

Former Heath Town Baths

Presentation to Economy and
Growth Scrutiny Panel

September 27th 2023

Background

The Building:

- Originally opened in 1932/33
- Grade II Listed
- The building housed a main pool, a children's pool, slipper baths and a wash house with drying facilities which served the wider community
- It is situated in old Heath Town, close to Almshouses, Holy Trinity Church with its Lych Gate and the War memorial in Heath Town Park which are also statutorily listed therefore rich in heritage value and local history
- Closed fully in 2006
- Derelict and subject to ASB including deliberate fires
- Security deterrents currently in place including CCTV Solar Tower, Anti burglar spinners and increased security patrols.



THE HEATH TOWN PUBLIC BATH, WASH-HOUSE AND LIBRARY BUILDINGS



Developer Appointment

- A procurement exercise was undertaken to select a commercial advisor and Avison Young (then GVA) were appointed to undertake a **Strategic Marketing Review** and following which a formal two stage marketing campaign was undertaken with a view to finding a **special purchaser** (as due to complexities and high costs this regeneration opportunity is not commercially attractive to mainstream investors) in light of all other avenues to find a viable scheme failing previously.
- **Five proposals for the site** were received following expressions of interest stage and two of the developers were invited to submit their final proposals for **best and final bids**.
- Following a detailed appraisal of the two short listed bids, Avison Young produced a recommendation report to satisfy s123 (Local Government Act) requirements, to accompany the Cabinet report which identified **Gaddu Associates as the preferred bidder**. Gaddu Associates have a track record of bringing buildings back into use.
- **Cabinet (Resources) Panel on 10 January 2017** approved Gaddu Associates as the Council's preferred developer and approval to enter into an Agreement for Lease, delegating authority to approve final heads of terms for a 125 year lease with an option to purchase the freehold within five years of practical completion
- Gaddu worked diligently on their scheme with advanced talks held with National Lottery Heritage officers
- Covid 19 caused the suspension of all grant programmes for almost two years

The Proposal and Key Benefits

- The scheme proposes the restoration of the building to provide a range of beneficial uses including a banqueting hall, day nursery, training and conference rooms, business start up space and multi-purpose community function rooms
- The proposals have been developed in **consultation with Historic England**, the National Lottery Heritage Fund and the local community.
- The involvement of the local communities (particularly through the **Heathfield Park Community Action Network**) has been a key feature in developing these proposals and the uses are consistent with the Heathfield Park Neighbourhood Plan.
- An agreed **Skills and Employment Plan** which has been worked up with the Council's Wolves at Work team. A procurement strategy which seeks to use local contractors and suppliers wherever possible.



Heathfield Park

Local Neighbourhood Partnership

wolverhampton.gov.uk






Developer Activity

- Gaddu Associates have actively engaged with the Project Task and Finish Group that was established in Summer 2022 where key Council Planning, Conservation, Highways, Facilities Management, Communications and City Development officers met regularly with Gaddu Associates to support and progress the project to planning application stage regaining the momentum that had been lost during the pandemic.
- Gaddu Associates presented at the Heath Park Community Fair to engage with the community on their proposals. Heath Town ward Councilors and the Mayor were in attendance.
- There was an **overwhelmingly positive** response to the proposals which are detailed in the Community Consultation Statement.
- Wolverhampton North-East Member of Parliament has received regular correspondence and project updates.
- Following pre application planning advice, extensive public / community consultation and formal submission of the planning application and listed building application the Task and Finish Group ended in October 2022.



The Planning Application

- Planning (22/01088/FUL) and listed building consent (22/01089/LBC) was considered and approved at Planning Committee on 17 January 2023.
- The grant of a long lease was conditional upon planning consent, listed buildings consent and Buyers Scheme of Works.
- Funding for the project through the National Lotteries Heritage Fund was also dependent on the above consents.
- Legal work is in process to enable the lease to be entered into with Gaddu Associates in order to implement the scheme.

Document	Summary of contents	Included in planning application
Planning and Access Statement	Provides a brief history of the site and sets out a planning context for the proposed redevelopment	
Heritage Statement	Provides an analysis of the building's key heritage features and identifies those which are of the most significance	
Transport Statement	Uses data from other similar schemes to predict traffic flows and assesses the impacts at peak times on the existing network. Also discusses the amount and arrangement of car and coach parking provided.	
Noise Impact Assessment	Models the likely noise impacts from the development and makes recommendations for mitigation where necessary	
Pre-application Community Consultation report	Describes the ways in which Gaddu Associates has proactively worked with local communities to ensure that the refurbished building meets their needs	

