

LONDON BOROUGH OF BRENT

**THE EXECUTIVE**

DATE: 8<sup>th</sup> December 2003

FROM THE DIRECTOR OF ENVIRONMENTAL SERVICES

FOR ACTION

NAME OF WARD  
Dollis Hill, Dudden Hill, Mapesbury

**REPORT TITLE : Dollis Hill House & Stables Art Gallery**

**1.0 SUMMARY**

- 1.1 This report provides Members with details of proposals to reinstate Dollis Hill House, Gladstone Park, as a community facility managed by the Dollis Hill House Trust. [DHHT]. The report also considers improvement works to the Stables Art gallery.

**2.0 RECOMMENDATION**

- 2.1 That Members consider the following future options for Dollis Hill House.
- 2.2 Option 1: The proposal from the Dollis Hill House Trust which requests
- 2.2.1 A formal resolution from Brent Council of support for the restoration of Dollis Hill House and of partnership with the Dollis Hill House Trust. This would build on the 'in principle' decision of the Council in July 2002 to release the house to the trust subject to agreed conditions
  - 2.2.2 Support from a senior officer of the Council at Assistant Director level or above to join the steering group to take part in the development of the project and in particular assist with research and support in contact with other statutory bodies
  - 2.2.3 Inclusion of the Dollis Hill House project in the Community Plan and other statutory plans of Brent Council such as the Cultural Strategy.
- 2.3 Option 2: To redevelop Dollis Hill House and for the Council to meet all costs subject to a viable Business Plan being developed for its future use.
- 2.4 Option 3: To sell the site on for commercial development.
- 2.5 Option 4: Demolish the remainder of the premises and make good the site using the remaining insurance monies.
- 2.6 Option 5: Subject to capital funding being identified, demolish the remainder of the premises and create a new landscaped area, which could include a café, or alternatively it could be a landscape feature with statuary, or it could be both. [Para 3.5,7.4, 7.5]

- 2.7 Option 6: In addition to any of the above, subject to capital funding being identified, to undertake repairs to the Stables Art Gallery [Para. 7.6-7.9] to a value of £30k and improve access to meet the requirements of the Disability Discrimination Act 1995 [DDA] approx £20k.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 Should members choose Option 1 [Para. 2.2] the financial risks to the Council are substantial i.e.

3.1.1 DHHT have asked the Council to underwrite the rebuilding costs to a value of £500K to assist with cash flow [Para 7.20.3]. If DHHT are unsuccessful in raising the full £590K match funding the Council will potentially be left to foot the shortfall. Should the project costs increase or costs overrun the Council could still be faced with having to fund the shortfall even if DHHT raise the full £590K. Furthermore even if DHHT was successful with its bid to the Heritage Lottery Fund it is unlikely to receive the full 75% funding (£1,751,925) assumed in the Business Plan and this could lead to a further shortfall

3.1.2 The Business Plan does not provide comfort that DHHT will be able to maintain the House in good order after it is rebuilt. The projections of income look over optimistic while the projections of expenditure look too low. The plan as presented recognises that there are likely to be deficits in the early years and that the Trust will only be able to remain solvent with financial support from the Council or an agreed overdraft or loan facility from the bank. It is likely that the project could only succeed with some form of ongoing revenue grant be it from the Council, charities or businesses. Indeed Lauderdale House in Hampstead which is quoted in the plan as being the most directly comparable requires some £100,000 of revenue grant funding per annum, of which £20,000 is provided by the London Borough of Camden and the remainder from charities and businesses

3.1.3 The Business Plan assumes that DHHT will be successful in its bid to the Heritage Lottery Fund (HLF) and will receive 75% funding of £1,751,925. However the Business Plan fails to provide any evidence of HLF's ongoing support for the highest level of award. Brent's experience with HLF is that the available funds are reducing and bids will only be successful if there is a robust business plan which demonstrates value for money and an ongoing commitment to maintain the asset. As indicated in 3.1.2 DHHT's Business Plan appears over optimistic and any bid to the HLF may not succeed.

