

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

4 OCTOBER 2016

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

MAESTEG TOWN HALL

1. Purpose of Report

- 1.1. The purpose of this report is to seek Cabinet approval to commence development and delivery work to secure the regeneration of Maesteg Town Hall.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1. This report supports the following corporate priorities:

- Supporting a successful local economy
- Smarter use of resources

3. Background

- 3.1. Maesteg town centre has been the focus of Bridgend County Borough Council's Regeneration Programme for a number of years, undertaken in several phases, and delivering transformational change to the public realm in the primary retail area. The last phase, termed Phase IV was completed in 2014, and included the redevelopment of the outdoor market, creation of a 'civic square' outdoor stage, and improvement of the bus station.
- 3.2. The Town Hall, which directly links with the civic square and bus station, is one of the County Borough's most significant historic buildings, and the principal public building in the Llynfi Valley. The Hall, built in Queen Anne style, was at the time of completion in 1881, considered one of the finest halls in South Wales, and at the time, had a transformational effect on the town. The imposing four-storey stone building is topped by its prominent clock tower, a feature which is visible throughout the town.
- 3.3. Recent decades have seen a steady decline in the condition and consequently in the utility and sustainability of the Hall. Despite the efforts of the Council to care for the building in terms of basic repairs, its special architectural features and age have made it difficult and expensive to keep the building in good order. Reactive repairs have been undertaken to deal with a multitude of issues over the years, but the building is greatly in need of comprehensive investment.
- 3.4. Since completion of Phase IV, there has been an ambition to secure investment in the Maesteg Town Hall, thereby completing the regeneration of the retail core. An outline feasibility study was commissioned, to identify the issues and potential development opportunities, and to support any future funding bids. This was funded by Welsh Government's (WG) Western Valleys Programme, and received the support of local members at that time.

- 3.5 In 2015 an expression of interest (EOI) was submitted for funding to regenerate the building, under WG's Buildings for the Future bid to the European Union (EU) Structural Fund Programme. In line with the feasibility study, the proposal is to create a 'cultural hub' by improving the performance facilities, developing new, modern fit for purpose library provision for the town, including a state-of-the-art children's library, and delivering an inspiring and inclusive, creative community space. The new library would be an additional attractor and anchor for the town centre, and stimulate increased visitor numbers and footfall to the retail core. The combined footfall of the two existing libraries at North's Lane and Maesteg Sports Centre, 5,000 visits per annum, would be redirected to the town centre, in addition to the visitor numbers achieved as a result of enhanced facilities.
- 3.6 The EOI was scored and prioritised for funding, as one of only 11 schemes across the West Wales and the Valleys area. However, until WG's Buildings For the Future Programme is approved by the Wales European Funding Office (WEFO), individual projects cannot be approved. In normal circumstances, project sponsors of EU funded projects will resist financial exposure until an approval has been given, because expenditure made prior to this may not be used as match-funding. However, the uncertainty of future EU funding brought about as a result of Brexit makes it necessary to progress the project 'at risk' in order to ensure that as much spend as possible can be achieved within the Brexit timescales.
- 3.7 In October 2015, management of the Town Hall was transferred to Awen Cultural trust, under the terms of the Cultural Partnership Agreement. Despite the physical challenges of the building in its current format and condition, programmes and audience development put in place by Awen Cultural Trust already show how successful and popular the Town Hall can be, and could be with investment to conserve and improve it.

