

**Decision Maker:** EXECUTIVE

**For pre-decision scrutiny at the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on Wednesday 2<sup>nd</sup> September 2020**

**Date:** Wednesday 16<sup>th</sup> September 2020

**Decision Type:** Non-Urgent Executive Key

**Title:** BECKENHAM PUBLIC HALL FEASIBILITY STUDY

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**Chief Officer:** Sara Bowrey, Director of Housing, Planning and Regeneration

**Ward:** Clock House; Copers Cope

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## 1. Reason for report

- 1.1 This report updates Members on the outcome of the Beckenham Library and Beckenham Public Hall feasibility study and sets out further recommendations.

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## 2. RECOMMENDATION(S)

That members of the Renewal, Recreation and Housing PDS Committee:

- 2.1 Review this report and provide comments to the Executive.

That members of the Executive:

- 2.2 Approve the recommendation to undertake a lease disposal for Beckenham Public Hall, which would be in return for investment in the building and the provision of community use in the new facility, as described in Section 3.16 of this report. The cost of proceeding with this option has been estimated at £35K maximum, for the required professional services and marketing the site.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: The proposed recommendation for a lease of the Beckenham Public Hall will benefit vulnerable adults and children by creating opportunities for access and inclusion by virtue of the community provision obligation to be included in the lease. The initiatives set out in this report consider the needs of vulnerable adults and children.

## Corporate Policy

1. Policy Status: Not applicable.
  2. BBB Priority: Quality Environment, Vibrant Thriving Town Centres, Regeneration
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## Financial

1. Cost of proposal: £35k for the recommended option
  2. Ongoing costs: Subject to future decision
  3. Budget head/performance centre: Regeneration team
  4. Total current budget for this head: £162k
  5. Source of funding: Existing Revenue Budget 2020/21
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement:
  2. Call-in: Applicable
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## Procurement

1. The procurement implications arising in this report can be authorised at the budget holder level.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): In 2018/19 Beckenham Library received 127,514 visits. It was estimated that should the library be relocated to Beckenham Public Hall that it would attract 150,000 visits pa. Before the COVID-19 outbreak the Beckenham Public Hall had 52 hours of regular bookings every week, across the three halls within the building, with an average of 12 attendees per session. It is envisaged that by finding a commercial partner to restore the Public Hall that the usage of the three halls in the building could be significantly increased.

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## Ward Councillor Views

1. Have Ward Councillors been asked for comments?
2. Summary of Ward Councillors comments: *To be determined.*

### 3. COMMENTARY

- 3.1 As part of the Regeneration Strategy in development, the Regeneration and Culture division is considering opportunities to improve and enhance the borough's library sites, to enable the library service to flourish and adapt, so that it continues to provide an excellent community service. Additionally, as part of the Housing Strategy the division is currently assessing Council owned sites for consideration for housing. With this in mind, in November 2019 (Report DRR19/051), the Executive agreed that Officers should proceed with a feasibility study to consider the future use of the Beckenham Hall building, and also whether the Halls could accommodate a relocated Beckenham library, freeing up the existing Beckenham Library site for housing. The rationale for this consideration was based on other successful library moves to town centres and also the freeing up of a much needed site for housing.
- 3.2 Consequently officers tendered for a multi-disciplinary, architect-led team to undertake this feasibility study in January 2020. The scope of the feasibility study included the following:
- The viability of restoring the Grade II listed Beckenham Public Hall and relocating the Beckenham Library Service into this building, in order to give it a new, community focused purpose which would ensure it is better utilised.
  - The business case for relocating the library service and delivering a new housing development on the current Beckenham library site, with 50% affordable units, to support the borough's need for more housing.
  - To investigate how moving the library could generate improvements to the library service in Beckenham.
- 3.3 The tender quality questions for the feasibility study required that the lead consultant should have demonstrable experience of working with libraries, listed buildings and sites in Conservation Areas. Following a competitive open tender, Bisset Adams were awarded the contract in February 2020. The wider project team included cost consultants Gardiner & Theobald and BWB Consulting undertaking the structural, mechanical and electrical engineering review.
- 3.4 The RIBA Stage 0-2 feasibility study undertaken by Bisset Adams considered the scope of works required to restore Beckenham Public Hall in detail and the design work shows the potential of the building. The feasibility study report is provided as an appendix to this committee report. As part of the feasibility study it was considered whether to include the space currently occupied by 'The Club' on the ground floor of the building. Although an enhanced public facility could be provided by using the entirety of 'The Club' space, it would also be cost prohibitive, therefore the developed proposal represents a compromise which allows The Club to remain in the building with a reduced footprint.
- 3.5 The feasibility study included public engagement, which was led by the sub-consultant Red Quadrant. The engagement was disrupted by the COVID-19 crisis. However, the team endeavoured to work around this and to engage with different demographic groups. The engagement activities included an online survey for adults, an online survey for children, a drop-in session at Beckenham Library, conference calls, telephone calls, email correspondence and two meetings with all of the Beckenham Library staff. More details about the public engagement can be found in the Executive Summary of the report and the appendices.
- 3.6 During the feasibility study an application was made by the public to add Beckenham Library to the List of Buildings of Special Architectural or Historic Interest. Historic England considered this application and prepared a report which recommended that Beckenham Library should not be added to the List. Having considered the recommendation from Historic England, the Secretary of State for Digital, Culture, Media and Sport decided not to add Beckenham Library to the List of Buildings of Special Architectural or Historic Interest.