3.1.4 If DHHT complete the rebuild but subsequently fail or break the terms of the lease the Council could be faced with having to take the building back. This could require the Council to repay all or some of the external funding as grant funding usually requires claw back in these circumstances to prevent the Council gaining a completely refurbished building at no cost to it. The Council would have to find these funds from somewhere at that time and may have difficulty in doing so.

- 3.2 Should members choose Option 2 [Para.2.3] then all costs to reinstate the house would need to be identified, current estimates are that the capital rebuild costs are in the region of £2.336m inclusive of VAT and an annual revenue cost in excess of £100k.

- 3.2.1 Should Members decide to meet costs to rebuild the house then it would be eligible to reclaim the VAT and therefore costs would be less than £2m.
  - 3.2.2 If the Council was to fund the rebuild by borrowing the charge to revenue under the Prudential Code, it would be 4.1% in the first year, 12.1% in the second and 11.6% in the third and subsequent years. On £2m this would equate to £82K, £242K and £232K respectively.
  - 3.2.3 It must be pointed out that the Council does not have a Business Plan for this option and if Members decide in principle to proceed with this option a viable Business Plan will need to be developed
- 3.3 Should members choose Option 3 [Para. 2.4] the site would have to be re-tendered and a suitable purchaser found. Past experience has shown that the property market may not be interested in this facility with restrictions on use and in view of local objections to any commercial proposals for the house. The estimated value of the site is in the region of £200,000.
- 3.4 Should members wish to choose Option 4 [Para. 2.5] then costs for demolition and making good the site would have to be met from the remaining fire insurance fund currently valued at £186870.
- 3.5 Should Members choose Option 5 [Para 2.6] then all costs for these works would need to be identified, current estimates are that the café option are in the region of £200k , approximate costs for a landscaped garden feature with statuary would be in the region of £100k
- 3.6 Should Members choose Option 6 [Para 2.7] then funding to make repairs to the gallery would need to be identified, current estimates are that the capital costs for remedial building works are in the region of £25-30k and requirements to meet the DDA £20k. If Option 4 is chosen then it may be possible to fund this from the remaining insurance monies.
- 3.7 The current status of the remaining insurance monies as at November 2003 is currently £209,607. There is a total of £22,736 of this committed to the group [DHHT] which is yet to be claimed [report 17<sup>th</sup> September 2002] leaving a balance of £186,871 available.
- 3.8 Members should be aware that there are continual costs being incurred in order to maintain the temporary roof and scaffolding, currently these costs are being paid for from the insurance fund at £200 per month plus VAT. In addition to this because access was needed to survey the house for the purposes of the feasibility study and to determine the true structural condition of the house additional costs have been incurred. These costs include a one off payment of £8700 for erection of scaffolding and an indefinite hire cost of the scaffolding of £276 per week plus VAT.

#### **4.0 STAFFING IMPLICATIONS**

- 4.1 Should members choose Option 1 [Para. 2.2] above then a senior officer at Assistant Director Level or above will need to be identified and allocated to working with the DHHT.

4.2 Should members choose Option 1 [Para. 2.2] above then in reality there is likely to be a requirement to allocate other technical and professional staff from within the Council for example, Core Property, Planning, Legal, and Building Regulation.

## **5.0 ENVIRONMENTAL IMPLICATIONS**

5.1 Any scheme that restores the house is likely to enhance the environment of the park, provided that any associated activity does not detract from public amenity. The proposals to restore the House may involve the provision of additional car parking, which may be taken from existing green space. This would probably require planning permission

5.2 Work is currently underway to reinstate the heritage landscape features of Gladstone Park, this will include refurbishment of pathways, park furniture, supplies and services, bowling and tennis facilities and soft landscape works.

5.3 Should members choose Option 4 [Para. 2.5] above then consent to demolish the building needs to be obtained from English Heritage, with evidence of the Authorities attempt and failure to re-build.

5.4 Members should be aware that whilst the building remains in its current condition there are a number of serious Health and Safety concerns that remain on - going. This includes rat and pigeon infestation, the likelihood of trespass by youths, the stability of the house structure and scaffolding support.

