

Item No.	Classification: Open	Date: 29 November 2022	Decision Taker: Cabinet Member for Leisure, Parks, Streets and Clean Air
Report title:		Future of Kingswood House and library services within Kingswood Estate	
Ward(s) or groups affected:		Dulwich Wood	
From:		Programme manager, Sustainable Growth South	

RECOMMENDATION(S)

That the Cabinet Member for Leisure, Parks, Street and Clean Air:

1. Notes the approach taken to secure a new operator to bring forward investment into Kingswood House to ensure the future of the building and to ensure Kingswood House continues to benefit the local community;
2. Approves the selection of Kingswood Arts, to be established by Hartshorn Hook Enterprises, as the preferred partner to bring forward Kingswood House, following the open, competitive process and interview with a community panel; and
3. Notes that detailed contractual terms for a lease to be supported by a management agreement establishing the community offer in line with the key principles set out within this report are to be finalised with Kingswood Arts and will be approved by the Director of Planning and Growth under delegated authority.
4. Notes that a unit has been identified at Seeley Drive for conversion into a library this winter. When completed, the unit will be able to accommodate all core library services previously provided at Kingswood House, in a space that is more able to meet modern library user requirements.

BACKGROUND INFORMATION

5. Kingswood House is a Grade II listed property of historic interest owned by the Council. The building was first constructed in 1811 and was subject to extensions in 1890s. In the 1950s it was acquired along with the wider estate by the local authority who built the Kingswood Estate around it.
6. Since then, Kingswood House has been used to host a small Council library and youth facility with the remainder of the building managed by the libraries service for a range of other uses. The House has a number of larger function rooms, which have been used for private hires for weddings and events as well as community hires for local groups. The upper storeys of the building contain a number of smaller rooms, which have been occupied by various

external organisations from a range of sectors on sub-market rental arrangements.

7. Kingswood Library and the youth club have seen service disruption in recent years due to the pandemic and long periods of building repairs. Both services are valued by the community, but the layout, lack of computer facilities and the location of the youth service rooms has limited growth in users of both services. The Library opened 20 hours per week and total number of loans were typically only a third to a half the number of loans to other libraries in the borough and the physical constraints of the building have limited the amount of computer terminals that could be provided within the library space. The Youth Centre operated from a room located on the first floor which presented accessibility issues and typically only up to 8 young people attended during its opening hours which were limited to two evenings per week.
8. The House was costly to operate, with income generated by events bookings and the sub-market rental arrangements with external organisations not covering the cost of running the building, meaning that the building had to be subsidised by the council's libraries service, at a cost of approximately £200,000 per annum. Furthermore, despite total capital investment since 2016 of circa £850,000 into maintenance of the historic building fabric, significant further maintenance requirements have recently been identified including essential works required in relation to fire safety and electrical compliance without which the building cannot be safely occupied for public access. As a result, in March 2019, Kingswood House was closed to the public on health and safety grounds and the building has remained vacant since then, with 24 hour on-site security in place to prevent un-authorised access.
9. Since the forced closure of the House, alternative local library provision utilising a shop unit in Seeley Drive has been arranged, providing a click – and-collect service to loan books. Detached youth services have continued to operate around the estate, along with partnering with local providers such as the Millwall Community Trust Football and youth engagement scheme. Third party occupants with space within the building were advised in March 2019 that the building would not be opening due to health and safety reasons and that the House needed to be vacated in order for essential maintenance works to be undertaken. The majority of occupants have since fully vacated with a small number of spaces still being used for informal storage until alternative premises is found.
10. Given the Health & Safety issues outlined above it is clear that there are risks in re-opening Kingswood house until works have been undertaken to rectify all the issues. A piecemeal approach to the works is not recommended by Council's Facility Management and Property team. This has been the approach over the last few years and is clearly proving to not be either cost effective or adequate in terms of maintaining adequate health and safety.

