development within the Wood Green Hub is outlined in Appendix 2 of the Cabinet report.
- 10.5 Detailed financial implications are outlined within the Cabinet report. In summary the new Civic Centre will be funded from the sale of the existing site supplemented by some prudential borrowing as part of the Accommodation Strategy. This investment along with other changes to the portfolio will deliver revenue savings as part of the Council's value for money efficiency targets that will help fund other priorities.
- 10.6 Woodside House is a locally listed building that has had a variety of uses over the years since being acquired in the 1890s including a Civic Centre from 1913. The proposed investment to the house and its grounds and park will improve its appearance and amenity. Within the broad parameters of providing comparable space provision there is considerable scope to provide a first class Civic Centre that meets a 21st century standard and offers flexibility in the way the interior layout and function is presented. This will encourage the building to be used to maximum effect. The fact that it will be in an

historic Victorian building and park setting will enhance this prospect.

11 Existing Users of Woodside House

11.1 The Cabinet report outlined the current users of Woodside House which includes the Older Persons Drop In Centre, a number of council teams and an employee who has been provided residential accommodation in the flat. In addition a number of uses and users outside Woodside House have been identified including the bowling green, children's play area and the former Medical Comfort Depot building near Woodside House. Discussions have been held with all the users and tenants and this is continuing with the aim of agreeing alternative arrangements.

11.2 At the time of writing this report potential alternative accommodation has been found for all the existing uses and consultation has commenced or arrangements are in place to carry out detailed discussion. Discussions have also been held in respect of the leases and in one case we are awaiting a response from the lessee to negotiate surrender of the lease in place of alternative arrangements.

12 Stakeholder Engagement and Public Consultation

12.1 Key stakeholders have been identified and arrangements are in place to enable the extensive engagement that is planned. This process is ongoing and includes existing users, future occupiers/users, Members, Friends of the Park, residents and other groups and agencies.

12.2 Public exhibitions will be carried out during September and feedback invited from stakeholders and the public to inform the design, specification and related developments prior to submission of the application for planning consent. In addition there will be a range of information events and resources including the use of the Council's Website.

13 Alternative Proposal for (No fixed) Council Chamber

13.1 The approach of no fixed Council Chamber and alternative possible venues to hold civic meetings and provide civic services such as marriages (final two points in the Variation of Actions Proposed) is a policy matter for the Council. It relates to a defined location of the borough's democratic and administrative hub and service delivery model for the registrar and ceremonial functions.

13.2 In asset management terms this approach is innovative and in principle it is consistent with the good asset management practice that the Council has adopted. It has the potential to optimise the use of resources through flexibility in use and sharing, both within the Council and with partners. There is growing interest amongst the public sector organisations to engage in joint initiatives such as this and a number of publications have been sponsored by government bodies to promote innovation within government estates. However, in practice there are limitations due to existing building structures and specific requirements of each service or function. The cost benefit of such an arrangement is also difficult to justify in terms of the capital cost of changes required and additional management costs. There are a number of case studies in collaboration amongst public sector organisations but these have been based on new capital projects with considerable new pooled funding. There are no known examples of no fixed Council

Chamber having been adopted anywhere in other Councils.

- 13.3 The proposal for a trial period is an interesting approach but this is likely to require significant capital investment in building modifications and additional management costs for what may be abortive. In asset management terms the preferred approach would be to first review the need or not for a democratic and administrative hub rather than impose a property solution without regard to business need.

14 Summary

- 14.1 The reasons cited for the call-in include assertions that the decisions are outside the budget/policy framework, contravenes the Accommodation Strategy, the expenditure is not a priority, the timing of the investment and disposal is poor due to the current property market, that the timetable is preventing effective consultation with current users and there has not been substantive public consultation.
- 14.2 With the exception of the budget/policy framework, this report addresses all of the issues raised which also covers the first four variation of actions proposed. In addition commentary is provided on the final two variation of action proposed.