

## Wiltshire Council

### Cabinet

**27 September 2022**

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**Subject: Future High Street Fund - Trowbridge Town Hall  
Refurbishment and Asset Transfer**

**Cabinet Member: Cllr Richard Clewer, Leader of the Council and Cabinet  
Member for Climate Change, MCI, Economic Development,  
Heritage, Arts, Tourism and Health & Wellbeing; and  
Cllr Phil Alford, Cabinet Member for Housing, Strategic  
Assets and Asset Transfer**

**Key Decision: Non Key**

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#### **Executive Summary**

As part of the successful Future High Street Fund (FHSF) bid for Trowbridge, an allocation of £8.177 million was made for the refurbishment of Trowbridge Town Hall; to develop a unique cultural offer and increase footfall in the core of the town; helping to revive Trowbridge's poor evening economy.

The building has been occupied and operated by the Trowbridge Town Hall Trust Ltd. (company registration number 08142832, charity commission number 1157058) ("TTHT") since the building ceased its public sector use, most recently, as a Coroners Court.

The Council has engaged with TTHT, to scope, design and cost refurbishment (including configuration) works to the Town Hall, to be funded by the FHSF, and to allow TTHT to build a business case, and develop as an organisation, to be confident in taking over full responsibility for the building, for the long term.

During the initial scoping exercise and the recent feasibility studies, the Council has recognised TTHT as the preferred end-user of the building and the parties entered into a Memorandum of Understanding to take them through these stages of the process.

This has resulted in an agreed scheme for the refurbishment works, with initial designs/cost forecasts, commissioned by Wiltshire Council and a business case being brought forward by TTHT.

This has highlighted that a further sum of £540,000 is required to bring forward a viable scheme. It is proposed that this amount is reallocated from within the FHSF funding, with approval from Department for Levelling Up, Housing and Communities, as the funding body.

In addition, work has been undertaken to give the Council confidence in the business case presented by TTHT, and to understand the current fitness of TTHT

to be able to develop to the point, at completion of the proposed works, of being able to take over the obligation for the long-term running of the building, via a long lease.

This report now seeks confirmation from Cabinet that TTHT will be the end-user of the building, by way of a grant of an asset transfer, through a long lease, on a full repairing and insuring basis; subject to TTHT meeting the necessary criteria, as set out within the report.

## **Proposals**

That Cabinet:

- Notes the outcome of the scoping exercises and feasibility studies which have led to the outline designs and forecast costs for the refurbishment and reconfiguration of Trowbridge Town Hall and, subject to a deliverable scheme being achieved within the funding available from FHSF;
- Confirms Trowbridge Town Hall Trust Ltd. (company registration number 08142832 and charity registration number 1157058) (“TTHT”) as the end-user and operator of Trowbridge Town Hall, once refurbishment has been completed, subject to ongoing due diligence.
- Confirms that upon completion of the refurbishment, Trowbridge Town Hall should be let to TTHT on the basis of a 125 year lease.
- Delegates authority to the Director of Assets and Commercial Development (in consultation with Solicitor to the Council) to authorise the entering into a collaboration agreement and agreement for lease, and the grant the long lease, pursuant to the agreement for lease.

## **Reason for Proposals**

Trowbridge Town Hall (“the Town Hall”) is in urgent need of modernisation and repair to enable a sustainable legacy and maximise use of all the available spaces within.

Significant refurbishment is required in the short term to prevent the Town Hall from becoming completely unusable, within the next 5-10 years, which would lead to further disintegration of not only this extremely valuable community asset, but of the high street upon which it prominently sits.

Once refurbished, the Town Hall would have greater capacity to organise events and provide a varied offer for community events, live music, arts festivals, meetings, cinema, theatre, youth clubs, business support, workspace, training and education, whilst ensuring use of the building remains financially sustainable.

Modernising the Town Hall will reduce the on-going revenue and maintenance costs and ensure its long-term sustainability.

TTHT, as existing occupiers and operators of the Town Hall are seen as the best fit for facilitating the future sustainable use of the Town Hall.

TTHT will be subject to full challenge throughout the period leading up to the grant of lease to ensure it continues to be a fit organisation to take over the use and maintenance of the Town Hall as a community asset.