KEY ISSUES FOR CONSIDERATION

11. Due to need for significant further investment into the building, the Council undertook an open, competitive process to seek proposals from potential external organisations that could bring investment into the historic building and to deliver and operate a range of new uses within the building that could provide opportunities for the wider community on the Kingswood Estate.
12. In advance of this process, the local community and local stakeholders have been engaged to share ideas on the future uses within Kingswood House. A broad consultation exercise was undertaken to gather insights about local people's priorities and aspirations for the House. The consultation started on 12 January 2020 and ran until the 28 February 2020. A total of 3,143 leaflets were distributed locally inviting residents to online events, to complete the online survey or to arrange a call with a Council officer to talk through the proposal. Due to Covid -19 restrictions present at the time, in person events were not possible and therefore consultation was progressed in the form of an online surveys hosted by the Council. A collaboration with local partners during the pandemic, enabled distribution of paper versions of the survey to individuals in receipt of food parcels and transcribed online. A total of 175 responses were received.
13. Feedback from the community engagement exercise helped to shape requirements for the following competitive process and to find a suitable community partner to take on the running and management of Kingswood House. Consultation responses suggested that expansion of the services provided within the House will improve visibility and wellbeing of the local community within the surrounding area. It was also widely recognised that a combination of community and community uses is required to create a viable mix of uses that could better safeguard the fabric of the building.
14. Responses also recognised that improvement of the library offer is required and different suggestions included: provide a modernized IT services with access to computer and photocopiers, improve accessibility and flexibility of the spaces in order to accommodate different activities like book clubs, exhibitions or study space. It has also been noted that there is a request for extended opening hours and a better publicity and visibility.
15. A brief inviting organisations interested in taking on the operation of the House was drafted incorporating feedback from community consultation, and with direct input from key local stakeholders, including Friends of Kingswood House, Kingswood Network and Kingswood Estate Tenants & Residents Association (KETRA). The opportunity open to all and was publicly advertised on 12 July 2021 on the Council website and promoted using corporate media channels. The brief was also sent directly to organisations on the Council approved workspace operators list, creative organisations known to be looking for space within the borough and

organisations who had expressed an interest in similar previous opportunities.

16. At the early stage of the tender, Council officers were engaged by a total of 19 organisations requesting either the data room package or initial queries. Open days were held on the 28th and 29th July, a total of 11 organisations attended the events. Six expression of interest were submitted for a range of mixed-use proposals, including creative studios & workshops, SME studios, café, commercial events hires, a community library and commercial nursery; in September, five organisations were invited to submit a detailed proposals by the end of October (one organization was not shortlisted due to no community offer & deliverability concerns). Council officers met the 5 firms shortlisted to feed back on their Expression of Interest proposals and to reconfirm Council's expectations for detailed submissions. During this stage, 4 of the 5 organizations subsequently contacted the Council to formally withdraw from the process. The reasons for withdrawing broadly comprised:
 - Listed building status and concerns over the feasibility of adaptations / lack of relevant experience / required investment levels;
 - Viability challenges including lease length; and
 - Operational limitations of proposed uses and/or compatibility with a residential area.
17. The remaining bidder, Hartshorn-Hook Enterprises Ltd ("HHE"), was interviewed by a community panel comprising representatives from key local community groups, including KETRA, Friends of Kingswood House and Kingswood Network, a representative of the Southwark Youth Parliament and the Cabinet Member for Equalities, Neighbourhoods and Leisure and a Ward councillor.
18. Hartshorn-Hook Enterprises Ltd (HHE) are world-class creative production company that deliver West End theatre shows, immersive theatre experiences and run multi-purpose creative venues. They currently manage 6 London venues, including 2 Grade II listed buildings. HHE propose to establish Kingswood House as an arts & cultural hub and events venue, with a balance between revenue generating activities (a café, weddings and events hires, and SME office spaces) to fund a high-quality, community-focused (with a strong youth offer for 11-18s), diverse cultural programme of free/affordable events, particularly performing arts. HHE will establish Kingswood Arts CIC to run and operate Kingwood House. HHE will co-design their community programme with local people, engagement activities with the local community & stakeholders already commenced.
19. HHE will fund essential works, including Fire and Electrical safety works, required to bring the building back into use (at an estimated cost of £400k) and taking the responsibility for managing and maintain Kingswood House. This means a significant reduction of pressure on Parks & Leisure revenue and capital budget.