4. Current Situation/Proposal

- 4.1. The feasibility work has identified an outline scheme for works to the building and a business case showing the impact the scheme would have on the long term sustainability of the Town Hall. The proposed scheme will:
- Re-energise the Hall as a social and cultural focal point to support a vibrant and sustainable town centre economy, enhancing Maesteg as a great place to live
 - Preserve and celebrate a rich cultural heritage setting a standard for design, innovation and conservation
 - Provide a thriving arts and cultural centre and bustling public space at the heart of the town
 - Provide a new modern Library service for Maesteg replacing the currently dislocated split site provision, including provision of a new children's library
 - Meet demand for arts, participation and cultural activity and for hire of the Hall for events and community activities
 - Enable new activities particularly for young people in the town and valley and potentially encourage other investors such as Arts Council Wales
 - Underpin financially sustainable operation of the Hall by Awen Cultural Trust, integrated with the development and operation of the other venues, libraries and facilities managed by the Trust on behalf of the Council

- 4.2 Taken together, the proposed scheme offers an opportunity to create a high profile statement project representing the Council's regeneration of Maesteg, with a legacy extending through many years of continued impact on the quality of life and life opportunities of the local population, particularly its younger people.
- 4.3 The proposed project will:
- Increase visitor numbers in the town centre. Deliver economic benefits in the form of increased trading opportunities for town centre businesses
 - Create and safeguard local jobs
 - Provide enhanced learning opportunities for young people, through the creation of an exemplary children's library
 - Increase access to and participation in arts and cultural activities, particularly amongst older and disabled people
 - Contribute to tackling poverty and disadvantage
 - Contribute to community development by providing enhanced facilities for local arts and cultural organisations, to flourish and grow
 - Improve the leisure offer in the space vacated by the library
 - Improve energy efficiency and therefore environmental and financial sustainability
- 4.4 Work to develop the proposal is currently underway and will be completed by the end of the year, in time for the anticipated project timetable for the Buildings for the Future Programme.
- 4.5 A preferred design solution and associated costed options at varying funding levels will be produced, closely supported by evidence of the business viability and community and regeneration impact of the project. While no definitive costings are yet available, it is envisaged that the preferred design solution may cost in the range of £4-5 million. Detailed costs will only be available once future architectural design stages have been completed. At this stage, several key factors have been identified and the design and officer team is currently working together to ensure their realisation:

Key Design Considerations

- 4.5.1 The scheme must fully complete the repair and condition-related works required so as to future-proof the operating cost and sustainability of the Hall. The scope and costs of these works are currently being considered alongside immediate potential works to remedy water ingress and rot.
- 4.5.2 Full and exemplary access for all users including those with special mobility and sensory needs is a high priority, and will require significant remodeling of current inaccessible and confused entry and circulation arrangements.
- 4.5.3 It would be highly desirable to maintain an 'internal street' or access so that the public can still pass through the building between the bus station and Talbot Street; this is being explored in the development of the design. It is also the Council's preferred option to incorporate public toilets into the internal design of the building which in view of the proposed opening hours of the redeveloped building would provide improved public access to these facilities.

- 4.5.4 The upper floors of the Hall should retain significant and modern catering facilities to enable income generation through hires, weddings, celebrations and town civic events.
- 4.5.5 For operational, design and financial sustainability reasons, it is proposed that the current market stall provision within the building is not retained. More detailed design and feasibility work has clarified that retaining part of the market would result in both a compromised arts provision and library, and an unviable market. The current market spaces inside the building are of a quality inferior to the new exterior market and the most effective way forward will be to relocate, where possible, current indoor provision to reinforce the outdoor offer.
- 4.6 Provided this can be achieved, the complete management responsibility for the building could be passed to Awen Cultural Trust, if desired, effecting financial and efficiency advantages for the Council and the Trust, and more importantly, opening up access to alternative sources of funding to maintain investment in the facility, as Council resources continue to be constrained by austerity measures. The contractual arrangement with the Trust will need to be further examined in due course once the detailed service provision is identified. The aim is to develop the scheme to enable the cultural hub to develop a robust business model giving it a long term sustainable future. However, Cabinet should note that this will result in a net loss to the Council of the income from the market hall, albeit that this could be partially off-set by reduction in maintenance, repairs and other running costs.

