

## Hungate Ad-hoc Scrutiny Review

### **Record & Analysis of Information Gathered at Informal Meeting Held on 26 November 2008**

#### **Information Gathered**

1. The Committee were informed that in terms of project governance, as the Corporate Landlord resides within the Resources Directorate, ownership of the project had from the outset been placed with Resources. Project management arrangements were put in place and a Member Steering Group made up of the Leader, Executive Member for Resources and the Shadow Leader was formed to provide support and advice to the project team, and consider what decisions required Executive approval. Therefore, throughout the project, the Executive were responsible for all formal decisions made.
2. The decision to proceed with the Hungate site proposal was made by the Executive following a site analysis of a number of sites within the city centre, carried out by Atkins. The master plan for the Hungate site designated the type of use for each plot of land on the site. Members were informed that the Council first issued a set of Heads of Terms to Hungate York Regeneration Ltd for the sale of the Hungate sites in December 2004. In May 2006, the Executive approved the selling of the freehold interest in a number of sites located within the Hungate Development area. The overall value of those sites was £960k and as part of the sale, HYRL were obligated to pay under a Section 106 Agreement the sum of £1m as a contribution towards the Foss Basin Transport Plan relating to the Peasholme Office site.
3. The sale was completed in December 2006, therefore the only council owned land designated for office use and available to the Council at Hungate, was the plot fronting on to Peasholme Green next to the Black Swan Public House. This plot was deemed acceptable as the initial site analysis had identified that the size of the plot, including land occupied by the Peasholme Hostel, would allow for 15,333 sq m of gross office space which was over and above the council's requirements. It was however recognised from the start that the planning risk was always going to be high and therefore this was identified within the project risk register and reviewed monthly throughout the life of the project by the workstream manager and project board, The Risk Management team provided training and access to the Council's risk register Magique to assist the project in managing all of the risks.
4. In regard to the pre-planning consultation process, the Committee were presented with evidence of a series of meetings held by the project team with the statutory consultees i.e. English Heritage, CABE, Civic Trust etc. Notes from those meetings were included in the information pack provided to the Committee. They recorded the views of the consultees and the Council's Planning Dept and showed how they had helped to inform the progress of the project. The issues identified were flagged with the Architects which in many cases, ultimately led to changes in the building design. For example following a debate on materials, an effort was made to soften the interface between the Council building and the public house next door. The Committee noted that comments from English Heritage recorded in the notes/minutes of meetings held on 20 December 2007 onwards were mostly encouraging. It was also made clear to the Committee that the notes/minutes taken at each meeting were always presented at the next meeting for

endorsement. Minutes taken by the Architects also recorded encouraging comments from English Heritage.

5. The Assistant Director of Property Services confirmed that the project team were under no illusions that support from the statutory consultees would be key to getting planning permission and it was always expected that conditions would be attached. It was always recognised therefore that working closely with the consultees to iron out as many issues as possible at pre-planning stage, was fundamental to a successful outcome. He also acknowledged that although the project team had provided lots of feedback when they had responded positively to comments from consultees, they could have done more to explain why they were unable to respond positively to other issues. In his view, the letter of objection dated 8 July 2008 from English Heritage was unexpected, bearing in mind the amount of work which had gone into the pre-planning consultation stage, the resulting changes to the design and the encouraging comments received throughout the process from English Heritage.
6. The Project Director provided a history of the budget for the project – see Annex A. This detailed the original overall budget as approved by the Executive in October 2006, and gave details of the increases in the budget approved by the Executive in July 2007 and June 2008.
7. At the meeting the Assistant Director of Planning & Design provided copies of all the objections received in regard to the planning application, together with a copy of an internal memo which outlined some issues raised by the planning team during the pre-application consultation stage. He also confirmed that he had attended many of the pre-planning consultation meetings and that the letter of objection sent by English Heritage had come as a complete surprise to him having witnessed no sign of a strong objection prior to its arrival. The Committee were also informed that at the time when the application was withdrawn, many of the issues flagged up within the internal memo and with the Architects had not yet been addressed, therefore it was not possible to say what the recommendation from the Planning Dept would eventually have been in regard to the application.
8. The Regional Director of English Heritage informed the Committee that it was standard practice for an English Heritage Advisor to attend pre-application consultation meetings with developers, and to provide advice on the impact on the historic environment of any proposals and specific elements of the design, presented to them. Their Advisor would then as a matter of course, involve other specialist officers from English Heritage in carrying out their own internal review of the information provided, and where necessary provide feedback to the developer, either verbally or via email. Maddy Jago informed the Committee that the concerns of English Heritage had been raised with the Council's project team, in particular at a meeting held in December 2007.
9. It was noted that following the decision to withdraw the Council's planning application for Hungate, the Chief Executive and Executive had given a clear commitment to greater ownership and support for the project and project team. This change in stance was deemed to be the best way forward to reach a successful planning approved design and led to a review of the structure and governance of the management of the project. The Director of City Strategy was subsequently nominated as the Project Champion and chair of the Project Board, and it was agreed that the Corporate Management Team would play a greater role in the governance and decision making within the project.

## Analysis

9. The Committee recognised that the support of English Heritage was crucial to the granting of planning permission, and feedback from their own internal processes, was imperative to identifying their ongoing view of the evolving project. There was a record of the concern expressed by English Heritage at the meeting in December 2007 but the Committee were unclear whether any feedback from English Heritage's internal reviews had ever been received, as they could find no evidence to that effect. The Committee acknowledged that if no other such feedback could be identified, it would support evidence from the Assistant Directors of Property Services and Planning & Design, that the letter of objection sent by English Heritage had come as a complete surprise. The Committee therefore requested copies of the minutes of any internal review meetings held by English Heritage during the life of the project, which could help to identify their views on the evolving project.
10. Following the informal meeting with the Regional Director of English Heritage, it was confirmed that a 'Freedom of Information' request would be needed in order to release the required information and a request was made in writing on 3 December 2008. Members were informed of this at their formal meeting on 10 December 2008 and at that stage they agreed to make an additional 'Freedom of Information' request for any other written information held by English Heritage relating to the Hungate development. This subsequent request was made in writing to English Heritage on 11 December 2008.
11. In regard to the massing of the building and its position next to the historic public house, the Committee could find no written evidence within the notes of the various meetings, which identified the efforts of the project team to address the concerns of English Heritage. Instead the focus at the meetings seemed to be on other elements of the design such as materiality. The only evidence of their (and others) concerns over massing being addressed, was the changes made to the building design prior to the submission of the planning application in June 2008. Therefore, the Committee questioned whether the issue of mass should have been fully addressed earlier, as this was fundamental to the success of the project. The Committee concluded that if it was not possible to overcome the concerns of the statutory consultees in regard to this issue, work need not have progressed, which in turn might have limited the amount spent on the project.
12. In regard to the budget, the Committee acknowledged that the overall increase was approx 10%. Members expressed their surprise at this figure as the recent press coverage had suggested that the figure was much higher and noted that in both instances the reason for the increases had been reported to the Executive and approved. Members agreed that the figures in the Press had been misleading and had not always compared like for like.
13. In regard to the first objective for this review (see paragraph 4 in the main report), Members analysed the budget information but were unable to draw any conclusion as it was unclear which of the figures represented costs that were already fully committed and those which were not. Therefore Members requested a revised version of the budget summary in order to ascertain whether the reasons for the increase in costs could have been identified when the initial budget was set.