20. In addition to their core arts youth offer, HHE will also work with Council's libraries and youth services on opportunities for joint service provision from within the House. The collaboration between the new operator and the Council has the potential to deliver an extensive program of activities and improve social inclusion.
21. HHE proposal will be subject to planning and listed building consent. The letting will be conditional on achieving statutory consents. A detailed programme for the reopening of Kingswood House will be confirmed Spring 2023, however it is anticipated that the House will reopen in Autumn 2023, and the key milestones within this programme will broadly include the following:

Winter 2022	- Detailed lease contracts concluded;
Spring 2023	- Full listed building consent and planning consent granted;
Summer 2023	- Tenant works programme commences.
Autumn 2023	- Tenant works complete and building fully open.

22. Lease will be accompanied by a management agreement contractually securing key value commitments such as anticipated number of jobs creates, hours of training or equivalent community benefit, community use of space, monitor of equalities, youth and library provision.
23. For the governance of the building it has been agreed to establish a steering group, managed by HHE, which aims to oversee the development of the proposals and the operation of the building. Key local stakeholders such as ward councillors, Friends of Kingswood House, KETRA and Kingswood Network will be invited to sit on the steering group.
24. The key commercial terms agreed are summarized as follows:
- The lease will be for a term of 25 years from completion.
 - The lease will be outside the security of tenure and compensation provisions of the Landlord and Tenant Act 1954 to ensure the tenant will not have renewal rights. The council will therefore be able to take back the lease at expiry of term.
 - The lease include an initial 5-years rent free period without which HHE have indicated that their business model would not be viable.
 - Services (including electricity), Business Rates and repair and maintenance are the tenant's responsibility.
 - The leaseholder will provide all necessary insurances with the exception of building insurance. Insurances to include employers' liability insurance and public liability insurance to a value of £10 million.

25. Negotiations with HHE are currently ongoing to agree detailed lease terms, restoration works and set out future maintenance works. A detailed business plan will be submitted by HHE for Council's approval.
26. Detailed contractual terms will be concluded in line with the above key terms and approved by the Director of Planning and Growth.
27. As noted at paragraph 9 above, the majority of occupants have fully vacated the property with one space still being used for informal storage until alternative premises is found. The Council is currently working to obtain vacant possession of Kingswood House in the next coming months.
28. The Library service is currently operating an "order and collect" service from 31 Seeley Drive, this is a small unit and not a suitable space to accommodate a permanent library provision. The Council is looking to improve library and youth services within the area, through use of unit 37-38 Seeley Drive, which previously hosted community provision, provided by Crystal Palace Community Trust (CPCT).
29. CPCT recently declared the space a surplus asset, and are in the process of surrendering the lease back to the Council, while continuing to deliver youth activities within the area. Library services are expected to occupy the unit in November 2022 and then commence fit out works. It is anticipated that the new space will be open to the public in early 2023.
30. The new Seeley Drive facility is expected to accommodate static library provision including: a range of books for lending, a small children's area, 4 public internet PCs, printing services, a seating area and 2-3 desks for study space with Wi-Fi provision throughout. There is also potential scope to provide some café-style seating on the plaza outside the front of the library, and to use the small outside courtyard at the back of the unit as an innovative "digital garden" space with provision to use laptops and Wi-Fi.
31. The Seeley Drive library opening hours will initially mirror the hours that used to be available in the Kingswood House library (20 hours per week); opening hours may be flexed at a later date, to reflect demand. The Seeley Drive library space is being designed and fitted out with maximum flexibility to enable other community use, particularly for youth provision.
32. The Council's Youth service team is also working to develop a coherent offer to maximise the use of new Seeley Drive library spaces, to provide positive activities for young people on the Kingswood Estate.
33. The new Seeley Drive library, in conjunction with an event and activity outreach programme which is being developed in partnership with HHE, will provide an enhanced and inclusive community offer for local residents.

Policy framework implications

34. The Council Plan, 2018/19 – 2021/22 commits to ensuring ‘Kingswood House remains an asset for the local community and improve facilities on the Kingswood’. Council officers have been discussing feasible options to ensure a sustainable future for this asset with local Ward Councillors, Cabinet Member for Equalities, Neighbourhoods and Leisure and local MP.
35. Access to good quality and well run local facilities also support small business, the voluntary and community sector and local economies.