A long lease is seen as the best method of achieving the outcomes outlined for the Town Hall.

**Terence Herbert**  
**Chief Executive**

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### **Purpose of Report**

1. To:
  - a. update Cabinet on the progress of a scheme of works to refurbish Trowbridge Town Hall, with funding allocated from the Future High Street Fund for Trowbridge;
  - b. confirm Trowbridge Town Hall Trust Ltd (company registration number 08142832 and charity registration number 1157058) ("TTHT") as the preferred end user and operator of the Town Hall, under a 125-year lease, subject to the business case presented by the TTHT, which will be further subject to development, challenge and audit as the scheme and designs are finalised.

### **Relevance to the Council's Business Plan**

2. Community wellbeing (Localisation) – the scheme will encourage Strong community leadership, devolution of services and assets to a community group, facilitating its growth and providing a wider range of facilities and leisure in the town.
3. Delivering together – the scheme will be collaboration with the community to provide a new delivery model for the town hall.

### **Background**

4. On 3 June 2021 the Ministry of Housing, Communities & Local Government (the "MHCLG") awarded a grant of £16,347,000 under the Future High Streets Fund (the "FHSF") to Wiltshire Council for the improvement of the city of Trowbridge. The aim of the FHSF is to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability. It will do this by providing co-funding to successful applicants to support transformative and structural changes to overcome challenges in their area.

5. The grant allocation to the Council includes funding for improvements under three themes:
  - Better movement and legibility at the town centre gateways;
  - Transform heritage to a culture and leisure offer; and
  - Resilient and diverse high street.
  
6. Wiltshire Council and TTHT have agreed to work together to deliver a project with the objective to restore aspects of Trowbridge Town Hall to enable full use of the building for community events, live music, arts festivals, meetings, weddings, cinema, theatre, youth clubs, business support, workspace, training and education objectives. The total grant allocation for this project was set at £8.177 million. Initial feasibility and viability works have highlighted that a further sum of £540,000 is required to bring forward a viable scheme. It is proposed that this amount is reallocated from within the FHSF funding, with approval from Department for Levelling Up, Housing and Communities, as the funding body.

### **Main Considerations for the Council**

7. The project aims to refurbish of the Town Hall, allowing for additional space for events and community activities, and will include:
  - Essential repairs to the external fabric of the building. Make good the external envelope of the building, including restoring stonework and the roof;
  - Modernisation of the building's mechanical & electrical systems, making them more efficient and cheaper to run;
  - Within the project budget envelope, seek good practice solutions for environmental design;
  - Implementing accessible movement into the building's upper floors, enabling additional capacity to host large concerts and events in the building's great hall;
  - Unpick some alterations made to the building, including returning as much of the Great Hall within as is cost-effective (in a prioritised order);
  - Celebrate the intrinsic heritage qualities of the building, notably the stained glass and Great Hall;
  - Improve access and connectivity to and within the building, including:
    - direct access to the Sensory Garden
    - a shared point of access for wheelchair and non-wheelchair users; and
    - Good practice to create user-friendly access within the building (equal experience for visitors);
  - Communicate a welcoming message with the building including prominent and sympathetic external signage – subject to budget and all necessary consents; and
  - Facilitate flexibility and latitude for diverse building functions in future.
  
8. At the close of the initial scoping exercise (Strategic Stage) the Council entered into a Memorandum of Understanding with the TTHT to govern the relationship between the parties through the Options and Feasibility Study (Project Stage 1). This stage of the process was designed to establish the potential to refurbish and reconfigure the building, within the allocated budget and in a way that allows TTHT to be able to build a business case, to take forward the running of the building on a

sustainable basis. The agreed end state for both parties is the asset transfer of the building, to TTHT, on a 125-year lease and headline terms have been agreed to inform the process. These are set out at Appendix 1.

