

Swindon Heritage Action Zone Progress Report

Cabinet

Date: 22nd April 2020

Author:	Cabinet Member for the Town Centre, Cabinet Member for Strategic Planning, and Cabinet Member for Corporate Services and Operational Excellence Head of Planning, Regulatory Services and Heritage & Head of Property Assets
Wards:	Rodbourne Cheney, Central and Mannington & Western
Parishes Affected:	Central Swindon South and Central Swindon North

1. Purpose and Reasons

- 1.1 This report provides an update on the progress being made on two of the key Heritage Action Zone (HAZ) projects: the Health Hydro and the Mechanics' Institute, and makes recommendations for taking these projects forward. The report also provides recommendations as to how the Council can maximise the benefits arising from the HAZ.
- 1.2 Heritage Action Zones are a flagship Historic England initiative to drive heritage led regeneration of under used historic areas. Swindon's Railway Heritage Area is only the second place in the south west to achieve this designation.
- 1.3 Through the HAZ, Swindon is securing funding and technical expertise from Historic England to deliver the regeneration of Swindon's Railway Heritage Area. The aim of the HAZ is to deliver a suite of projects, which together, will transform the Swindon's Railway Heritage Area into an attractive, vibrant, heritage destination with a national profile. In so doing, the HAZ would deliver significant social and economic benefits to Swindon.

2. Recommendations

The Committee is recommended to:

- 2.1 Agree the long term vision for the Health Hydro outlined in para 3.16 and 3.17 of this report, and to authorise officers to identify further opportunities to secure additional funding to deliver the long term vision;
- 2.2 Agree to the proposed way forward to secure a viable new use, and restoration of the Mechanics' Institute as set out in paras 3.30 to 3.33 of this report, including preparation for a possible Compulsory Purchase Order;
- 2.3 Authorise the Head of Planning, Regulatory Services and Heritage to negotiate S106 development contributions from new residential development coming forward in the Town Centre on the basis of the principles set out in paras 3.48 and 3.49 of this report; and

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- 2.4 Authorise the Head of Planning, Regulatory Services and Heritage to allocate the Swindon Heritage Action Zone grant funding in accordance with the Table at Appendix 1 to this report.

3. Detail

Context

- 3.1 Across the UK successful town and city regeneration has drawn on heritage to recapture civic pride. By drawing on its heritage, a place can capitalise on what makes it unique to create a strong and distinct identity.
- 3.2 The aim of the HAZ is to use Swindon's rich railway heritage to turn the HAZ into a heritage destination with a national profile.
- 3.3 Currently, there are a number of attractions in the HAZ, such as STEAM, the Designer Outlet and the Health Hydro. However, these destinations are not inter-connected in terms of visits. The area does not function as a single, coherent, recognised destination.
- 3.4 The HAZ identifies 17 projects, which, amongst other things, will physically knit together the area and create a strong brand for the area.
- 3.5 Swindon has access to £2.1 million of Historic England grant funding to deliver the projects identified in the HAZ. £0.5m is allocated specifically to the Mechanics, Building. Just as importantly, Swindon has access to Historic England's corporate resources, including their heritage expertise and their experience in regeneration projects.
- 3.6 The Swindon HAZ was officially launched in June 2019 and will last for five years. A project officer was appointed in August 2019 to oversee delivery of the projects.
- 3.7 The heritage led regeneration enabled by the HAZ will help shape a more positive and distinct identity for Swindon. In so doing, the HAZ will support the town's economic growth by enhancing investor confidence and civic pride as well as securing long term support for significant historic buildings identified in the area.

Improving Connectivity

- 3.8 The HAZ occupies a central location in Swindon Town Centre. The area contains the Outlet Centre and other key attractions, and immediately adjoins North Star and the Town Centre Central Business District. The Rail Station is also located nearby.
- 3.9 Regeneration of the HAZ will not only enable the HAZ area to realise its potential as a focus attraction for Swindon, but will also deliver wider benefits for the Town
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Centre by broadening and complementing the retail offer of the modern town centre.

- 3.10 There is funding through the HAZ to improve footways, install new signage and to enhance key areas of public realm. Through improving connectivity, the HAZ will play an integral role in bringing together the destinations that comprise the Town Centre's 'Golden Triangle' (The Central Business District, North Star and the Outlet Centre).
- 3.11 Four key routes have been identified for enhancement in the HAZ Delivery Plan:
- i. From the Designer Outlet across the Railway Works to the Bristol Street Tunnel
 - ii. Along Station Road from the station to the Carriage Works
 - iii. Reconnecting the Health Hydro to the Railway Village by relocating the crossing over Faringdon Road so that people arrive directly outside the Hydro.
 - iv. From the Town Centre via Fleet Street
- 3.12 This enhanced connectivity will also improve links to the Town Centre from North Star.
- 3.13 By helping to enhance routes the HAZ will assist in delivering the objectives of the Town Centre Movement Strategy.