Timetable and Next Steps

- 4.7 The development of the scheme has been significantly affected by the recent referendum result for the UK to withdraw from the European Union. Although there has been a period of uncertainty over European Regional Development Fund (ERDF) funding, discussion with Welsh Government now indicates that:
- The strategic objectives of the ERDF 2014-2020 Programme remain key to Welsh Government's plans
 - There is likely to be an imperative to bring forward schemes in the pipeline for very early start on site so as to ensure that European funds are locked in place
 - Projects that are not complete by end 2018 are likely to be at much higher risk of (a) not being approved to proceed in a timely fashion and (b) failing to secure European Funds
- 4.8 Conversely, the current situation may reduce the level of competition for EU funds, if some projects proposed previously, are not deliverable in the reduced timescales. This may create increased opportunities for those projects which are 'shovel ready' and able to proceed quickly.
- 4.9 There is therefore considerable urgency to accelerate the Maesteg scheme, to maximise the opportunity to seek an early approval and delivery, before funds come under risk. The project team has identified a timetable under which the project can be completed prior to the end of 2018, but this requires early decisions to be made to enable timely development, and secure European and potentially other funds. While some match-funding from Council sources is in place, the early indications are that further funding will be required, for example from the Arts Council for Wales

(Lottery funding), and potentially the Community Facilities and Activities Programme, to deliver a comprehensive and sustainable scheme.

- 4.10 A full forecast programme enabling the development of the programme in accordance with procurement regulations has been prepared. The next steps are as follows:
- Issue Contract Notice to commence Design Team Procurement
 - Submit ERDF business planning and potential WG funding application
 - Design and business planning stage report approval
 - Local engagement with stakeholders, including market stall holders
 - Appointment of design team
 - External funding confirmed in principle
 - Planning permission secured, tenders sought, funding contracted
 - Building closes and works commence on site
 - Practical completion
 - Fit out and commissioning
- 4.11 It is evident, by working back from the end of 2018 that a great deal of work will need to be undertaken to progress the project, without the certainty of committed external funding. Cabinet will need to be aware of this in reaching a decision whether to proceed as proposed.
- 4.12 Given the scale of works required to deliver the project, vacating the building of current tenants is necessary and unavoidable. It is likely that should funding be secured for a full scale development as proposed, that the whole Town Hall building will need to close for a period of up to 18 months. It is proposed, therefore, to undertake negotiations with indoor market traders at the earliest opportunity, to discuss their needs, intentions and relocation options, in order to minimise as far as reasonably possible, continued disruption to their businesses. Advice and support will be provided to traders, to assist them to relocate to alternative premises.
- 4.13 It is also very possible that the market hall could remain vacant for a period, if there are continued delays in securing funding confirmation from the various sources. While this is not ideal, it is necessitated by the particular circumstances resulting from uncertainty over the likely duration of the EU funding. Cabinet need to consider the value of this opportunity to secure a multi-million pound investment against the uncertainty surrounding the future of EU funding programmes and the risk that similar funding might not be available in future or is likely at best to be delayed until transitional arrangements can be agreed. This is an opportunity to secure transformational change to this iconic building, to create a major attraction and anchor for visitors to the town centre, and to improve significantly the arts, cultural, learning and community development opportunities for residents and visitors.
- 4.14 In reaching a decision Cabinet will need to weigh up of both the risk and opportunities:

Opportunities

- Securing a sustainable future for the building
- Delivering economic, social, environmental and community outcomes

- Release an asset for sale by vacating the current reference library space
- Reduction in the cost of future reactive repairs (which remain a Council liability under the terms of the Awen partnership agreement)

Risks

- External Funding is delayed or not approved and the Market Hall remains vacant for a prolonged period
- Existing traders are unable to find suitable alternative premises, and cease trading

Governance

- 4.15 Formal governance arrangements will be required to manage what is likely to be a large and complex project. A Project Board will be established, to oversee the development and delivery stages, through to completion.