Community, equalities (including socio-economic) and health impacts

Community impact statement

36. The community will benefit of a number of an increased offer and affordable spaces.

Equalities (including socio-economic) impact statement

37. With a programme based on the creative economy, HHE is aligned with Southwark’s Cultural Strategy and committed to deliver the following targets:
 - Deliver cultural opportunities through our libraries, heritage and events programme.
 - Deliver cultural opportunities for young people to engage with during out of school hours.
 - Promote digital inclusion and social media for creative means.
 - Support the development of cultural activities for, and by, all of our communities.
 - Enable access to culture for older people.
 - Improve the number of employment opportunities offered through the creative economy
 - Deliver programmes which reduce barriers for Southwark residents to enter into cultural sector training and volunteering.
 - Advocate for the London Living Wage and union rates for artists in the creative economy.
 - Increase the amount of creative industry apprenticeships
 - Support the skills and development needs of creative economy enterprises through training and capacity building.
38. The proposed community arts centre can have positive impacts such as boosting resilience and positive mental health. Bringing arts and culture activities to areas with high rate of deprivation can also reduce costs for families paying for this kind of activities elsewhere.
39. HHE proposal is committing to utilize local business to support events, works with local trades and other business activities on renovations, upkeep and maintenance, catering and arts activities.

40. The new venue will create new jobs, all at London Living Wage or above. These job functions range from a variety of industries and skill level, allowing for low to no-experience workers to work in close proximity with industry leaders.
41. Apprenticeship, training and placements opportunities for people to learn and grow on the job will be made available from kitchen to marketing to management.

Health impact statement

42. Library services linked to HHE proposal to use Kingswood House as a cultural venue for the community can provide a valid support to reduce loneliness and promote social inclusion. Having space for groups to meet and for residents to learn new things is vital, and for older people, having amenities on the estate is essential for inclusivity – this could include reminiscence sessions, sessions for people with dementia etc.

Climate change implications

43. The proposal is for letting an existing building and secure restoration of the existing building fabric.
44. The proposal from HHE is aim to reduce carbon footprint/environmental impact adopting sustainable practices, as follow:
 - For restoration – working with sustainability consultants, using sustainable material and practices, using locally sourced material where possible, reducing waste to landfill, energy efficient equipment, and recycled/refurbished furnishings.
 - Operational running of the building – using renewable energy suppliers, energy efficient measures – e.g. automatic lights, smart meters, minimizing waste production, supply chain and contractors.
 - Operational practices for the department – food waste, sustainable procurement for events.

Resource implications

45. There are no resource implications resulting directly from this report.

Legal implications

46. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do. However, that power does not enable a local authority to do anything which it is unable to do by virtue of a pre-commencement limitation. Section 123 of the Local Government Act 1972 is a pre-commencement statute which imposes limitations on the Councils' power of disposal.

47. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
48. Kingswood House is subject to a restrictive covenant for the benefit of the local Kingswood Estate Tenants & Residents Association (KETRA), allowing use of space within the Kingswood House spaces for community activities. The present proposal is designed for the benefit of the local community and will include obligations to make space within the building available for community groups, including KETRA, and activities. To note, a range of community groups, including KETRA, will be part of the proposed governance structure for the House, mentioned at paragraph 23 above, and oversee Kingswood Arts operational activities.

Financial implications

49. There are no immediate financial implications arising from this report.
50. The total capital investment since 2016 is circa £850,000 and future critical works required over the next decade to enable the building to function safely are estimated to cost millions more. The Council recently completed essential works to guarantee water tightness with costs in the region of £60k, allowing the building to be let. Detailed lease arrangements with the incoming operator will need to take account of the significant future investment requirement of the building and provide a mechanism for funding this.
51. The new operator will take the responsibility for managing and maintaining Kingswood House which currently falls to the Council. This will reduce pressure on council budgets.
52. HHE proposed terms are based on its commercial business plan shared with the council as part of the competitive selection process, which forecasts the expenditure, revenues and net position over the lifetime of the project. Initial modernisation works to bring the building fully operational are included into the HHE capital budget, with no cost implication from the Council. As above funding mechanism for the restoration of the building over the long term will be fixed as part of the detailed contractual terms.
53. The key commercial principles agreed are set out above. A detailed commercial business plan and detailed lease terms will be submitted to the Director of Planning and Growth for a delegated decision as recommended on paragraph 3. The financial implications and funding requirements of actions agreed will be addressed in further reports at the point at which decisions on them are taken.
54. The Council's own costs in putting in place the lease have been met from within existing revenue budgets.

