

Hitchin Town Hall & North Herts Museum Review

Background

I am David Scholes and I am the Chief Executive at North Hertfordshire District Council. I have held that position since 2012 and prior to that I held positions as Head of Planning (2002-2009) and Director of Planning, Housing & Enterprise (2009-2012). As Chief Executive I undertake the statutory function of Head of Paid Service as well as being the Returning Officer and Electoral Registration Officer for the Council. I am a Chartered Member of the Royal Town Planning Institute and have over 30 years experience in both the public and private sectors. I have extensive experience in dealing with complex development and land assembly projects including handling large scale developments.

The Project

The project has a long history which predates my involvement and I understand that the review panel has access to all relevant papers. In essence, the project emanated from a desire by the Council to replace two existing museums which were not fit for purpose with a single District museum which afforded better facilities and access to exhibits. This represented a significant capital investment for the Council but this would be offset by reduced running costs as stated in the business case. The initial project involved relocating the museums into the Hitchin Town Hall building. Following campaigns by a number of local groups who were opposed to the relocation of the museums in the town hall building and wished to save the Town Hall as a community/ entertainment venue the building was Listed as being of architectural/historic importance. A proposal came forward initially by Hitchin Initiative to use an adjacent building and other land within the control of the Council & Working Mens' Club for a bespoke museum whilst retaining/enhancing the town hall for community use.

Project Governance

The Council uses Prince 2 project methodology for running its larger projects – this being one such project. The Full Council made decisions on the principle of the project, financial parameters and agreed the detail of the development arrangements (Development Agreement 1 & 2 – DA1&2). Exceptions reports were made to Full Council when there were variances which could not be contained within the agreed parameters.

Key Points

Complexity of the project – project partners

The project involved a wide range of partners – NHDC, The Working Mens' Trust, Hitchin Town Hall Limited, Hitchin Initiative (early stages), Adventure Capital Fund (Social Investment Bank) and The National Lottery. Following the withdrawal of financial support by ACF/SIB a new company was established – HTH Finance. The range of partners, their skills/experience and often competing demands placed additional burdens on the project as it progressed.

Skill base of the partner organisations

Local community representatives stated (on the one hand) that they had expertise and skills in certain aspects of the project yet then stated that they were voluntary groups and did not have the necessary skill/capacity to deliver a project on the agreed project timescales.

Lack of clarity (perceived or real) in relation to project outputs

A key issue arose at an early stage of the project build in relation to the specification of the build. Whilst full construction plans had been supplied by Buttress to HTHL at an early stage it became apparent that they had not been fully evaluated/understood. This led to the 'dispute' in relation to the method of construction of the wall to the rear of the stage and claims that the Council had carried out unauthorised works involving alterations to the heating pipes in the reception area and surface ducting in the town hall.

Loss of faith and trust between the partners

This manifested itself in a substantial way following the instigation of the first phase of dispute resolution procedures by HTHL to which the Council responded and no further action being taken by HTHL to either accept the response or escalate the matter in accordance with the terms of DA2.

At around this time (Spring 2014) ACF/SIB were considering whether HTHL needed additional capacity building support to enable it (HTHL) to achieve its fund raising objectives and meet the loan/grant conditions between it (HTHL) and ACF/SIB. The Council could also recognise that there were difficulties and was supportive of HTHL being provided with resource. In May 2014 ACF/SIB stated that it was not in a position at that time to provide support. On the 27 August 2014 I received an e mail from ACF/SIB requesting an urgent private meeting with myself and the Leader of The Council. That meeting took place on the 29 August and we were advised that ACF/SIB would be withdrawing their funding offer to HTHL due to multiple breaches of the funding agreement by HTHL. ACF/SIB would also be seeking to reclaim monies already advanced. There were numerous meetings with ACF/SIB in the ensuing months and then in January 2015 the Council agreed to make an offer to purchase the property (known as 14/15 Brand Street) which acted as security for the loan/grant in the event that the property was put on the market. This occurred through a Land and Property Act (LPA) Receiver appointment. The Council made a bid within the prescribed timescale having taken expert valuation advice. The period for bids was subsequently extended by approximately 1 month. The Council bid was not considered as the LPA receiver was 'stood down' when ACF/SIB sold the debt to a newly formed company, HTH Finance Limited.

Extensive negotiations took place between HTHL/HTH Finance and the Council to seek to secure the acquisition of 14/15 Brand Street. The sum for acquisition was settled relatively quickly and it was thought that the terms of the settlement were well progressed. The former owner of the properties 14/15 Brand Street was party to the negotiations (in a role as Director of HTH Finance) and advocated completion of contracts by mid May 2017. That did not occur and the terms of the purchase became embroiled in an extensive dispute. Eventually after a protracted period of over 2 years the acquisition took place in January 2019.

Balance of risk and responsibility

The Council procured the architects (Buttress) and tendered the construction contract. The Council ran the project management and took responsibility for paying the contract sums with the exception of the final sum which, by virtue of DA2, was due to be paid by HTHL from a combination of loan/grant and fund raising. HTHL did not pay that final sum and the cost fell to the Council. The balance of risk lay with the Council in considering the progression of the project and the reports to Full Council reflected that factual position.

Outcomes From The Project

The Council has re-provided its museum service in a state of the art modern facility in accordance with the original project objective.

The delivery of the museum has taken longer than anticipated and has been opened in a phased way due to the dispute with HTHL/HTHF regarding land formerly known as 14/15 Brand Street.

Hitchin Town Hall has been retained for community/leisure use and has been refurbished/enhanced in accordance with the specification of DA2. Additional enhancements are underway in addition to those in DA2 which includes sound attenuation measures and improvements to the floor surface.

The hall is in use and is used for a mixture of community and commercial events. The Council operates the hall in accordance with an agreed business plan based upon the principles of the HTHL business plan.

The capital cost of the project to the Council has increased but the Council retains the town hall rather than it being operated on a 125 year lease by HTHL. The income from the town hall and café are an additional revenue source for the Council.