#### Space, Book Stock and Viability

- 3.7 The feasibility study work undertaken has indicated that there is potential to relocate the Library to the Public Halls, and that it would be possible to provide a future facing library in a historic setting. Specifically, it would be possible to provide the same publicly accessible floor area, with dedicated space for library activities, which the current library building does not provide. The same level of book

stock could be provided, and this is explored in the report by the consultants. However, the design proposals represent a hybrid approach which is less traditional than the current library and that take into account the budget limitations of the project.

The furniture layouts in the proposals are indicative and would be developed further if the project was progressed beyond RIBA Stage 2. The architects took a cautious view on the furniture layouts to avoid clashes with dado rails and wall mounted features which may be original features, although bookshelves could still be positioned in these areas if they were not fixed to the walls. The architects also took a cautious view on the strength of the Public Hall structure and this contributed to the decision to reduce the proposed level of book stock. If the project was progressed, then an intrusive survey would be undertaken to accurately determine the capacity of the structure. The radar survey did show that that the structure was more robust than initially assumed, however an intrusive survey would be needed to accurately grade the timber.

Although the designs produced by the consultants provide a compelling vision for the library service located in the Beckenham Public Hall, the recommended option is to **not** relocate the library. The feasibility study has demonstrated to officers that a better option for the building's long-term sustainability for public enjoyment is to engage with a commercial or community leaseholder for the building. Additionally, this recommendation is underpinned by the changing financial climate following the public health pandemic and the limitations expected on the sale or development of the Library site.

- 3.8 The work undertaken as part of the feasibility study has provided the Council with a greater understanding of the condition the Grade II listed Beckenham Public Hall, the costs associated with restoring and upgrading the building and the potential usage of the spaces. This information is crucial in relation to any proposal taken forwards to make better use of the building for the public interest, whether it is reducing the building's future liabilities and the cost to the public purse or enabling better quality public use of the building.
- 3.9 Following the completion of the feasibility study officers undertook an options appraisal for the two sites utilising the new information provided by the work that had been undertaken. Given that there are two sites and facilities involved there are six permutations of options presented in this report for consideration.

### Options Appraisal Summary

- 3.10 The following options considered are as follows:
- Option 1 - Maintain the status quo in relation to both sites. Do nothing with either the Beckenham Public Hall or Beckenham Library
  - Option 2 - Mothball Beckenham Public Hall
  - Option 3 - Undertake maintenance works needed to update the Beckenham Public Hall facilities
  - Option 4 - Sell the freehold title for Beckenham Public Hall
  - Option 5 - Relocate the Library Service to Beckenham Public Hall, demolish the existing library and build houses on this site
  - Option 6 - To go out to the market to advertise a leasehold disposal of the Beckenham Public Hall subject to the grant of a full repairing and insuring lease to the tenant for a commercial purpose with some community use.
- 3.11 **Option 1 – Maintain the Status Quo in Relation to Both Sites. Do nothing with either the Beckenham Public Hall or Beckenham Library**

The Council could give consideration to no further plans for Beckenham Library or Beckenham Public Hall.

- Over time this will give rise to increasing maintenance costs for both buildings.
- This poses perhaps greater risk on the Public Halls, as unless the building is 'mothballed', there will be a requirement for ongoing landlord's maintenance. The condition of both buildings will result in increased maintenance costs that make the option of doing nothing, non-viable. The Grade II listed Public Hall has already required emergency repair works to the exterior in 2020. The detailed costs for addressing the maintenance and upgrade works are provided in the feasibility study report and appendices.

- This option would make no provision for any additional housing or an improved library service.
- A further investment in the library would ultimately be required.
- This option does not generate income or provide an improvement to public amenities.

This option is therefore not being recommended.

### 3.12 **Option 2 – Mothball Beckenham Public Hall**

The Council could give consideration to no further plans for Beckenham Library and to mothball the Beckenham Public Hall.

