



Executive
11th February 2008

**Joint Report from the Directors of
Environment and Culture and
Finance and Corporate Resources**

Wards Affected:
Dollis Hill/Dudden Hill/Mapesbury

Dollis Hill House – Evaluation of Training for Life Feasibility Study

Forward Plan Ref: E&C-07/08–031

1.0 Summary

- 1.1 This report provides members with an evaluation of the feasibility study for the future of Dollis Hill House as submitted by Training for Life (TFL) and recommended future action.

2.0 Recommendations

The Executive resolves to:

- 2.1 Note the evaluation of the TFL feasibility study.
- 2.2 Instruct officers to support 'Training for Life' in further developing their proposal, subject to the following being agreed
- a) Training for Life agree to keep the Council up to date with progress made and allow the Council to monitor progress against agreed key milestones as discussed in paragraph 3.13
 - b) Training for Life provide the Council with copies of all funding applications as they are submitted and the outcome as soon as it is know.

2.3 Subject to Training for Life agreeing to the above paragraph 2.2, Members agree that officers provide further support to Training for Life until December 2008.

2.4 Note progress made by officers with preparations for an application for listed building consent to demolish Dollis Hill House and agree that this is put on hold whilst TFL further develop their proposals.

3.0 Detail

3.1 At the October Exec 2006, Members received a report which detailed the history of previous attempts to restore the Dollis Hill House, all of which have failed. Members instructed Officers to 'market openly the site for a period of three months to anyone (including any community based trust) who could renovate the listed building and provide it with a viable future, in a manner that is likely to gain planning permission and protect the park setting, before reporting back to the executive and option d) is considered'. Option d) being to demolish the building. Following this, Members received a further report at the January 2007 Exec at which it was agreed that the stables block be included as an option within the marketing exercise.

3.2 Specialist property consultants Knight Frank were appointed to oversee the process and Members considered the outcome of the exercise at the Executive in September 2007. Members decided not to progress with any of the formal bids as it was not believed they would provide a viable solution for the future of the House. The Dollis Hill House Trust submitted a proposal put together by TFL. TFL do not take part in competitive processes but said that if the Council was not successful in securing a future for the House via the marketing exercise they would be willing to talk with us regarding their proposal. At the Executive meeting in September, members decided to give TFL three months to put together a viable feasibility study for the future of the House.

3.3 The feasibility study was submitted by the agreed date of 11th December 2007 and officers have completed an initial evaluation based on the same criteria as used for the previous marketing exercise. The overall score from the initial evaluation is 77% (the executive summary of the submission is attached at Appendix 1 and the evaluation matrix is attached at Appendix 2). TFL are an established charity which aims to help the socially excluded improve their life chances through training and employment opportunities. It delivers this through 'Prospect Centres'. TFL have a successful track record working with the London Borough of Hackney, London Borough of Southwark and South Hams District Council (Dartmouth). Officers will be seeking references from these Councils.

3.4 TFL have worked in partnership with the Dollis Hill House Trust (DHHT) in putting together the feasibility study. In November 2007 a public meeting was held by TFL/DHHT in a school near to the House to explain the proposal. In

general there was a positive reception to the proposed scheme, although some concerns were raised around parking and noise late at night (see para 3.8). The following paragraphs provide an overview of the key aspects of the feasibility study; financial comments are provided in section 4.

