

Witness Statement
From Hitchin Town Hall Ltd
To
Scrutiny Review Panel

We feel rather than restricting input into your review to just written statements you should meet with all the individuals involved in the project. If this is not done then we are afraid that the community will come to the inescapable conclusion that your review will be a whitewash.

Would you please confirm that your terms of reference allow you to interview the individuals involved and that you will be doing so.

As an initial 'heads up' we respond as follows:

1. What were the issues that arose with the partners during the project?

Looking at the situation from a high level, a group of professional individuals with the support of the local community groups, created Hitchin Town Hall Ltd ("HTH") and managed to raise over £1m for this project.

Unfortunately owing to the determination, we believe, of the executive at NHDC, who in effect always wished to run the facility, it has been impossible to proceed in the manner envisaged in our original Business Case.

A short form summary of our dispute with NHDC is as follows:

A second Development Agreement ("DA") (replacing the first) was entered into between NHDC and HTH on 9th September 2013.

NHDC awarded the building contract to Borrás Construction Limited, The same being recorded in an Agreement dated 6th February 2014 (a copy being supplied to HTH on that date), construction having commenced, it is understood, on 3rd November 2013. The DA had within it many 'red line' requirements for the development of the Town Hall. It is now clear that the building contract awarded to Borrás ignored many of these and in effect, from the very start, side-lined our contractual requirements and we believe (and we were legally advised) were in breach.

There had never been an easy relationship between HTH and the officers of NHDC (but considerable support from the elected councillors). HTH were not treated as stakeholders who were introducing circa one million pounds into the project and would then be running it for the lease period of 125 years. There were numerous issues relating to the quality of the end product.

For an example the provision of museum stores at the rear of the stage had been the greatest concession made by the community groups supporting HTH but only on the basis that it could be removed at a later date. The agreed wording in the Listed Building application prepared by BFAW being "The second intervention is the addition of an acoustic screen to the stage – reducing its capacity and insulating the

stage from the dwellings to the rear of the complex. This stud wall would be acoustically isolated, and ultimately reversible to recreate the full stage capacity". In fact what was built was a permeant concrete wall.

HTH requested that work on this wall be stopped but this was not agreed to. A dispute arose between the parties. Ducts, plant and pipes have subsequently been installed behind the wall and its removal and the reinstatement of the stage would be a massive and costly exercise.

It was apparent to the Directors/Trustees of HTH and the community groups, to whom the Directors/Trustees regularly reported, that the relationship between NHDC and its major stakeholder had broken down.

Accordingly, and with great reluctance, on 9th October 2014, HTH gave formal notice pursuant to section 8.3 of the Development Agreement that in their opinion the breaches of the Development Agreement by NHDC constituted a material breach and accordingly terminated the agreement.

By letter dated 23rd October 2014, HTH gave notice to exercise the 'Put Option' granted to it by Clause 11 of the Agreement in respect of No's 14 and 15 Brand Street, the purchase price payable being £440,000.

NHDC have not accepted that the Development Agreement was validly terminated and accordingly had refused to comply with the terms of the Put Option

2. How did the Council and its partners seek to resolve those issues?

Stone walled us with 'process' and not treating us as partners (treated us as an annoying community group).

3. How effective were those approaches?

Not effective as far as we are concerned but probably very effective at protecting and reinforcing the position of the relevant NHDC officers.

4. What lessons can be learnt to improve future working relationships with partners?

Work much harder at partnership relationships, particularly with community groups and have much more detailed scrutiny of officer actions and reports with political oversight.

S.V.Pike

Chairman

Hitchin Town Hall Ltd.

13/6/19