### **Planning Issues**

5.5 There is always a presumption in favour of retaining Listed Buildings and the Council has powers to force owners to undertake necessary repairs or to carry out works in default. A scheme of restoration would almost certainly require Listed Building Consent and where extensions and/or change of use were involved, would also require normal Planning Consent.

5.6 Dollis Hill House, having been altered in the past, and subsequently damaged by fire twice, has lost most of its original architectural features and discussions with English Heritage have established that it is now the historical association that is perhaps the primary reason why the building should be saved and restored. The building has been on the Buildings at Risk Register prepared by English Heritage for a number of years. One of the purposes of the Register is to draw attention to 'opportunities' for restoration by private individuals and developers.

- 5.7 In examining the various options Members will need to be mindful of the clear approach to development, re-use or demolition of Listed Buildings that is set out in government planning advice [Planning Policy Guidance Note No.15]. The preference is always for restoration of the original use, and Members will need to be satisfied that if this cannot be achieved, alternative uses are examined in detail. In examining the recent planning history and attempts to find a viable alternative use, Members will need to assess the feasibility of the options for re-use and whether uses such as a public house or pub/restaurant are acceptable in planning terms, given the impacts that such uses would have. If Members are of the view that having given careful consideration to the re-use of the building there is no viable planning alternative, then only then can demolition be properly considered as an option. This sequential approach is one that Members will need to apply and that the Council will need to demonstrate to make the planning case for changes to the building or the site.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 Since the Public Services Deciding Committee, 27th June 2001, the legal position reported to Members relating to options for the future of Dollis Hill House remains generally unchanged. Much of the following detail is repeated to remind Members of the implications surrounding options for dealing with this derelict site. Member's attention is also drawn to the Planning issues above and the need to carefully consider whether or not there is any viable planning alternative to the use of the building before considering demolition.
- 6.2 The Dollis Hill House Steering Group have now set themselves up as a trust, 'The Dollis Hill House Trust'. [DHHT]. The Trust is a company limited by guarantee with charitable status. The Trust was incorporated as a company on 10<sup>th</sup> October 2001 with three initial Trustees, selected from the Steering Group. The Memorandum and Articles prescribe that the number of Trustees shall not be less than three nor more than twenty. The Trust has also enrolled as a Building Preservation Trust, making it eligible to apply to the Architectural Heritage Fund for grants and loan.
- 6.3 If a lease for 7 or more years were to be granted the Council would have to consider its obligation to obtain the best consideration under s 123 of the Local Government Act 1972 (it would probably have to be a lease for more than seven years, to comply with the usual terms for external funding such as lottery bids). To demonstrate best consideration has been obtained it would usually be necessary extensively to market the site and dispose of it for the best price. If the best consideration were not obtained the consent of the Secretary of State would be required. There is a general disposal consent that permits a disposal at an undervalue provided that the difference in price is less than £2m and the authority are disposing of it to secure the promotion or improvement of the economic, social or environmental well being of its area. The Council also have to have regard to their Community Strategy and as this building is clearly not mentioned in it then that would pose problems.