- 3.5 **Refurbishment of the House** – The proposed refurbishment includes both the House and Stables and includes all land within the demised area previously agreed by Members. TFL have requested that the demised area be extended slightly to allow adequate space for deliveries and an area for tables outside the café during the summer period. The refurbishment of the house is to be undertaken by Giles Quarme associates an experienced and respected Conservation Architect recognised on the RIBA Conservation register. The practice has experience of working on historic buildings in Regents Park and at Althorp Park. The preliminary proposals indicate that the design will respect the original configuration and plan layout of the historic element of Dollis Hill house. The extensions and alterations will be configured to be sensitive to the setting and dominance of the original house. Officers will be involved in the development of the preliminary design scheme and will liaise with TFI and its designers during the development of the Listed Building and Planning Consent packages.
- 3.6 **Proposed uses of the refurbished house** – The key proposals for the future uses of the House are as a ‘social enterprise’ restaurant, a café, function rooms available for weddings, etc, community rooms available for hire by organisations and space for exhibitions. The facility would be managed along the lines of the current ‘prospect centre’ model that TFL currently operate elsewhere. TFL are a charity but are clear that the operation of the House would be on a commercial basis with any surplus being ploughed back into the facility. The design is purposely set out so that spaces can be used as flexibly as possible to allow maximum use of the refurbished house and hence maximise income levels. The feasibility study was accompanied by letters of support from English Heritage, Department for Communities and Local Government, Compass Group, Heritage Lottery Fund, The Learning and Skills Council and The College of North West London. None of these were committing funding but were supporting the scheme in general.
- 3.7 Officers met with TFL to discuss the feasibility study. TFL believe that, in the time scales available, they have made good progress, but there is still further work needed and for some of this they need the support of the Council. Officers expressed concern that they felt some of the assumed usage levels were too high (for example the number of weddings to be held each week and the use of the café). TFL have revised the business plan following this discussion, and whilst Officers still believe they are ambitious income targets, TFL maintain, based on their experience elsewhere, they believe them to be reasonable and achievable.
- 3.8 The main areas of concern and where TFL would want further support from the council are in the areas of parking, park improvements (signage and lighting) and the operation of the apprenticeship scheme. Due to its location,

the proposal is for a 'destination' restaurant ie it will rely on people specifically travelling to it rather than on passing footfall. As it is not on any immediate public transport links this is likely to mean people will drive to the restaurant. As members are aware, there is no parking adjacent to the House and the existing park car park is a 5 – 10 minute walk away. Therefore, a destination restaurant is likely to result in additional on-street parking. This is likely to be more of an issue for events such as weddings where up to 100 cars may be present (based on a maximum sized wedding of 300 people). It is unlikely that late at night wedding guests/restaurant users will be willing to walk across the park to the existing car park or to Dollis Hill tube station. It is for this reason that TFL wish to have further discussions with the Council on the parking issue and help with schemes that may mitigate the parking issue.

- 3.9 The first 'Prospect Centre' to be opened by TFL was the successful Hoxton Apprentice restaurant in East London. Whilst operating on a commercial basis this centre provides opportunities for apprentices to train and seek employment within the hospitality industry. TFL are proposing to repeat this model at a refurbished Dollis Hill House. The Council and TFL will need to work together to determine how such a programme would work to ensure it is Brent residents who benefit and any scheme contributes to the achievement of the Boroughs Regeneration Strategy.
- 3.10 The proposed finish time for the restaurant and any events is 11pm. Officers tested this with TFL as it seems an early finish time for the proposed types of uses. TFL believe this is acceptable to them but would wish to have further discussions around possible later finish times on a set number of occasions each year. At the public meeting held in November 2007, concern was expressed by some local residents about additional on-street parking and noise caused by customers leaving late at night.
- 3.11 There are currently two occupiers of the Stables Block; the Karmarama Café and the Brent Arts Council. Whilst both are aware of the feasibility study being worked up neither have been formally consulted with by TFL. Discussions will need to be held if Members decide to move forward with this scheme. The feasibility study includes provision for an art exhibition space and other community spaces. Brent's Libraries, Arts and Heritage would be happy to work with TFL to support plans regarding the future arts space within the building.
- 3.12 If Members agree to provide TFL with further time to develop their proposal, TFL believe it will take them until the end of 2008 to complete their capital fund raising, finalise legal issues and obtain planning permission.
- 3.13 Officers have some concerns regarding the viability of the scheme in relation to the effect any restrictions on parking and times of use resulting from the planning process may have on the overall business plan. However, this study does at this stage have the potential to succeed and officers believe it is worth supporting TFL to progress this proposal. Two key milestones will occur over the next six months; outcome of funding applications as discussed in

paragraph 4.3. Therefore, Members should consider whether they wish to instruct Officers to work with TFL up to December 2008 to support them in developing this proposal further. If this is the case, Officer will agree a work programme with key milestones and will report back to the Executive on progress as appropriate.