- The Public Hall has two leases, one with Mytime Active, which would require 1 year notice for termination, and one with the Club. Two approaches would need to be agreed for these leases.
- Although the MyTime area of the Public Hall is underutilised, it still provides a public amenity and hosts some regular community groups and classes. This option would take away that amenity.
- The Grade II listed Public Hall is already undergoing emergency repair works to the exterior due to falling masonry on to The Club access route. These emergency works would need to be completed and the other works relating to The Club would need to be addressed if they were to remain in occupation.
- This option would make no provision for any additional housing or an improved library service.
- A further investment in the library would ultimately be required.
- This option does not generate income or provide an improvement to public amenities.
- The maintenance liability would remain.

This option is therefore not being recommended.

### 3.13 **Option 3 – Undertake Maintenance Works needed to update the Beckenham Public Hall facilities**

The Council could give consideration to no further plans for Beckenham Library and to renovate the Beckenham Public Hall.

- This option is based on the assumption that if the Public Hall were to be renovated and restored, it would become more popular as a venue and generate an increased income.
- This option would require the lease arrangements for the Public Hall to be reviewed.
- A substantial amount of work is required for the Grade II listed Public Hall. The building is already undergoing emergency repair works to the exterior due to falling masonry. The latest condition survey for the Public Hall, undertaken in 2020, estimates the current maintenance and future maintenance required to cost £880,000 - This sum does not include contingency, inflation or Contractor preliminaries. The quantity surveyor for the feasibility study has estimated that with fees and contingency included the maintenance works will cost £1,093,000. Out of this sum, the works deemed to be an immediate priority are estimated to cost £500,000. In addition to these costs, further expensive works relating to the mechanical and electrical services and the lift would be required in the future. The size of the lift car does not meet modern, regulatory standards for example.
- This option would make no provision for any additional housing or an improved library service.

This option is therefore not being recommended.

### 3.14 **Option 4 – Sell the freehold title for Beckenham Public Hall**

The Council could give consideration to no further plans for Beckenham Library and to sell the freehold title for Beckenham Public Hall.

- This option is based on the assumption that there would be commercial interest in the Public Hall and it could be turned into a private venue, or repurposed for another function. No assessment has been made to ascertain this. Due to the financial impact on many businesses as a result of the ongoing COVID-19 crisis, this proposal may obtain only limited interest at this time.
- A significant amount of work is required for the Grade II listed Public Hall, which could affect the price and any commercial interest in the property. The building has already undergone emergency repair works to the exterior in 2020 due to falling masonry.
- The Council's liabilities for the building would cease.
- The funds generated from this option could be used to fund other housing developments.

- Depending on negotiations with the new owner, The Club may have to find new premises.
- This option would make no provision an improved library service or additional housing on the current library site.
- If the freehold title is sold, it is likely that public use of the building will cease.

This option is therefore not being recommended.

### 3.15 **Option 5 – Relocate the Library Service to the Beckenham Public Hall building, demolish the existing library and build houses on this site**

The Council has given consideration to relocate the Library Service to the Beckenham Public Hall building and to demolish the existing library in order to build housing. A feasibility study has been undertaken to explore the viability of this option and is provided as an appendix to this report.

- This option creates interdependency between the two sites. The costs are linked and there are also planning risks for both sites.
- This option would make the underutilised Public Hall a more vibrant and useful community building.
- The Grade II listed Public Hall requires substantial maintenance and restoration works which this option would deliver.
- In order to achieve the same level of book stock as the existing library, floor strengthening to the Public Hall would be required, which would be a significant addition to the costs. This is further explained in the feasibility study report produced by the consultants.
- A careful negotiation with The Club would be required regarding their future lease.
- This option would make provision for much needed additional housing in an area where the local amenities and infrastructure can support such a development.
- This option provides an improved library service.
- Due to the level of public feeling and the outbreak of Covid 19 the public engagement of this option was challenging to undertake.
- There is now a greater risk that the sale of the existing library site for houses would not achieve the capital receipt required to undertake the works to the Public Hall building.

This option is fully explored in the consultants commissioned report, and whilst a refurbished and enhanced facility is achievable, the risks associated with the sale of the library site and the costs of refurbishing the Beckenham Public Hall in a more challenging financial climate are greater than had been anticipated in 2019.

This option is therefore not being recommended.

### 3.16 **Option 6 – To go out to the market to advertise a leasehold disposal of the Beckenham Public Hall subject to the grant of a full repairing and insuring lease to the tenant for a commercial purpose with some community use**

The Council could give consideration to undertake a lease disposal for Beckenham Public Hall in return for investment by the tenant in the building and for the provision of community use in the new facility.