9. The outcome of the Options and Feasibility Study (Project Stage 1) has been a refurbishment, including reconfiguration, of the building, that strikes the best agreed balance between costs and outcomes. A summary of the exercise is attached at Appendix 2. This has highlighted that a further sum of £540,000 is required to bring forward a viable scheme. It is proposed that this amount is reallocated from within the FHSF funding, with approval from Department for Levelling Up, Housing and Communities, as the funding body. Cabinet are receiving a report on wider aspects of FHSF, which seeks to give officers delegations to allocate funds within the wider scheme and the recommendations within this report are predicated on sufficient funds being available to deliver a sustainable refurbishment and reconfiguration of the building.
10. In tandem with the design work, TTHT has been able to develop their business case, based on the spaces that the refurbishment and reconfiguration will create. In this respect, they have commissioned Real Ideas Organisation (RiO) a Community Interest Company, and established consultant, with appropriate credentials, to assist them and allow the Council to apply high levels of confidence to their findings.
11. Also, the Council has commissioned Lemon Gazelle, an established and recognised consultant with a strong track-record in the area, to audit and support, as necessary, the business case of TTHT and provide the Council with a level of confidence in the current state and robustness, in terms of future development of TTHT as an organisation, fit to be able to take the building over, without ongoing revenue support from the Council for its maintenance.
12. A summary of the initial assessment of TTHT's business case and organisational strength is set out at Appendix 3..
13. The wider FHSF has been subject to extensive engagement. A 2 week period of public engagement on the Trowbridge High Street process conducted in late January and into February 2022. This provided an opportunity for stakeholders and residents to learn more about the overall programme aims and objectives as well as the initial concepts for each of the projects. The engagement was an early opportunity to ask questions and seek feedback to help shape the future delivery of the proposed programme of investment for Trowbridge.
14. This engagement comprised:
  - Stakeholder engagement session (elected members, key organisations in Trowbridge/regional, key landowners) – 27 January 6-7.30pm;
  - Public engagement session – 31 January 6-7.30pm; and
  - Online survey and presentation + hard copies survey + presentation – 27 till the 11 February.
15. By the engagement period close date of 11 February, 415 valid responses had been received to the survey: 348 online, 58 on paper, and 9 by email. 308 of those said they were residents.

16. In addition, the following engagement activities took place last year:
- Trowbridge Stakeholder meeting – 19 November 2021;
  - Area Board meeting – 22 Nov 2021; and
  - Town Council meeting - 25 January 2022.
17. In order to progress to the more detailed design and costing stage (Project Stage 2), it is now considered appropriate to further formalise the relationship between TTHT and the Council. And it is suggested that this should be on the basis a Collaboration Agreement between the parties, which will set out the steps to be taken to progress the project to the letting of the building contract and, thereafter, the grant of a long lease to TTHT
18. Once the detailed design work has taken place, there will be a need to further test the business case and robustness of TTHT as an organisation, with the expectation that they will have improved and developed the robustness of their business case throughout Project Stage 2. The Council will continue to engage Lemon Gazelle to provide an audit in these regards. No building contract will be tendered, or let, if the due diligence requirements are not met.

### **Overview and Scrutiny Engagement**

19. Whilst there has been wider consultation as set out above, no overview and scrutiny engagement has taken place in respect of these proposals.

### **Safeguarding Implications**

20. There are no direct safeguarding implications with this proposal

### **Public Health Implications**

21. There are no direct safeguarding implications with this proposal

### **Procurement Implications**

22. Lemon Gazelle have been procured in line with the relevant procurement rules and will continue to challenge the business case and organisational development of TTHT to the point of the grant of an Agreement for Lease.

### **Equalities Impact of the Proposal**

23. There are no direct Equalities implications with this proposal

### **Environmental and Climate Change Considerations**

24. The Council is seeking to lead by example in the refurbishment of the Town Hal, to modernise of the building's MEP systems, making them more efficient and cheaper to run. This will include improvements to thermal efficiency and will include Electric-only solutions, and learning from refurbishing this listed building to a high environmental standard

25. Within the project budget envelope seek good practice solutions for environmental design – Whilst no formal BREEAM / other sustainability target is set within the project, there are currently in-built sustainability measures fixed within the design, such as:
- Introduction of roof insulation;
  - Air-Source Heat Pumps;
  - Secondary glazing (in specific areas); and
  - There will be no gas supply / usage within the building

**Risks that may arise if the proposed decision and related work is not taken**

26. Significant refurbishment is required in the short term to prevent the Town Hall from becoming completely unusable within the next 5-10 years, which would lead to further disintegration of not only this community asset, and a loss to the High Street upon which it prominently sits.
27. Work has been undertaken to understand alternative outcomes for the building were the present proposal to not be taken forward. It did not highlight any viable alternatives for the building. Alternative community operators are unlikely to be as well placed as TTHT to bring forward the community use of the building
28. The Council's current and ongoing revenue and capital interventions (such as the current works to prevent further water ingress and falling external masonry), to keep the building habitable for its present use, would continue and potentially worsen. The current proposal is seen as the best way of insuring that the building has a sustainable future in its own right.

**Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

29. *The refurbishment cannot be undertaken within the allocated budget.* The scheme budget includes appropriate contingencies. As the scheme develops it will be subject to ongoing cost monitoring and the process of value engineering will continue, to ensure that the budget envelope is not exceeded. Match funding may be sought by TTHT, to bring forward elements that are unachievable within the main scheme budget or have to be lost through value engineering.
30. *The business case of TTHT is not proven.* The use of external consultants with the relevant specialist knowledge and experience by both TTHT and Council will provide good levels of confidence of delivery in this area. This will be an iterative process and the final decisions, to let the construction contract and enter into an Agreement for Lease and Lease, will be subject to both parties being satisfied on this aspect. Areas for further development in the business case and business structures of TTHT will be captured in the proposed Collaboration Agreement.
31. *Medium term business failure.* TTHT is a voluntary organisation and is committing to taking over a substantial community asset. The work of Lemon Gazelle will give the Council a level of confidence that TTHT has the credentials to develop as an organisation and be able to run the building on a sustainable long-term basis, with a workable business plan. But, with the nature of the group, a risk will remain that business failure may occur in the future. The refurbishment and reconfiguration



works to be undertaken will give TTHT the best chance of succeeding and, in any event, will improve the potential for alternative uses, or operators, to be found in the future.

### **Financial Implications**

32. Progress on the refurbishment and reconfiguration scheme requires commitment of further monies from the Future High Street Fund allocation of £540,000 to bring forward a viable scheme. It is proposed that this amount is reallocated from within the FHSF funding with approval from Department for Levelling Up, Housing and Communities as the funding body. The Council is not committing funding to this project from its own resources, but the expenditure of public funds should be subject to due diligence and risk analysis.
33. To proceed through the detail design stage (Project Stage 2), it is estimated that £400,000 external expenditure will be committed, over a nine-month period. Due diligence undertaken to date, in respect of TTHT's business case and organisational systems and structure, indicate that it is appropriate to progress to the next stage. A further level of due diligence will be undertaken prior to the letting of the construction contract and the entering into of Agreement for Lease which will commit the parties to the grant of lease.
34. The proposal is that the lease will be granted at nil premium and on the basis of a peppercorn rent. Local authorities are given powers, under the Section 123 of the Local Government Act 1972, to dispose of land in any manner they wish. The only constraint is that a disposal must be for the best consideration reasonably obtainable, unless the Secretary of State consents to the disposal.
35. However, the Local Government Act 1972: General Disposal Consent (England) 2003, gives consent to a disposal of land at less than market value, if the land to be disposed is likely to contribute to the achievement of any one or more of the following objects, in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
  - i) the promotion or improvement of economic well-being;
  - ii) the promotion or improvement of social well-being; and
  - iii) the promotion or improvement of environmental well-being;so long as the difference between the unrestricted value of the land to be disposed of and the actual consideration received does not exceed £2 million.
36. Because the Council is seeking to protect the assets for use in line with their existing community purposes it is legitimate to impose voluntary restrictions on the properties, as a condition of transfer.
37. The Cabinet, therefore, need to be satisfied that:
  - they wish to continue to support the use of the property for similar uses to now, via TTHT, so that it can continue to be part of a pattern of service and community provision; rather than a new speculative source of increased capital value;

- the community outcomes being offered by the individual groups is likely to be equal to the rent or premium forgone. In this case the current Asset Value assigned to this property is £678,065.
38. The Council currently bears the bulk of the revenue burden for this property over the last four years, this has averaged c. £45,000 per annum.

### **Legal Implications**

39. The parties will enter into a Collaboration Agreement to govern relationships and responsibilities over the period of detailed design.
40. Wiltshire Council's Legal Service will draft robust legal documentation for this matter. Legal Services will be consulted to review the final documentation before execution.
41. Entering into any legal documentation for this matter should be in accordance with the Council's requirements as set out in Part 10 of the Council's Constitution and the Council's Strategic Procurement Hub Manual ("SPH Manual").
42. Cabinet should delegate authority to the Director of Assets and Commercial Development (in consultation with the Solicitor to the Council) to enter into the Collaboration Agreement, Agreement for Lease, and the grant of the lease and any other relevant legal documentation.
43. Headline terms have been agreed between TTHT and the Council for the grant of a long lease. The Council and TTHT will enter into an Agreement for Lease which will set out, in detailed terms, matters such as the specification of the base building, works and funding to be provided by TTHT, and which will oblige TTHT to take a lease of the Town Hall following completion of the refurbishment.
44. The Council is generally required to obtain best consideration in its property transactions – Section 123 of the Local Government Act 1972. The proposed transaction is likely to be at less than best consideration. See Financial Considerations above.

### **Workforce Implications**

45. There are no direct workforce implications with this proposal

### **Options Considered**

46. A number of alternative uses for the Town Hall have been explored including:
- *Another operator to run the building for community purposes.* This was dismissed as alternative operators are unlikely to be as well placed as TTHT to take over the building;
  - *Residential conversion* – the building was considered difficult to convert giving a low number of flats, in an untested market and with substantial costs relating to the listed status of the building and its current state of repair; and

- *Commercial redevelopment* – The building is difficult to re-purpose for commercial uses. Commercial rents in the town would not support the costs of conversion, especially given its listed status. There is no identified market for commercial uses in the town.
47. *Do nothing.* This is not seen as a sustainable or viable option for the reasons set out in the risk section above at Paragraphs 26-28. It would be likely to result in the loss of the Future High Street Funding.
48. *Delay the decision until the end of the detailed design stage (Project Stage 2, which ends c. February 2023).* It is seen as appropriate to approve the principles set out in this report at this time. Confirming TTHT as the end-user/operator of the building will allow TTHT to fully explore fund-raising opportunities and allow both parties to progress the scheme on the basis of a known outcome and prevent abortive work on alternative outcomes.
49. *Grant an overriding lease or other transfer of the whole premises to the Town Council or another organisation* with the relevant status, to provide support to the Town Hall Trust and underwrite their business case and ensure its robustness. The ongoing review and audit of TTHT's business case is positive at this stage of the process. As the project moves forward, it may be that areas of support are highlighted that mean that the benefits of this kind of arrangement mean that it should be explored, to ensure the opportunity to create a sustainable future for the Town Hall is given the best chance to succeed.

## **Conclusions**

50. The conclusions reached, having taken all of the above into account are:
- The outcome of the scoping exercises and feasibility studies which have led to the outline designs for the refurbishment of Trowbridge Town Hall should be noted;
  - Trowbridge Town Hall Trust (company registration number 08142832, charity commission number 1157058) is to be confirmed as the preferred end-user and operator of Trowbridge Town Hall, once refurbishment and configuration has been undertaken, subject to ongoing due diligence;
  - Upon completion of the refurbishment, the asset should be transferred to TTHT on the basis of a 125 year lease; and
  - Further due diligence to be undertaken during Project Stages 2 and prior to the letting of a construction contract - to satisfy the Council that TTHT continues to be fit to take on the responsibilities for the Town Hall, on a sustainable basis to allow for the lease to be granted and this decision should be delegated to Director of Assets and Commercial Development.

**Simon Hendey (Director of Housing and Commercial Development)**

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## **Appendices**

Appendix 1 – Draft Lease Terms

Appendix 2 – Outcome of the Options and Feasibility Study (Project Stage 1)

Appendix 3 – TTHT Organisational Evaluation Framework

## **Background Papers**

None