Key Buildings in the HAZ

- 3.14 The HAZ focuses on the area around Swindon's historic railway village. A delivery plan has been prepared to provide enhancements to key historic buildings such as the Health Hydro, the Cricketers Pub, the Carriage Works, the Mechanics' Institute and GWR Park.
- 3.15 Two notable HAZ projects are the Grade II* Listed Mechanics Institute and Health Hydro buildings. There has been significant work to date in preparing a way to secure a viable long term future for these heritage assets which will be critical to the overall success of the HAZ.

Health Hydro

- 3.16 In 2018, specialist Heritage Surveyors Fourth Street were appointed to undertake an Options Appraisal & Viability Report of the Health Hydro. Fourth Street identifies a vision for the future development of the Hydro, which foresees the Hydro once again being a centre for the health and wellbeing of the Swindon community. This would be achieved through an enhanced health and fitness provision (comprised of swimming, gym, group sessions and the Turkish and public baths) and wellbeing provision around complementary and alternative medicine (CAM) practitioners.

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- 3.17 The preferred option is full restoration, which would see further upgrades to the fitness, health & wellbeing offer at the Hydro, restoration of the small pool, restoration of the building's original "Victorian Splendour" and providing hydrotherapy facilities.
- 3.18 As part of the options appraisal, Greenwich Leisure Limited (GLL) - the operators of the Health Hydro - commissioned a condition survey of the building, which identified that just over £1m of investment in back of house plant and equipment work was needed. The cost of this essential work and the opportunity to improve facilities to make the building more attractive to customers informed how the £1.5m that the Council has committed to the building will be spent.
- 3.19 From this £1.5m, the following front of house improvements to the facilities will be delivered:
- 3.19.1 a refurbishment of the main reception area and the relocation and upgrade of the gym;
 - 3.19.2 a refurbishment of the 'wet side' changing rooms;
 - 3.19.3 a refurbishment of the Turkish Baths; and
 - 3.19.4 improvements to the kitchens and bathrooms on the 1st floor.
- 3.20 Officers are supporting GLL to prepare a detailed Scheme of Work, which may need adjusting upon receipt of accurate costings.
- 3.21 Cabinet is requested to agree the longer term vision for the Hydro. With the Council already having committed £1.5m, a further £5.5m would be required to deliver the full vision for the Hydro. Given the Grade II* Listed status of the building, there is an opportunity to seek support from a range of funding sources, such as the Towns Fund Board, to provide funding to realise the vision for the Hydro.
- 3.22 The Health Hydro would require a three year work programme of renovations for the full upgrade of the building.

Mechanics' Institution

- 3.23 The Mechanics' Institute is a Grade II* listed building of national significance. The condition of the building is deteriorating and consequently it is a top priority on Historic England's Heritage at Risk Register and on the Theatres Trust Theatres at Risk Register. It is considered at risk due to neglect, decay or inappropriate development.
- 3.24 The importance of restoring the Mechanics saw the Cabinet Member for Town Centre set up a steering group in January 2019 to identify opportunities to bring the building back into use and to determine the works needed to achieve this.
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This group includes representation from the Council, Historic England, Mechanics Institution Trust (MIT) and the Theatres Trust.

- 3.25 Council officers have attempted to engage with the owner of the building, Forefront Estates Ltd, however, the owner was not forthcoming from the correspondence issued. In December 2019 the Council undertook works under a Section 215 Enforcement Notice to clear the site and is recharging the costs incurred to the owner.
- 3.26 A Condition Survey has been commissioned by the Council to provide an up-to-date understanding of the physical condition of the building. The report has been funded by Historic England. This survey, which will be completed shortly, will provide a clear understanding of the condition of the building. If required, the Council would serve the appropriate notice on the owner to undertake any works to repair building.
- 3.27 Fourth Street, in partnership with Donald Insall Associates and Ian Walker Associates, was commissioned by the Mechanics' Institution Trust in August 2019 (with funding support from the Architectural Heritage Fund and Theatres Trust) to undertake a viability assessment for the Mechanics' Institution.
- 3.28 A steering group, comprising Historic England, the Mechanics Institution Trust, the Theatres Trust and the Council oversaw the commission.
- 3.29 Fourth Street was requested to assess the viability and suitability of 3 options for the building: Theatre/Performance/Arts, Higher Education (including R&D) and Business/Conferencing.
- 3.30 Fourth Street concluded that a high quality, multi-purpose events venue (building on the Business/Conferencing option) was the option that best "responds to the partners' strategic aims and objectives while offering a solution that has a high probability of being funded and the strong potential to become financially viable in operation."
- 3.31 Fourth Street advised that key to its long-term financial viability in operation will be its attractiveness and suitability for staging meetings, conferences and wedding events. Fourth Street noted that "These will be the commercial bedrock that underpins its operational financial viability and enables it to operate as a multi-purpose venue, with a broader supporting range of arts, cultural, education and community programming." The capacity of the spaces and their offers would be designed to complement those available at STEAM, widening the appeal of this part of Swindon for events and responding to identified demand from large town centre organisations in order to grow this market overall.
- 3.32 Importantly, the spaces created would enable the Mechanics Institute to accommodate a range of community and social functions, with the spaces being available for weddings, proms, concerts, theatrical and other cultural uses.

