

Your New Town Hall scheme: Key facts

The Your New Town Hall project will reduce Lambeth Council's core office buildings from 14 to two – including the refurbished Town Hall and the new Civic Centre - saving at least £4.5m a year.

It also includes 219 new homes for rent and sale, of which 47 per cent will be affordable, including the recently completed Wynne Road project.

Key Numbers

£50m – was the basic construction cost of the work on the offices (Town Hall refurb + Civic Centre) at the time given, without adjustment for construction industry inflation, which was allowed for in the development of the business case.

£68m – is the total construction cost currently forecast for the Town Hall/Civic Centre work. This was the agreed construction value for the office accommodation when the Development Agreement was finalised with Muse in April 2016.

£99.9m – is the total Council investment on the YNTH programme as at 31st March 2018, including the Council's investment in the new housing developments.

£104m – is the total development cost, including a number of other costs relating to offices and housing, as well as site purchases.

Explanation

The council's total investment of £104m includes a total construction cost for the Town Hall/Civic Centre work currently forecast at £68m, plus the purchase of the freehold at the sites of Olive Morris House and Hambrook House, which the council held on long leases, to enable the development of the new homes on those sites. The total budget also includes the cost of managing the development as well as IT infrastructure for the newly completed office buildings.

Fuller version of the figures

Budget

The expected total cost of £104m comprises the following;

- £75.1m contract with the developer Muse, of which £68m relates to refurbishment of the old town hall (£25m) and the press (£3m) and construction of the new civic centre (£40m), with the balance including development management and professional fees.
- £9.7m of project delivery costs for the overall project (Including the costs of facilities management, moves and clearance)
- £4m of ICT costs
- £2m of contingency and other costs
- £12.75m for land assembly, detailed below, to enable the new housing developments at those sites, and purchases to enable the new office developments.

This will be offset in part by land receipts from the developer totalling £3.1m at the end of each of those developments

Table i information in relation to land assembly for the scheme

Vacant possession of 1 Town Hall Parade	£1.2m
Purchase of the freehold of Hambrook House	£2.25m
Purchase of the freehold of Olive Morris House	£8.7m
Purchase of flat at 1 Town Hall Parade	£0.6m
Total	£12.75m

Council investment

Of the total council budget of 104m, £66.2m represents a temporary investment of the Council's cash balances, repayable in full with interest.

The balance of £37.8m comprises;

- £11.1m of retained right to buy receipts (applied to the housing development investment for affordable units)
- £3.1m of land receipts from the developer
- £4.2m from the sale of existing council premises
- £19.4m of earmarked council reserves

The wider YNTH scheme will provide a total of 219 homes, of which 47 per cent will be affordable. All rented accommodation will be at social target rents. Of these, 48 will be on the site of Hambrook House, 30 on the site of Olive Morris House, and 25 delivered at Wynne Road ahead of the Muse contract.

A Lambeth Council report in April 2016 set out the residential mix as follows:

Table ii residential mix

	Private	Affordable intermediate	Affordable Social rent	Affordable total	%	Total for all types
Hambrook House	46	14	34	48	51	94
Olive Morris House	44	9	21	30	41	74
Ivor House	26	0	0	0	0	26
	116	23	55	78	40	194

Note: A further 25 affordable units are being delivered through the wider YNTH scheme at Wynne Road ahead of Muse contract, giving 47 per cent affordable.

Read the full Your New Town Hall - Conclusion of Unconditional Contract Details report at <https://modern.gov.lambeth.gov.uk/documents/s80504/YNTH%20CMDDDR%20April%202016%20v7-1.pdf>.

Expenditure

Table iii Total council spend for the YNTH programme as at 31 March 2018, including the council's investment towards the new housing developments

Muse developments	74,714,205
Programme delivery / other costs	9,021,861
Land assembly	12,806,910
ICT	3,354,728
Total	99,897,703

Note that these are totals for expenditure to date, so are less than budgets provided elsewhere.

As of 2018/19 the Council has achieved £4.5m per annum savings on operating costs due to a reduction in office space used by the council. Cumulative savings over the life of the programme as of 2018/19 total £15.1m.