Conclusion

- 4.16 The proposed project is bold, ambitious and transformational. It has the potential to deliver a lasting legacy for the Council's long-term investment in Maesteg, and to contribute to the ambitious cultural partnership between the Council and Awen Cultural Trust.
- 4.17 The deteriorating condition of the Hall presents a significant risk to one of the Council's principal heritage buildings and delay will increase these risks and associated costs further.
- 4.18 Uncertainty of long term European Funds will require timescales for the development of the project to be accelerated if it is to proceed. This will enable the Council to take advantage of the opportunity to secure significant external funding for the scheme, provided we can move swiftly to complete design and tender stages and undertake to complete the project EU funded elements of the project prior to the anticipated key date of end of 2018.

5. Effect upon Policy Framework & Procedure Rules

- 5.1. None

6. Equality Impact Assessment

- 6.1. Screening has highlighted that no issues arise as a result of this report. The proposed scheme will develop full disabled access to the Town Hall for the first time.

7. Financial Implications

- 7.1. The Council has ring-fenced a match-funding allocation of £500,000 from its Capital Programme to the project. A further £30,000 feasibility funding has been allocated, to enable the scheme for the project to be more fully developed to support funding bids. In May 2016, Cabinet confirmed its commitment to reinvest the future capital

receipt arising from the sale of land at Ewenny Road, Maesteg, to a regeneration fund for the Llynfi Valley.

- 7.2. Cabinet should note that no capital works will be carried out or expenditure incurred until the external funding position has been finalised, in line with the Council's Financial Procedure Rules. .
- 7.3. The development of new library provision will release facilities at both North's Lane and within Maesteg Sports Centre. There is an opportunity to generate a capital receipt through disposal of the building at North's Lane, or alternatively, subject to business case, extend Adult Social Care provision at Cwm Calon, the adjacent site. The vacant space in the sports centre resulting from the relocation of the reference library, will provide an opportunity to the Council and Halo to create additional sport, wellbeing and fitness provision, which may improve the commercial terms of the Healthy Living Partnership. A comprehensive redevelopment of the Town Hall will also reduce the cost of reactive repairs to the building. However, there will be an ongoing loss of revenue income from the indoor market stall lettings. This loss will be offset by reduced revenue costs from the library provision and potentially the running costs of the Town Hall. Given the current status of the project, the values of any additional costs or loss of income in some departments and potential savings in others are not yet known, but will be met in the first instance by realigning budgets between departments and if necessary calling upon relevant budget reserves up to a maximum value of £100,000.

8. Recommendation

8.1. Cabinet is recommended to:

- 8.1.1 Note that the opportunity exists to secure multi-million pound investment in Maesteg Town Hall project, which would deliver transformational change in the town, and deliver substantial economic, social and cultural benefits for the Llynfi Valley;
- 8.1.2 Note the uncertainty of future EU funding brought about as a result of the UK's proposed exit from the EU, and the need, therefore, to accelerate development work on the project, in advance of a formal funding offer;
- 8.1.3 Note that the building will need to be vacated in order for works to proceed;
- 8.1.4 Note that market stall provision within the building cannot be retained within a redeveloped town hall, if a financially sustainable mixed-economy for the building is to be achieved;
- 8.1.5 Authorise officers to undertake early negotiations with tenants of premises in the market hall, and the relevant officer to serve the required legal notices to bring existing agreements to an end at such time when officers believe it is an appropriate moment to serve such notices ;
- 8.1.6 Authorise the Corporate Director Communities to pay appropriate compensation as necessary in respect of tenancies that need to be brought to an end;

- 8.1.7 Authorise officers to give priority to market hall tenants for future lettings in the outdoor market, and to offer transitional rents to take account of the differing rental levels in the indoor and outdoor markets, subject to conditions and due diligence and any legal issues being adequately addressed;
- 8.1.8 Agree that budgetary adjustments are made corporately from savings identified in paragraph 7.3 of the report, to offset for the loss of letting income as set out in paragraph 7.3 above; and
- 8.1.9 Receive further reports on the project as it progresses through to delivery.

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Background documents: None