- 6.4 In the event that the consent is given to disposal at an undervalue, Members must still exercise their fiduciary duty and consider whether the Council does in fact want to dispose of the site at an undervalue. Members should weigh up the community benefits against the potential capital receipt it will forego.
- 6.5 The land may be classified as open space. If so, there are additional requirements under s123A of the Local Government Act 1972 which the Council will need to satisfy before it disposes of the land i.e. it must be advertised in a local newspaper and objections to the proposal considered. This point also applies to any proposed car parking extension.
- 6.6 Any proposal to build on open space will require planning permission and it is generally more difficult to secure planning permission for development on open space than in other circumstances.
- 6.7 As this is a Listed Building, if there is to be a change of use or demolition, planning permission will be required and it will be necessary to follow the procedure under the Planning 'Listed Building and Conservation Areas Act 1990', which would require notice to be given to English Heritage, who may object to the proposals. . Any planning decision would be made by the Planning Committee on the planning merits of the application.
- 6.8 The Council also needs to be clear that the scheme proposed by the Trust fulfils its expectations of a 'community facility'. If the property is disposed of to the Trust on a long lease, conditions could be inserted in the lease to ensure community use.
- 6.9 Details of what the Council requires by way of refurbishment need to be spelt out and included in the lease to DHHT if this is what is proposed. Again, if it is leased, failure to comply could result in the building being taken back by the Council.
- 6.10 In so far as the charity option is concerned it could work provided members are satisfied that sufficient capital funds can be raised and provided they are satisfied that the Trust will be a good tenant and provide an integrated service to the community. It should be noted DHHT have no demonstrable track record in delivering this type of project. The Trust would also have to demonstrate that it is financially sound. The Trust have presented a Business Plan to the Council detailing their proposed uses and anticipated revenue funding for sustaining their project. However, it would be imprudent to transfer a valuable site to the Trust without first being entirely satisfied that the outcomes can be delivered otherwise, the Council would probably be in breach of its fiduciary duty.
- 6.11 In the event that Members are minded to adopt Option 1, [Para 2.2.2] care must be taken that the officer joining the steering group does not become a director of DHHT to avoid the company being a company regulated under the 'Local Government and Housing Act 1989'. If a company is regulated then the local authority must take steps to ensure compliance with the regulations made by the Secretary of State set out in the Order. These include accounting for any borrowing by the company, appointment of auditors and ensuring compliance with Access to Information legislation.

- 6.12 Members are also reminded that under the 'Occupiers Liability Act 1957' the Council may be liable to anyone entering on the site and suffering injury if it is in a dangerous condition

## **7.0 DETAIL**

### **Background**

- 7.1 Dollis Hill House is a grade 2 listed building located within the grounds of Gladstone Park, NW10. The house has been in local authority ownership and the park used as public open space since May 1901 and has historic links with the former Prime Minister, William Gladstone and the American author Mark Twain.

### **The Park**

- 7.2 Gladstone Park is currently undergoing a major £1m programme of renovation to reinstate the parks historic landscape features and to refurbish park infrastructure, supplies and services, park furniture and its sporting facilities. The monies to undertake these works were provided by £250k, s106 funding and £750k monies from the Heritage Lottery Fund [HLF].
- 7.3 In addition to this a stage 2 application to the New Opportunities Fund [NOF] is being processed to improve sporting facilities on the southern end of the park. This includes the construction of changing rooms and sports pitch drainage.
- 7.4 Members may wish to consider the future of the site that the house occupies, as approval of Option 4 [Para 2.5] above will impact negatively on the future of this area within the park. A future option for this area is that it could be used for the provision of a park café or the area could be re-landscaped to incorporate statuary and become a feature within the park in its own right.
- 7.5 Previous estimates obtained for the inclusion within the park of a new purpose built café were estimated at approximately £200k. A reasonable estimate to create a new landscape feature on this site in addition to a café or as an alternative to a café and which could include statuary would be in the region of £100k.

### **The Stables Art Gallery**

- 7.6 The park also boasts an art gallery managed by the Brent Arts Council [BAC], which occupies the Stables Art Gallery, this comprises a two storey converted stables and is Grade 2 listed as an integral part of Dollis Hill House. In recent years the building has suffered due to lack of maintenance and consequently requires remedial building works. It is anticipated that future proposals for the refurbishment of Dollis Hill House would also impact positively on the gallery, its condition, its role and its future management.
- 7.7 The current status of the gallery is that although the BAC occupies the building there is no formal lease agreement in place and BAC would require that the building be in good order as a basic requirement before agreeing to formally lease the premises.

- 7.8 There is a current need to undertake building repair works to the property valued at approximately £25-30k. Also access to the building is poor and there is a need to make the building more accessible to meet the requirements of the DDA, a rough estimate to improve access would be in the region of £20k
- 7.9 Members may wish to consider that should they decide on any of the above options [Para 2.2-2.6], that consideration be given to authorising building repair works and access improvement works to the Stables gallery.

### **The House**

- 7.10 Until the mid 1990's the house was used by the Council mainly as a catering training centre managed by the Brent Education Service, however the house was declared surplus to requirements by the Education Service in 1994 and has since been the subject of continued debate.
- 7.11 The house has been subject to three arson attacks, June 1995, April 1996 and June 2003 and currently is in a derelict condition. It is in a continually deteriorating state despite having a temporary roof covering and support scaffolding however it still attracts continued support from a large part of the local community for full restoration.
- 7.12 The Council has to date refused to commit itself to funding a full restoration of the house but has supported attempts by the Dollis Hill House Trust[ DHHT] to seek funding for the house to be restored and run as a community facility.
- 7.13 The Council has in recent years released two amounts of money from the fire insurance fund of £30000 [report November 2001] and £28350 plus VAT [report 17<sup>th</sup> September 2002] for use by DHHT to look at options to attract external funding to restore the house.
- 7.14 The most recent report was presented to Members on 17 September 2002 outlining progress to date on the future of Dollis Hill House and it was agreed that
- 7.14.1 'The Dollis Hill House Trust be given until 31<sup>st</sup> August 2003 to submit a credible Heritage Lottery bid for the restoration of Dollis Hill House and to secure match funding for the scheme.'
- 7.14.2 That a sum of £28350 plus £4800 VAT be allocated from fire insurance funds to further develop the project

### **Detail**

#### **Progress made by the Dollis Hill House Trust**

- 7.15 The Head of Parks and the Assistant Director of Environment met with representatives of the DHHT on 28 August 2003 for an update on progress to date.
- 7.16 The Trust believe that they have made substantial progress including:



- 7.16.1 Production of detailed drawings for future restoration
- 7.16.2 An outline business plan and Education Plan
- 7.16.3 The establishment of a Charitable Trust and Limited Company
- 7.16.4 Commissioned a Quantity Surveyor to provide detailed costs for the rebuild
- 7.16.5 Some financial commitments

The DHHT stated that they continue to have support from

- The Heritage Lottery Fund
- English Heritage
- Civic Trust
- Architectural Heritage Fund
- Local residents
- Local members
- Prospective Parliamentary Candidates from Brent East

- 7.17 The DHHT has produced a progress report [Appendix 1], a business plan [Appendix 2], a fund raising strategy [Appendix 3] and detailed technical drawings [Appendix 4]
- 7.18 The DHHT has also commissioned two feasibility studies but due to unforeseeable delays these are currently unavailable.
- 7.19 The DHHT are optimistic that a stage 1 application to the HLF can be made by them for submission December 2003

### **Dollis Hill House Trust Proposals**

- 7.20 The DHHT are requesting the following support from Brent Council as a way of the Council demonstrating it's support for the scheme
  - 7.20.1 A formal resolution from Brent Council of support for the restoration of Dollis Hill House and of partnership with the Dollis Hill House Trust. This would build on the 'in principle' decision of the Council in July 2002 to release the house to the trust subject to agreed conditions. [The DHHT believe this resolution would strengthen their fundraising strategy without financial or legal risk to the Council].
  - 7.20.2 Support from a senior officer of the Council at Assistant Director level or above to join the steering group to take part in the development of the project and in particular assist with research and support in contact with other statutory bodies. However, as stated in section 4.2, in reality this is likely to require a higher level of staff input.
  - 7.20.3 Inclusion of the Dollis Hill House project in the Community Plan and other statutory plans of Brent Council such as the Cultural Strategy
- 7.21 In addition to the above the DHHT at a meeting with officers on the 28<sup>th</sup> August 2003 requested that the Council
  - 7.21.1 That support from some of the Councils commercial partners [Onyx, Webster's etc.] be canvassed by the Council, although recognition was given to potential conflict of interest issues, this was subsequently put in writing to the DHHT

7.21.2 That the Brent Cross and Cricklewood regeneration development proposals be accessed by the Council to enable a S106 commitment to the house, again this was subsequently put in writing to the DHHT that it was more appropriate for them to take this matter up with the appropriate local authority.

7.21.3 The Council assist them with the renovation of the house by underwriting the rebuild to a value of £500k to help with cash flow. This is not recommended in this report.

## Conclusions

- 7.22 The Council has continued to support the DHHT in its bid to seek restoration to Dollis Hill House in order that it can be used as a community facility. To this end in November 2001 it committed £30k, from the fire insurance fund, for the purpose of appointing a project officer who together with the trust produced an outline business plan which sought more time and further financial commitment from the Council.
- 7.23 In September 2002 the Council committed a further £28k from the insurance funds for use by the DHHT, towards producing a 'credible Heritage Lottery bid for the restoration of Dollis Hill House and to secure match funding for the scheme.'
- 7.24 The Council has also committed itself in offering further support to the DHHT by allocating Officer time, staffing and other resources to assist in fund raising and public awareness activities for example the Gladstonebury Festival and Fun Day events.
- 7.25 The Council has considered previously that a trust option for Dollis Hill House is unlikely to succeed without assistance from Brent Council in terms of both capital and revenue funding [Torkilsden & Barclay Leisure Management 30<sup>th</sup> June 1999] and the current proposals from the DHHT on the restoration of Dollis Hill House still has many of the risks which have been identified in this and previous reports.
- 7.26 The continued reduction in the value of the insurance funds, currently standing at approximately £186k not committed [Para 3.7], means that future alternative options to the house being restored, for example the provision of a café, appears less likely as time progresses.
- 7.27 Brent Financial Services review of the DHHT Business Plan has identified a lack of robustness in the plan and significant financial risks to the Council should Members choose option 2.2 [see section 3.0 above]
- 7.28 The legal conclusions drawn [see section 6.0 above] are concerned that the transfer of the property to the trust would not be without financial or legal risk to the Council particularly as the trust has little experience or expertise in managing such a project.
- 7.29 Should members choose to demolish the house permission will need to be granted from English Heritage as the house is Grade 2 listed. Consent for demolition will only be granted after the Council has been able to demonstrate that all reasonable steps have been taken to restore the house.

- 7.30 Members may wish to consider that in the event that they decide not to progress with the DHHT proposals, that the building repair and access works to the Stables Art Gallery, should be undertaken to enhance existing park facilities and that a long term, and fully repairing lease be offered to BAC.
- 7.31 Members should now consider in view of the need to find a satisfactory resolution to the long term problems relating to the house whether to endorse in principle the following or other future options for the house subject to a further report to members examining the chosen option in detail, which include
- 7.31.1 Option 1 to endorse those proposals from the DHHT as specified in 2.2 above
  - 7.31.2 Option 2 to redevelop Dollis Hill House itself
  - 7.31.3 Option 3 to sell the site on for commercial development.
  - 7.31.4 Option 4 Demolish the remainder of the premises and make good the site using the remaining insurance monies.
  - 7.31.5 Option 5 Demolish the remainder of the house and create a new landscape facility and / or feature, for example a commemorative garden or café
  - 7.31.6 Option 6 Undertake building repairs and access works to the Stables Art Gallery

## **8.0 BACKGROUND INFORMATION**

### **Details of Documents:**

- 8.1 Torkilsden & Barclay Leisure management report 20<sup>th</sup> June 1999  
 “Dollis Hill House – Development of a Community Trust” – report to the Public Services deciding Committee, 27<sup>th</sup> 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 17<sup>th</sup> Sept 2002  
 Dollis Hill House progress report 2002-3  
 Dollis Hill house Trust Executive Summary of progress 2002 September 2003  
 DHHT Fundraising Review Strategy  
 Dollis Hill House Business Plan –October 2003
- 8.2 Any person wishing to inspect the above papers should contact Shaun Faulkner, Brent Parks Service, 660 Harrow Road, Wembley, Middlesex HA0 2HB. Tel.: 020 8937 5619.

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