

Cabinet Member delegated decision 13 August 2018

Report title: Brockwell Hall Round One Heritage Lottery Fund application

Wards: Herne Hill

Report Authorised by: Sue Foster, Strategic Director Neighbourhoods and Growth

Portfolio: Councillor Sonia Winifred, Cabinet Member for Equalities and Culture

Contact for enquiries:

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Report summary

Brockwell Hall and its coach house and stable block are Council-owned Grade II* and II listed buildings located within Brockwell Park. In 2013, supported with funds from the Heritage Lottery Fund (HLF), the Council undertook major restoration work in the park. However, while the principle of restoring the Hall was also supported by the HLF, it was excluded from the project due to the cumulative cost of bringing forward both projects.

In 2015, in order to advance a separate bid to the HLF to restore the Hall, the Council and Brockwell Park Community Partners (BPCP) completed a Feasibility Study. This recommended restoring Brockwell Hall for use by weddings, corporate bookings, exhibitions, community events, school visits, office space and a café.

The Feasibility Study informed two round one applications to the Heritage Lottery Fund's Heritage Grant programme. The first in June 2017, the second in December 2017. Those applications sought Heritage Lottery funding of £387,400 for project development and design work known as part of the 'Development Phase'. They also sought an indicative £3,800,800 towards the capital works as part of the 'Delivery Phase', which is applied for at round two (if the round one application is successful). The applications stated the Council would contribute match funding of £51,500 towards the total Development Phase cost and £1,500,000 towards the total Delivery Phase cost.

The applications were prepared with input from BPCP and the Council's Parks, Strategic Business Development and Events and Valuation and Asset Management teams.

Both applications were unsuccessful. We were informed by the HLF in September 2017 that our initial bid had not succeeded but were encouraged to re-submit in December 2017. Our December bid was also unsuccessful. However, we were informed that the quality of our bid was extremely good, that we had narrowly missed out and that they would again encourage us to resubmit. Importantly, there was a clear indication that the HLF would want us to reduce the scale of the funding we bid for. Whilst not stated explicitly, we believe that reducing the bid by around £500,000 in terms of the capital funding ask from the HLF will improve the likelihood of success. The previous bid also included £250,000 which it was envisaged would come from fundraising through Trusts and other Institutions. It is considered appropriate to not rely on this fundraising which would be a risk both in terms of the HLF bid and also the delivery phase of the project. Instead, this report envisages bringing that funding into the capital contribution from the Council in the form of a loan to the project. A vital part of the development phase will be to seek to reduce the level of borrowing via these fundraising routes.

We are now preparing a third bid. This will be on the same basis as previously. However, the Council will have to contribute £2.25m towards the capital costs if the development phase is successful. It is envisaged that £1.5m of this will be in line with the original funding commitment. The remaining £750,000 will be secured through additional borrowing. The feasibility study has been reviewed and, through increasing the level of commercial activity permitted within the building, we are confident that additional margins can be created which will adequately service that additional borrowing.

Finance summary

The total projected cost of the Brockwell Hall restoration is £6.15m. It is proposed that this will be funded by HLF funding (assuming applications are successful), Council borrowing and payment in kind from the BPCP. The Council's share of the total cost is expected to be around £2.25m, however some of the borrowing costs incurred to fund this investment are expected to be covered by additional income that can be generated.

Recommendations

- (1) To re-submit the round one application attached at Appendix 1 to the Heritage Lottery Fund's Heritage Grant programme, noting the Council's commitment to contribute £51,500 towards the development phase if the application is successful. This figure has previously been agreed.
- (2) Agree £2,250,000 onto the Capital Pipeline to support the delivery phase of the project subject to a successful development phase and phase 2 bid.