Consultation

55. The Council has been engaging and consulting the local community and business groups in recent years. The project team consulted residents and business by establishing a community forum, which focused on different topics related to the regeneration of the House, sharing ideas through workshops that have been facilitated by local groups.
56. A consultation exercise has been undertaken to gather a wider insight about local people priorities and aspiration for the House. The consultation started on the 12th January 2021 and ran until the 28th February.
57. Feedback from this consultation aimed to shape the proposal for the future of the House and set out requirements for the tender process. The message was that the Council was seeking ideas for creating a multi-purpose centre that provides a mix of studio workspaces and spaces for activities and events that could generate an income, helping the upkeep and maintenance of the House and bringing it up to modern day standard while ensuring it remain an asset for the local community.
58. Responses provided by local community suggested that given the historic nature of the building, a modernisation sympathetic with the nature of the building and improvements of accessibility would make it more attractive.
59. Respondents also think that expansion of the services provided within the House will improve visibility and wellbeing of the local community within the surrounding area.
60. It is also widely recognized that a combination of commercial and community uses is required to create an income stream which can help safeguard the fabric of the building.
61. Before the start of the competitive process, local groups was invited to review and provide comments on the tender brief which set out requirements and desired outputs.
62. Representatives of the local community groups will be invited to the steering group to oversee management of the building and comment on operational matters.
63. It is proposed that HHE programme for community activities is agreed through consultations and public events. A community advisor board to be established by HHE which will include youth people.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

64. As set out in the report the Council has powers to dispose of property by way of the grant of a lease, under the Localism Act and the Local Government Act 1972. Further legal advice will be sought and obtained when dealing with the grant of the lease once terms have been agreed.
65. In addition to the legal implications which are confirmed within paragraphs 46 to 48 the report notes from paragraph 15 that a transparent and openly advertised competitive process has been conducted for the purpose of securing a new operator to restore Kingswood House for future community related purposes. That process was informed by feedback received from the local community and other local stakeholders in response to the consultation exercise undertaken in January and February 2020. The report further notes that HHE proposes to establish a Community Interest Company as the vehicle for operating Kingswood House.

Strategic Director of Finance and Governance (CE22/035)

66. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report and notes the comments in financial implications. It is also noted that a full IDM report will be prepared and submitted for approval at the conclusion of the current negotiations.
67. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Strategic Director of Environment and Leisure

68. A library service was provided out of Kingswood House until March 2020, when the House closed, due Covid 19. There were also on going health and safety concerns which had been raised in late 2019. During 2020, the suitability of using Kingswood House as a library and events venue was reviewed, along with potential works required to address the health and safety issues.
69. The building's substantial repair needs, the fact that the historic space was not best-suited to current library space requirements, and also the fact that the library had not been well used (receiving the least visits and book issues of the borough's 12 libraries) led to the conclusion that the House was not well-suited to continue to support a library. As a result, it was formally declared surplus to requirements by the service in summer 2021 – enabling the procurement process for a tenant to be undertaken. On this basis, and subject to vacant possession being secured, the approach outlined in this report is fully supported.

70. The culture services has been consulted on the tenant selection and is in support of the proposed uses, which include both specialist and generic youth provision, and Libraries officers have been in liaison with the proposed operator around facilitating community uses such as children's reading groups etc.
71. Despite ending the library service in Kingswood House, library provision remains a priority on the Kingswood estate. In view of this, when lockdown restrictions started to lift in Sumer 2021, an 'order and collect service' was opened in a repurposed unit on Seeley Drive, as an interim measure, until a more suitable premises became available. Another, larger unit has now been identified, also at Seeley Drive, and plans are in place for its conversion into a library this winter. When completed, the unit will be able to accommodate all core library services, as a replacement of the service previously provided at Kingswood House, in a space that is more able to meet modern library user requirements.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Matt Derry, Programme Manager South	
Report Author	Daniele Massetti, Assistant Project Manager	
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Dated	14 November 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Environment and Leisure	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	29 November 2022	