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- 3.33 The estimated capital cost for implementing the scheme is £24.5m. This figure may change, dependent on the findings of the Conditions Survey.
- 3.34 Fourth Street has outlined a delivery programme of four and a half years. Added to this, however, will be the potential time necessary to secure ownership of the building and to raise the necessary capital funds.
- 3.35 Fourth Street has prepared a capital funding strategy, which proposes a funding mix that is 'catalysed by' a successful grant award from the National Lottery Heritage Fund's Horizon programme (assumed at around £9m). Fourth Street note that if this were not successful, the opportunity of securing a smaller NLHF grant, of up to £5m (from their main capital grants programme), is considered high given the nature of the project and the wide support from relevant local and national agencies. It will be necessary to consider the Mechanics' Institute alongside other strategically important heritage and culture projects within Swindon that may seek to access the same funding pots. This funding strategy will need to be further developed. An update on the funding strategy will be submitted to Cabinet by the end of 2020.
- 3.36 To secure the sustainable future of the Mechanics' Institute, there may be a requirement to make a Compulsory Purchase Order (CPO). However, before a CPO can be pursued, it is important that the full risks are mitigated. The Council will not initiate a CPO until such time as there is a third party with the necessary capacity and capabilities to restore the building.
- 3.37 Preparatory steps, include but are not limited to,
- Engaging with third parties with an interest in the Mechanics
- Drafting the necessary documentation to prepare the potential CPO
- 3.38 There are no cost implications at this stage in carrying out the preparatory works, which are being coordinated by the HAZ Project Officer, with technical assistance being provided by Historic England. If the decision is ultimately taken to pursue a CPO, the Council will incur legal costs in carrying out this work. This is estimated at £100k if the Council is required to instruct Counsel. This cost has the potential to be met from the HAZ grant funding.
- 3.39 Any CPO must be on the basis of a 'back to back' arrangement (explained below) being in place to enable a developer, voluntary sector body or other third party to take ownership of the building. The third party would require a full understanding of the condition of the building (a condition survey has been commissioned and will take place shortly). The Council would also need to carry out due diligence to ensure that the third party has the necessary capacity and capabilities to oversee restoration of the building. A further report would be brought to Cabinet to make a decision on whether to make a CPO by the end of 2020. The recommendation would be informed by whether a suitable third party has been identified. The CPO process can take up to two years to complete.
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- 3.40 There are numerous examples of where properties neglected by their owners have been acquired by Local Authorities using CPO powers and then passed on under the terms of a 'back to back' agreement, to either a developer or voluntary sector body for restoration. This arrangement would limit the risk to the Council as it typically involves entering into an indemnity agreement with the final purchaser, before the CPO process commences.
- 3.41 For example, Bristol City Council served a compulsory purchase order (CPO) to acquire Arnos Vale Cemetery before transferring management to the Arnos Vale Cemetery Trust (AVCT). This project was subsequently awarded £4.8m of funding from Heritage Lottery Fund (HLF) towards repair and restoration costs.
- 3.42 As a further example, the Denbigh Asylum was acquired by Denbighshire Council using CPO powers and transferred to a local developer working in partnership with North Wales Building Preservation Trust, to deliver a £30m+ scheme of 300 homes and over 1,100m² of commercial uses.