1. Context

- 1.1 In 2013 the Heritage Lottery Fund (HLF), Lambeth Council and Brockwell Park Community Partners (BPCP) celebrated the long term restoration of Brockwell Park's landscape, its heritage and community features, and sports and play facilities. The principle of restoring the Hall was supported by the HLF but excluded from the project due to the high overall cumulative cost of bringing forward both projects.
- 1.2 Brockwell Park is an increasingly popular destination for a dense urban population, and hosts numerous park-user and community groups represented by BPCP and high profile events organised by the Council. The contribution made by Brockwell Hall to the life of the park is, however, limited despite its recognised heritage value and strong association with the park.
- 1.3 The exterior of Brockwell Hall can be admired from within the Park, but its interior is largely inaccessible with only visitors to a café that uses two of the principal ground floor rooms, and the public toilets located in the coach house and stable block, giving members of the public the opportunity to visit the building. These visits provide no opportunity to discover or learn about the history of the Hall and its relationship with the Park.
- 1.4 This is largely due to the remainder of the ground floor and first floor of the Hall being used infrequently as meeting rooms by local community groups, and as offices by the Council's Park and Trees teams. Furthermore, the coach house and stable block, as well as the stable yard, are used as an operational depot by the Council's Landscapes management team. As a consequence relatively few people visit the Hall, and its use has required only minimal maintenance and repair. While the Hall is not included on Historic England's Heritage at Risk Register, its condition makes it unsuitable for high value commercial uses and, without a revenue stream to fund a major programme of maintenance its condition will worsen.
- 1.5 As a result of its current condition, Grade II* and II listed heritage status and the nature of the existing use, Brockwell Hall is considered to be at risk of:
- Experiencing a decline in condition and deterioration of the external and internal fabric if uses are not introduced which will require and fund its regular upkeep;
 - Becoming a greater financial liability due to the rising costs associated with the repair and maintenance of Grade II* and Grade II listed buildings;
 - Being added to Historic England's Heritage at Risk register;
 - Failing to exploit the potential of the Hall to share historical knowledge, promote community engagement and improve health and well-being;
 - Failing to raise the type and scale of investment required to secure its future use and condition;
 - Being unable to accommodate the nature and range of activities required to improve public access;
 - Failing to benefit from or complement the significant investment already made in the restoration of Brockwell Park;
 - Failing to fulfil its potential as the centrepiece of Brockwell Park despite its significant historic and architectural interest and association.
- 1.6 In 2015 the Council and the BPCP completed a Feasibility Study into options for the restoration and reuse of Brockwell Hall and its adjacent coach house and stable block. A number of options were discussed with a preferred option recommending its use for weddings, corporate bookings, exhibitions, community events, school visits, office space and a café.

- 1.7 The Council and BPCP presented the recommendations of the Feasibility Study to the HLF in June 2016 where positive feedback was provided on the timing and content of a round one funding application.
- 1.8 In Autumn 2016 the Council initiated work on the preparation of a round one funding application in partnership with BPCP and involving a steering group including the Council's Parks, Valuation and Strategic Assets, and Strategic Business Development and Events teams who form a steering group for this project.
- 1.9 In December 2016, a Project Initiation Document (PID) was approved by the Strategic Director of Neighbourhoods and Growth and the former Cabinet Member for Regeneration, Business and Culture. The PID recommended that the work previously undertaken by the Council and BPCP be used to support a round one funding application to the HLF.
- 1.10 In January 2017, the consultants who prepared the 2015 Feasibility Study were instructed to prepare the round one funding application. This included pre-application meeting with the Council's Planning and Design and Conservation teams.
- 1.11 In September 2015 the Council agreed to commit to contributing £1.5m of capital to the works along with a contribution of £51,500 towards the development costs. A bid was submitted in June 2017 and again in December 2017 following an announcement by the HLF that the first bid had been unsuccessful and advice from them to re-bid. This second bid was also unsuccessful. The HLF has again encouraged a further bid but has suggested that this is more likely to be successful if the amount of the bid was reduced.
- 1.12 The project aligns with the following Strong and Sustainable Communities objectives set out in Our Borough Plan 2016-2021:
 - The community health, well-being and cohesion impact of restoring a heritage asset and cultural facility within a park;
 - Working with BPCP to ensure the Park remains a place where people feel safe, act sustainably and are proud.
 - The creation of job opportunities during the construction and operational phases;
 - Where investment leads to physical change in the built environment, there is a need to ensure its benefits are inclusive.

2. Proposal and Reasons

- 2.1 This report proposes the submission of a round one funding application to the Heritage Lottery Fund's Heritage Grant programme.
- 2.2 The application includes the following sections and a draft is included at Appendix 1:
 1. Your organisation
 2. The heritage
 3. Your project
 4. Project outcomes
 5. Project management
 6. After the project ends
 7. Project costs
 8. Additional information and declaration