- 3.14 At the meeting in September 2007, members asked Officers to start preparing an application to demolish pending the outcome of the feasibility study. To date officers have prepared a brief for an experienced planning consultant to develop the application. However, no further work has been undertaken as this will incur further costs which may be unnecessary if TFL were to be successful.

4.0 Financial Implications

- 4.1 The TFL submission estimates capital costs of approximately £5.5M for the refurbishment of the House. Officers believe this is a generous estimate and it may be possible to complete the work for less. However, this level of funding will ensure an excellent quality facility. There is no provision within the Councils capital programme to contribute to this and TFL are not asking the Council for a contribution. TFL propose to secure all the capital funding via external grants. The main grants identified are

GLA/LDA – 2M

Heritage Lottery Fund (HLF) - £1M

Futurebuilders London - £1.5M

Community Assets Programme- CAP (Big Lottery Fund) - £1M.

- 4.2 Obviously, at this stage, timescales have not allowed any of these funding streams to be secured but initial applications and/or meetings have taken place with each funder. Officers have supported TFL with an application to CAP and it has progressed through the first stage; a final decision will be known in April 2008. TFL are currently working up an application to the HLF which will need to be submitted by the end of February. The outcome of this application will be known in June 2008.

- 4.3 TFL remain confident they can secure the necessary capital from the above four sources but are also already working with smaller funders on other projects, who they believe may fill any funding gap and prevent the need for debt finance on the scheme. In addition, both the Department for Communities and Local Government and the Learning and Skills Council have provided capital funding for TFL prospect centres in the past. Both have provided letters of support for the Dollis Hill House project and TFL are also considering them as a source of capital funding.

- 4.3 The revised business plan submitted by TFL shows a forecast profit of sufficient to fund a loan arrangement of up to £1.5M should there be a shortfall in the grant funding detailed at 4.1 (even allowing for a £30K per annum sinking fund for repairs).

- 4.4 As detailed in paragraphs 3.7 & 3.13 Officers have concerns about the income projections used in the plan and in particular the impact that any restrictions on parking and times of use, resulting from the planning process, may have on these projections. TFL have recognised these risks in their plan and there is some flexibility to reduce costs should income fall short of targets. This flexibility will increase if TFL do not have to raise loan finance to cover any shortfall in capital funding.
- 4.5 Members need to be aware that while TFL have not directly requested any revenue funding from the Council some of the proposals in the Business Plan could have revenue implications for the Council. Firstly the plan assumes that some 52 Citizenship Ceremonies be held per annum at a room hire rate of £400 each. The majority of these Ceremonies currently take place in the Council Chamber at no cost to the Registration and Nationality Service. Switching 52 of these Ceremonies to Dollis Hill House would require an annual payment to TFL of £20,800 per annum for which there is currently no budget provision. Secondly the Business Plan requires that all community use of the house is paid for at commercial rates. It is likely that some community groups may seek revenue funding from the Council to enable them to hire the facilities. In addition, TFL have identified a revenue need for the apprenticeship scheme and have not as yet identified the source for this although they expect it may come from the Learning and Skills Council.
- 4.6 Maintaining the remains of the House in its current condition is covered by the insurance fund. The insurance fund is the settlement received from external insurers and the Council's own self-insurance for the two main arson attacks. The fund is reducing at a rate of approximately £20K per year. As of January 2008, it stands at £74K. It should be noted that by extending the time available to TFL, this will further reduce the insurance fund as the council will be liable until any lease is signed. If at the end of this work TFL decide they cannot progress with the scheme for any reason, the amount available for demolition costs and making good the area afterwards will be further depleted.