Lease Heads of Terms Summary

- The AfL, which was signed on 28th June 2017, contained conditions which have been fully satisfied with the grant of an implementable planning permission and Listed Buildings consent for the proposals in January 2023 .
- Gaddu Associates and the Council aim to enter into a long lease for 125 year term by Autumn 2023.
- Upon execution of this lease responsibility for the site shifts from the Council to Gaddu Associates.
- The premium is £1 with rent at peppercorn - Avison Young have provided updated advice May 2023 to confirmed this represents Market Rent and satisfies the Council's s123 Local Government Act best value considerations
- The lease cannot be fully assigned but sub-leases are allowed following the written consent of the Council
- The lease has a long stop and ultimate long stop date (5 years and 7 years respectively) which will trigger a forfeiture clause should satisfactory progress not be made within the prescribed timescales and practical completion not achieved by the ultimate long stop date.
- Gaddu Associates will have the option to purchase the freehold interest anytime within 5 years of practical completion of the refurbishment works for a purchase price of £1,000.
- There is an obligation to set up a non-decision making group to report on and monitor progress with a meeting frequency of not less than once a quarter

Next Steps



Gaddu Associates intend to fund this project through

- National Lottery Heritage Fund
- Gaddu Associates Bank Loan

The total projected cost for this project is between **£4-£5 million**.

Gaddu Associates have worked closely with officers from National Lottery on the grant application. Heritage Lottery officers have spent a day on site with both Gaddu Associates and members of the Heathfield Park Community Action Network

National Heritage Lottery have indicated that they believe the restoration of Heath Town Baths is a viable scheme and have supported Gaddu through the Expression of Interest stage.

The final decision relies on Gaddu gaining both a planning consent (which they have achieved) and a legal interest in the land (to be achieved through the signing of the lease).

National Heritage Lottery require match funding of up to 20% of the total project cost. Expenditure already incurred by Gaddu (for example, in the preparation of the planning application) cannot be used as match funding.

Activities	Indicative Dates
Planning Application Submission / Validation	21 Sept 2022 / 12 Oct 2022
Planning Application Approval	15 January 2023
External Funding Application to National Lottery Heritage Fund (NLHF).	
EOI – Application / Decision	October 2023 / December 2023
Stage 1 Development Phase Application / Decision	January 2024 / April 2024
Stage 2 Delivery Phase Application / Decision	Summer 2024 / Late 2024
Detailed Design Works Complete	Autumn 2024
Procurement of Building Works	Early 2025
Commence Building Activities	Spring 2025
Practical Completion	Summer 2027
Building Operational / In Use	Late 2027

Next Steps (continued)

The signing of the long lease to Gaddu Associates is a critical milestone in the delivery of the project as it will provide them with a legal interest in the site which will allow the following:

- a. the completion, as previously discussed, of the funding application to National Lottery Heritage Fund;
- b. the drawdown of pre-agreed private bank loans;
- c. a range of utility connections to the site, notably power and telecoms;
- d. the implementation of a series of emergency works to be funded and implemented by the developer to make the building weathertight and to allow the process of drying out to begin;
- e. Immediate occupation of the former library;
- f. transfer of all management and security responsibilities from the Council to the leaseholder

Project Programme to Completion

- Legal work is being progressed to facilitate the grant of the long lease.
- A draft of the **full lease (125 years)** was included as an appendix to the Agreement for Lease and therefore, save for some minor drafting alterations, can be agreed and signed straightaway
- The grant of a lease is fundamental as this will give Gaddu Associates a legal interest in the site to allow them to draw down pre agreed private bank loans / funding and make formal applications to the National Lottery Heritage Fund.
- Gaddu Associates will also be able to take occupation of the building, connect services including power and telecoms and control all aspects of site security.
- The Council's role going forward will be to **monitor progress against milestones** set out in the lease and others as agreed with the developer.



Heritage Consultants

Gaddu Associates – Financial Resources and Commitment to next steps

Gaddu Associates' latest accounts reflect the financial resources which have been allocated to Heath Town Baths, mainly on the planning process and application.

Once a legal interest in the site is established (through the signing of the lease) their resources will be immediately directed to the following activity:

- Making the library air and water tight
- New electricity connection
- New water connection
- New gas connection
- Electrical works – CCTV, internal and external lighting

All this will be funded by Gaddu Associates whilst the National Lottery Heritage Fund Application is being processed.

Pre-arranged and approved bank loans will be drawn down as necessary.

In the event that Lottery Funding is unsuccessful, Gaddu Associates will privately fully fund the project albeit within a longer timeframe.

“We have made finance available as and when required and will continue to do so until the project is completed “ Raj Gaddu of Gaddu Associates

Outputs & Outcomes

Heritage asset restored



Key workers childcare provision



New high-class children's day nursery



Jobs created at children's day nursery

 **32**

Business start-up space



Brownfield land brought back into use

1.2ha

Floorspace restored

2,750m² 

New floorspace created

78m² 

Creation of a community café



New banqueting suite with high-class catering facilities



Jobs created at banqueting suite

 **52**

Multi-purpose community function rooms

Training and conference rooms

Electric vehicle charging points



Wheelchair friendly & disabled parking



Minutes from New Cross Hospital

5 

Traineeship and apprenticeship offer



Construction jobs



Total jobs created

80+

Sensitive retention of trees and tree planting



Local art exhibitions and crafts fayres