- 2.3 The application seeks £387,400 (Development Phase) for project development and design and £3,300,800 (Delivery Phase) for capital works, and a total grant of £3,688,200. If the round one application is successful, a round two application is submitted seeking the Delivery Phase funding. The application assumes the Council allocates 'partnership funding' of £51,500 (11%) towards the Development Phase and £2,250,000 (39%) towards the Delivery Phase. The feasibility study/business plan for the scheme suggests sufficient revenue can be created to service the additional £750,000 of borrowing. The development phase will require a further iteration of the business plan which should consider that as a minimum expectation. The HLF require applications to include a minimum 10% 'partnership funding'. The BPCP are expected to contribute volunteer time to the value of £25,000 (5%) towards the development phase and £105,000 (2%) towards the Delivery Phase.
- 2.4 The following tables provide an estimate of the project costs and income for the Development Phase and Delivery Phase:

| Development Phase Costs | £ |
|--|----------------|
| Enabling Studies, Surveys and Reference Data | 58,000 |
| Design Costs | 194,000 |
| Exhibition and Interpretation | 15,000 |
| Activity Programme and Business Planning | 51,000 |
| Fund raising | 25,000 |
| Staff costs and recruitment | 59,600 |
| Other | 15,000 |
| Contingency | 20,900 |
| Volunteer Time | 25,000 |
| Total | 463,900 |

| Development Phase Income | £ |
|----------------------------|----------------|
| HLF contribution (84%) | 387,422 |
| Lambeth contribution (11%) | 51,500 |
| Volunteer time (5%) | 25,000 |
| Total | 463,900 |

| Delivery Phase Costs | |
|-------------------------------------|------------------|
| Capital Costs | £ |
| Repair and Conservation Work | 2,474,400 |
| New Building Work | 776,400 |
| Other Capital Work | 177,500 |
| Equipment and materials | 100,000 |
| Physical and Digital Interpretation | 75,000 |
| Professional fees | 277,400 |
| Sub total | 3,880,700 |
| Activity Costs | |
| Additional Staff Costs | 340,700 |
| Staff Training | 10,000 |
| Paid Training Placements | 116,000 |

| | |
|--|------------------|
| Training for Volunteers | 20,000 |
| Travel and Expenses for volunteers | 5,000 |
| Equipment and materials | 20,000 |
| Other | 60,000 |
| Professional fees | 30,000 |
| Sub total | 601,700 |
| Other costs | |
| Recruitment | 10,000 |
| Publicity | 30,000 |
| Evaluation and monitoring | 25,000 |
| Contingency | 555,200 |
| Inflation | 448,200 |
| Increased management and maintenance costs | 50,000 |
| Volunteer time | 105,000 |
| Sub total | 1,223,400 |
| | |
| Total | 5,705,800 |

| | |
|--|------------------|
| Delivery Phase Income | £ |
| HLF contribution (58%) | 3,300,800 |
| Lambeth contribution (39%) | 2,250,000 |
| Volunteer time (2%) | 105,000 |
| Increased management and maintenance costs | 50,000 |
| Total | 5,705,800 |

- 2.5 The Delivery Phase Activity Costs include, for example, significant revenue costs associated with the appointment of a Project Manager, Funding Raising Manager, Project and Volunteer Manager and Venue and Activity Manager for periods of between three to five years. If the round one application is successful, these costs will be reviewed during the Development Phase when further consideration is given to the management model and the potential that they are met by a future commercial operator. In any event, the Council's Capital Pipeline cannot be used to fund revenue costs, and this will need to be made clear to the HLF as part of the round one application.
- 2.6 The HLF invite funding bids for consideration by their London Committee or National Board. As the London Board can only approve grants of up to £2,000,000, the application will be submitted to the National Board. For this type and scale of project, the National Board will only consider grant applications of between £2,000,000 and £5,000,000.
- 2.7 It is assumed that the Development Phase will be taken forward by the Investment & Growth team, working closely with Major Capital Programmes, who would subsequently lead the Delivery Phase. Parks, Events and Asset Management would sit on the internal officer group throughout the process.
- 2.8 The application is due to be submitted to the HLF on 16 August 2018. The HLF has advised that August 2018 is the final opportunity for bidding as the fund is being closed off. It is not yet known which programme will replace it but it is expected that future funding opportunities will be at reduced levels.

3. Finance

3.1 The Council previously agreed to support this project with funding of £1,500,000 as part of the wider Culture 2020 Strategy, without making a specific decision on how this capital expenditure would be funded. However, due to the current unavailability of capital receipts, both the original £1,500,000 and the additional £750,000 now proposed will need to be funded through prudential borrowing.

3.2 The cost of servicing this debt is around £50,000 per annum for every £1,000,000 expended, dependant on interest rates at the time of expenditure.