5.0 Legal Implications

- 5.1 The Planning (Listed Buildings and Conservation Areas) Act 1990 does not impose a duty on the owners of listed buildings to keep them in good repair. However, Local Authorities and The Secretary of State have powers to serve "Urgent Works Notices" and "Repairs Notices" on Owners who wilfully neglect their historic assets indeed, paragraph 3.3.7 of PPG 15 states "the Secretaries of State ask authorities to deal with their own buildings in ways which will provide examples of good practice to other owners. It is particularly important that every effort should be made to maintain historic buildings in good condition, and to find appropriate new uses for buildings in authority ownership which are no longer in active use".
- 5.2 There are legal covenants on the property; the property is subject to the

Indenture dated 19th February 1900 between RA Finch and others and the Willesden UDC. The land (Dollis Hill House and other properties) was conveyed to the Council in “fee simple for the perpetual use thereof by the public”. There has been debate over the years as to whether “for the perpetual use thereof by the public” created a trust and had the effect of the Council holding the land on charitable trust or not. A number of legal opinions have been sought in the past. Given the time gap since the last legal opinion, the council sought further external Counsel’s opinion in March 2006. This concluded that the House is not held on a charitable trust. The Charity Commission is of the view that the building is not held on a charitable trust but it is open to the Attorney-General to seek a court declaration that there is a charitable trust if she saw fit. The Treasury Solicitor (on behalf of the Attorney General) is currently considering the issue. Officers are pressing the Treasury Solicitor for a response on this issue since if it was determined that the House is held on a charitable trust this could restrict the uses which could be made of it.

5.3 An unsuccessful application was submitted to register the park as a town green during 2005. The House was not included within the area to be registered. The application was refused on the basis that the necessary 20 year period of use by the public had not been shown. The applicant has now submitted a further application. This again excludes the House but it is not clear from the plan attached to the application what the exact boundaries of the excluded land are. The applicant is being asked to clarify this. If the application for registration succeeded then this would prevent the use of the land for any purposes which interfered with its use for sports and recreation.

5.4 Assuming TFL are successful in the next phase of the scheme, the Council will enter into an agreement to lease for 125 years, as advertised in the marketing exercise. Upon satisfactory completion of the conditions within the agreement to lease the council will enter into the lease. The TFL business plan assumes a peppercorn rent for the site.

6.0 Diversity Implications

6.1 None specific to this report.

7.0 Staffing/Accommodation Implications

7.1 None.

Background Papers

Torkilsden & Barclay Leisure management report 20th June 1999

“Dollis Hill House – Development of a Community Trust” – report to the Public Services deciding Committee, 27th June 2001

“Dollis Hill House Restoration Project” – Client Brief for Project Management Consultancy

Dollis Hill House Project – Interim Report, May 2002 Dollis Hill House Steering Group

Dollis Hill House Project - Outline Business Plan, July 2002 Dollis Hill House Trust

Dollis Hill House – progress report on the development of a community trust 17th Sept 2002

Dollis Hill House progress report 2002-3

Dollis Hill house Trust Executive Summary of progress 2002

Dollis Hill House Business Plan –October 2003

Dollis Hill House and Stable Arts Gallery – Executive Report, December 2003

The Future of Dollis Hill House – Executive report, October 2006

Dollis Hill House: Update on Marketing Exercise – Executive Report, Jan 2007

Dollis Hill House – Results of Marketing Exercise 2007 – Executive Report, Sept 2007

Training for life Feasibility Study December 2007

Contact Officers

Any person wishing to inspect the above papers should contact Sue Harper ext 5192/Richard Barrett, ext 1334

Richard Saunders
Director of Environment and Culture

Duncan McLeod
Director of Finance and Corporate Resources