- The Council do not currently earn any income from Beckenham Public Hall because it is part of the MyTime Leisure Contract. Contractually, the Public Hall could be removed from the current contract because it is part of Group 2 of the MyTime Leisure Contract.
- The cost to the tenant for the works would be significant as it includes the works identified in the 2020 Condition Survey, the cost of upgrading the lift and the cost of decorative refurbishment works, including new fittings and furniture.
- In order to make this scheme financially viable it is likely that a prospective tenant would initially have a rent free period, assuming that the operator undertakes all of the works at commencement or over an agreed programme. Once the tenant has completed the refurbishment works the rent will become payable.
- Whilst this option does not make any allowance for specific improvements to the Beckenham Library Service or the provision of affordable housing, it does propose for an investment to be made by the tenant in the property in order to reinvigorate use of this key facility in Beckenham.
- This option provides an opportunity to ensure that significant restoration works to the Public Hall

are undertaken without being dependent on the sale and development of another site.

- This option is based on the assumption that there would be commercial interest in the Public Hall and that it can be turned into a commercially viable venue, with provision for community use. No assessment has been made to ascertain this, however the marketing exercise will. Due to the financial impact on many businesses as a result of the ongoing COVID-19 crisis, this proposal may obtain only limited interest at this time. However, the team have been undertaking work of a similar nature elsewhere in the Borough recently and although interest has been limited, it is clear that some businesses are keen to invest in certain properties and an offer to invest in a facility in return for a rent-free incentive may be forthcoming.
- If this option is approved by Members, the team would market the site using a specialist agency, and the winning bidder for a lease of Public Hall would be required to propose a balance between private and community use. It is likely that there would be more private hire events in order to make any scheme financially viable. The Council would seek to get a minimum of 15% community usage at reduced hiring rates.
- The cost of proceeding with this option has been estimated at £35K maximum, for the required professional services and going out to market.
- If this option is approved, then a discussion with The Club would be required.

This option is therefore being recommended.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

The recommendation for Beckenham Public Hall will benefit vulnerable adults and children by creating opportunities for access and inclusion by virtue of the community provision obligation to be included in the lease and the upgrades undertaken in the building. The initiatives set out in this report consider the needs of vulnerable adults and children. A full EIA was also carried out at the authority to proceed to procurement stage.

#### **5. POLICY IMPLICATIONS**

Policy Status: Not Applicable.

Building a Better Bromley Priority: Quality Environment Vibrant, Thriving Town Centres Regeneration.

#### **6. FINANCIAL IMPLICATIONS**

The cost of progressing Option 6 is £35k and can be offset against the proceeds from the lease disposal. In the event that the scheme does not progress to this stage, costs will be lower and can be met from the existing Regeneration revenue budget.

The current costs to the Council of Beckenham Public Hall relate to landlord responsibilities for maintaining the property and vary from year to year. This cost is met from the TFM Repairs and Maintenance Revenue Budget. In addition, there is an annual rental income from The Club of £9,650.

If the building is retained, the condition survey from February 2020 estimates backlog and future maintenance for the next 5 years at £1.093m for which funding currently does not exist.

There will be a capital receipt if the site is sold, the value of which would need to be assessed.

The recommended option proposes disposal of the leasehold of the Public Hall who would undertake refurbishment and maintenance of the building in exchange for a rent-free period. The annual lease value would be subject to market testing as would be any rent free period the Council would offer. On granting of a lease, the Council would no longer need to meet annual repairs and maintenance costs. The future rental from The Club would be subject to discussion.

It should be noted that the impact of Covid-19 on economic conditions has increased market uncertainty and therefore the estimates of capital costs and capital receipts are likely to be affected.

## 7. LEGAL IMPLICATIONS

7.1 Section 123 of the Local Government Act 1972 requires a Local Authority to obtain the best price reasonably achievable in the open market for a leasehold property disposal in excess of 7 years.

7.2 Under the Local Government Act 1972 the Council has the power to acquire land for the purposes of its functions and to dispose of such land. In support of this the Council has a legal power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. These powers enable the Council to provide and commission through a contract(s) the services outlined in this report.

7.3 Under the Public Contract Regulations 2015 (Regulations) the procurement of these services is a public contract within the meaning of the Regulations. As the value (up to £35k) does not exceed the relevant threshold under the Regulations the Council is not required to carry out a fully compliant EU Procurement exercise. However, the exercise must still comply with the EU Treaty Principles of equality transparency and non-discrimination which must be applied in a manner proportionate to the subject matter and context of the purchase. By following the Council Contract procedure Rules in procuring these services will demonstrate sufficient compliance with the Treaty Principles.

7.4 Officers will need to ensure that the services being provided by Mytime and any other arrangements and also the lease to the Club can be satisfactorily brought an end or accommodated in some other way in order to accommodate any proposed new lease.

## 8. PROCUREMENT IMPLICATIONS

8.1 Following the approval of this report, the decision to proceed to procurement for an agent to facilitate the land disposal referred to above can be authorised at the budget holder level.

8.2 In accordance with CPR 2.1.2, officers must take all necessary professional advice.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	Report DRR19/051, November 2019