3.2.1 Therefore It is expected that the additional £750,000 of borrowing can be financed from income generated by the upgraded facility, however in order to finance the entire borrowing amount income of just over £100k per annum would need to be generated. If income that can be generated through the business plan is lower than this level then the balance would need to be financed from the Council's wider revenue budget.

3.3 Table 1 below shows the projected cost and funding sources of the scheme from the application to delivery stage. The costing projections were supplied by external Chartered Surveyors Huntley Cartwright.

Table 1 – Projected cost and Funding schemes

| Funding Sources | Application | Development Stage (Round 1) Amount | Development Stage (Round1) % | Delivery Stage (Round 2) Amount | Delivery Stage (Round 2) % | Total Amount |
|--|----------------|------------------------------------|------------------------------|---------------------------------|----------------------------|-------------------|
| Lambeth contribution from approved Culture 20/20 £100k (match Funding) | £48,500 | £51,500 | 11% | £0 | 0% | £100,000 |
| Lambeth Capital Programme | £0 | £0 | 0% | £1,500,000 | 26% | £1,500,000 |
| Lambeth Prudential Borrowing | £0 | £0 | £0 | £750,000 | 13% | £500,000 |
| HLF contribution | £0 | £387,400 | 84% | £3,300,800 | 58% | £3,688,200 |
| Volunteer time (BPCP) | £0 | £25,000 | 5% | £105,000 | 2% | £130,000 |
| Increased management and maintenance costs | £0 | £0 | 0% | £50,000 | 1% | £50,000 |
| Total | £48,500 | £463,900 | 100% | £5,705,800 | 100% | £6,218,200 |

3.3 The project, if successful will be in three separate stages. The initial preparation and submission of HLF round 1 funding application, the submission of the round 2 HLF funding application (if the round 1 application is successful, and delivery of the capital works (if the round 2 application is successful).

- 3.4 If the round 1 HLF funding application is successful the funds will be used to fund expenditure on feasibility studies, designs, project plans, the HLF round 2 funding application, etc. The BPCP will provide £25k of non-cash Volunteer time.
- 3.5 If the round 1 HLF funding application is successful, a round 2 HLF funding application is required for funding the Delivery phase. At this stage, the service is required to make an application for £2,250,000 from prudential borrowing. This money has already been included in the Pipeline funding records.
- 3.6 The BPCP will provide £105k of non-cash volunteer time. It's assumed that the increase in management and maintenance costs are funded through existing general fund budgets and income generated through use of the restored Brockwell Hall. Some provision for this has been made within the feasibility study for the project.

4. Legal and Democracy

- 4.1 Section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. This power can be used for commercial purposes or otherwise and the Council may exercise this power for, or otherwise than for, the benefit of the authority, its area, or persons resident or present in its area.
- 4.2 Section 111 of the Local Government Act 1972 provides powers for a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 4.3 Should the bid be successful then, where applicable, the Council, as a contracting authority, must adhere to the rules set out in its own Contract Standing Orders and the Public Contracts Regulations 2015 when seeking service providers and works contractors.
- 4.4 This proposed key decision was entered in the Forward Plan on 9 July 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 The Brockwell Park Community Partners (BPCP) represent 30 park-user groups. Their commitment to preserve, conserve, maintain, enhance and promote the area of benefit's natural beauty, heritage and ecology, whilst achieving a balance between the needs and wishes of its users and the local authority that owns and manages it aligns closely with the Council's Borough Plan commitments to inclusive growth, sustainable neighbourhoods and reducing inequality.
- 5.2 BPCP support the preferred option for the Hall and coach house and stable block. Consultation was used to inform the development of the preferred option. Further informal consultation is proposed to be undertaken as part of the Development Phase, and formal public undertaken will be undertaken following the submission of listed building and, where necessary, planning applications.

6. Risk management

6.1 Please refer to the risk register included at section 5 the round one funding application.

7. Equalities impact assessment

7.1 If the round one funding application successful, an EIA will be completed during the Development Phase.

8. Community safety

8.1 Community safety will be an important consideration in the detailed design of Brockwell Hall and will need to be an important consideration through the procurement and design process. This will be addressed in future listed building consent, planning and internal approvals.

9. Organisational implications

9.1 Environmental

The continued operation of Brockwell Park will be a key consideration during any construction works. This will require close coordination with the Parks operations team and be subject to an approved Construction Management Plan.