Financing the HAZ

- 3.43 Historic England has made available £2.1m in grant funding towards the delivery of the HAZ projects, with £0.5m specifically allocated to the Mechanics.
- 3.44 The Council has already made over £7m in investments in the HAZ area. Projects supported by the Council include:
- 3.44.1 The Carriage Works Phase 1 (£4.6m)
 - 3.44.2 The Carriage Works Phase 2 (£2.61m)
 - 3.44.3 The Health Hydro (£1.5m)
 - 3.44.4 1-3 Faringdon Road (£1.247m)
 - 3.44.5 Mechanics Urgent Works (c£1m)
- 3.45 In addition, the Council's investment in the Carriage works has secured an additional £1.35m investment by the Royal Agricultural University to establish the Cultural Heritage Institute (CHI). Discussions on a CHI phase 2 are underway.
- 3.46 Additional funding will be required to enable the HAZ area to realise fully its potential, and officers will continue to identify grant availability for this, such as through the Local Transport Plan, National Lottery Heritage Fund, the Towns Fund and the Historic Railway Trust.
- 3.47 It is proposed that the £1.6m of Historic England grant funding will be used tactically where possible, to lever in additional funding from a range of sources.
- 3.48 Development opportunities exist in the vicinity of the HAZ, which together have the ability to deliver 1,700 homes new homes. Residential development
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schemes are required to deliver infrastructure improvements to mitigate their impact on an area. At Town Centre locations, a higher density of residential development is encouraged. By delivering development at higher density, there is less scope for delivering infrastructure enhancements on site, such as open space provision. Therefore, instead of seeking enhancements on site, subject to scheme viability, it is proposed that monies could be secured to deliver improvements to facilities in the HAZ area (such as GWR Park or the Health Hydro), for the benefit of new and existing residents alike.

- 3.49 In addition, with the forthcoming introduction of an Article 4 Direction, which will require office to residential conversions in much of the Town Centre to be subject to a planning application, there will also be the opportunity to secure development contributions from these developments for the HAZ.
- 3.50 The layout of the schemes in the vicinity of the HAZ area offers a further opportunity to deliver the objectives of the HAZ, in particular the objective to enhance connectivity. The proposed residential developments at North Star and the Railway Corridor provide an excellent opportunity to knit together the different parts of the Town Centre, and in so doing, to improve pedestrian routes into the HAZ area.
- 3.51 It is recommended that a concept master planning exercise be undertaken, which will show how the HAZ route enhancements project will knit together the “Golden Triangle” destinations of the Railway Area, North Star and the Town Centre.
- 3.52 This exercise will provide the basis for delivering an attractive, legible route from the station to the Outlet Centre, which has the potential to increase the proportion of journeys to the Outlet Centre undertaken out by train.

4. Alternative Options

- 4.1 The Council could decide to rely solely on the Historic England grant funding and existing commitments to deliver the projects in the HAZ Delivery Plan, and not seek to access or allocate additional funding. However, this approach would fail to exploit the full potential of the HAZ to transform the railway heritage area into a Heritage destination with a national profile.
- 4.2 The Council could rely on the owner of the Mechanics Institute to deliver a viable new use for the building. However, there is little confidence that this approach would deliver a positive outcome for the building.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 £1.6 million has been allocated to the Swindon HAZ by Historic England, with a potential further £0.5 million available towards securing a viable future for the Mechanics Institute.

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- 5.2 Historic England has agreed that funding should be allocated to the projects identified in the HAZ delivery plan as per the Table in Appendix 1 of this report.

Legal and Human Rights Implications

- 5.3 Where applicable, the HAZ projects will be subject to statutory planning processes (including statutory consultation requirements).
- 5.4 The Planning (Listed Buildings and Conservation Areas) Act 1990 ("Listed Buildings Act") at Section 47 makes provision for the Council to make a Compulsory Purchase Order to secure land for the proper preservation of a listed building where a repairs notice has been served in respect of the property and that notice has not been complied with. If a Compulsory Purchase Order is made it will be submitted to the Secretary of State for confirmation. The Secretary of State will have to be satisfied that there is a compelling case in the public interest generally for the compulsory purchase to proceed. In particular under Section 47 the Secretary of State must be satisfied that reasonable steps are not being taken for properly preserving the listed building.

Climate Change Impact

- 5.5 The HAZ area occupies a sustainable location that is highly accessible by public transport. The re-use of older buildings has a positive impact in relation to reducing carbon emissions.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.6 The HAZ is expected to have a positive effect on reducing crime rates in the area.

Diversity Impact Assessment

- 5.7 A Diversity Impact Assessment has been prepared, a copy of which is available from the report author, which demonstrates that the HAZ will deliver significant benefits for all of the dimensions of equality.

Risk Management

- 5.8 A Risk Register has been prepared for the HAZ.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 Fourth Street Mechanics Institute Options Appraisal and Viability Report (2020)
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7.2 Fourth Street Swindon Health Hydro: Options Appraisal & Viability Report (2018)

7.3 HAZ Delivery Plan 2019

8. Appendices

8.1 Appendix 1: Table showing allocation of expenditure on HAZ projects.

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for March 2020.