The Events Service also delivers an annual programme of public and commercial events including the Lambeth Country Show in the park which will need to be forward planned to ensure the construction and management of the hall doesn't impact these or commercial income generation.

9.2 Staffing and accommodation

Brockwell Hall currently accommodates the Parks and Tree service and the Landscapes management team.

The following Parks and Tree service posts are based in the service wing of the Hall:

- Head of Neighbourhoods
- Parks Manager
- Operations Managers x 2
- Technical Officer
- Parks Officers x 2
- Environmental Compliance Officer
- Arboricultural Officers x 3
- Seconded Arboricultural consultant

The following Landscapes management team posts are based in the coach house and stable block:

- Operations Supervisor (covering all cemeteries operations, borough-wide gardening teams and Brockwell Park staff)
- Senior Park Attendant (covering borough-wide gardening teams and Brockwell Park staff)
- Brockwell Park Gardener
- Brockwell Park Park Attendants x 3
- Brockwell Park Weekend Park Attendants x 4
- Cemeteries grounds maintenance team x 8

The coach house and stable block is also used by various volunteer groups and Friends of Brockwell Park.

The Head of Neighbourhoods has advised that the current Neighbourhoods and Growth restructure means that the number of staff based within the Hall and at the coach house and stable block will increase by approximately 12 over the next few months.

The project needs to plan for relocation of the Landscapes management team and consider the retention or relocation of the Parks and Tree service.

9.3 Procurement

Once funding is secured for work to begin on stage two, the Council's procurement procedures will be applied to appoint consultants.

10. Timetable for implementation

| Task | Start Date |
|---|-------------------|
| Submit round one application | August 2018 |
| Receive HLF decision | November 2018 |
| Development Phase | |
| Recruit staff and appoint consultant team | November 2018 |
| Activity Plan | March 2019 |
| Conservation Plan | March 2019 |
| Management and Maintenance Plan | March 2019 |
| Business Plan | March 2019 |
| Submit round two application | November 2019 |
| Delivery Phase | |
| Permission to start | TBC |
| Detailed design and costing | TBC |
| Appoint contractor | TBC |
| Capital works | TBC |
| Recruit commercial operator(s) | TBC |
| Audience & activity development programme | TBC |

| Audit trail | | | | |
|--|--|------------------|----------------------|--------------------------|
| Name/Position | Lambeth cluster/division or partner | Date Sent | Date Received | Comments in para: |
| Cllr Sonia Winifred, Cabinet Member | Cabinet Member for Equalities and Culture | 3/07/18 | 30/07/18 | |
| Cllr Andrew Wilson | Cabinet Member for Finance | 19/07/18 | 20/07/18 | |
| Sue Foster, Strategic Director | Neighbourhoods and Growth | 12/06/18 | 2/07/18 | |
| Michael O'Hora, Legal Services | Corporate Resources | 7/6/18 | 8/06/18 | 4.1 - 4.3 |
| Katy Shaw, Democratic Services | Corporate Resources | 7/6/18 | | 4.4 |
| Matthew Gaynor, Finance | Corporate Resources | 7/6/18 | 5/07/18 | 3.1-3.6 |
| Kevin Crook, Environment (Parks) | Neighbourhoods and Growth | 19/07/18 | 19/07/18 | 9.2 |
| Yvonne Hardy, Valuation and Asset Management | Neighbourhoods and Growth | 19/07/18 | 24/07/18 | |
| Lee Fiorentino, Strategic Development and Events | Neighbourhoods and Growth | 19/07/18 | 24/07/18 | 9.1 |
| Asset Management Cabinet Advisory Panel (AMCAP) | | 02/08/18 | 02/08/18 | |

| Report history | |
|---|---|
| Original discussion with Cabinet Member | |
| Part II Exempt from Disclosure/confidential accompanying report? | No |
| Key decision report | Yes |
| Date entered on forward plan | 10/07/18 |
| Reason | Financial implications above £500,000 |
| Background information | Feasibility Study - Brockwell Hall https://brockwellparkcommunitypartners.files.wordpress.com/2012/10/hlf-brockwell-hall-feasibility-study-2012.pdf |

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature: _____ Date: _____

Post: **Clive Tritton, Interim Project Manager**

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ Date: 13 August 2018

Post: **Councillor Sonia Winifred, Cabinet Member for Equalities and Culture**

Any declarations of interest (or exemptions granted)

Any conflicts of interest:

Any dispensations: