PURPOSE OF REPORT

To update Members on the progress of the Victoria Baths development plans, in context of the Phase I restoration of the Turkish Baths situated in the front block of Victoria Baths. To seek approval to the appointment of a preferred developer for the Victoria Baths site (Phase II) in order to develop proposals for a long-term sustainable use for the entire Victoria Baths site.

RECOMMENDATIONS

The Committee is recommended to:

- Note the progress being made in taking forward Phase I of the development of Victoria Baths, the restoration of the Turkish Baths and front block;

- Note the role the Victoria Baths Trust are continuing to play in maintaining public access to the Baths through an education programme and open days;

- That the Executive notes the outcome of the evaluation and the approves the appointment of Artisan Ship Canal Developments Ltd as preferred development partner.

- That the Head of Valuation and Property Services, following consultation with The Executive Member for Finance and Human Resources be authorised to conclude a Collaboration Agreement with Artisan Ship Canal Developments Ltd including appropriate milestones to ensure that key delivery targets are met including a business plan with detailed cost appraisal and confirmation of funding.

- That the Executive approves, in principle, the disposal of the site subject to the requirement to implement the restoration of the Turkish Baths within the overall project to ensure a viable project that will contribute towards enhancing and protecting the city’s heritage.
That Officers report back following the Collaboration Agreement period on the final development proposals prior to the submission of any planning application and the completion of a development agreement.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

None.

FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET

None for Phase II. Contribution of £85k for Phase I as partnership funding towards overall project value of £4m.

CONTACT OFFICERS

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BACKGROUND DOCUMENT

Victoria Baths Development Brief
Victoria Baths Marketing Brief/Brochure

WARDS AFFECTED

Ardwick
Longsight
Rusholme

IMPLICATIONS FOR

Anti-Poverty YES
Equal Opportunities YES
Environment YES
Employment YES
1.0 BACKGROUND

1.1 Victoria Baths is one of the most significant landmark listed buildings in the City Council’s ownership. Since ceasing operation as a pool and leisure complex in March 1993, access to the Baths has been restricted and the building protected, pending the identification of a long-term sustainable use. As such the Baths are now recognised as a national landmark restoration priority.

1.2 Members will recall that Manchester City Council and the Victoria Baths Steering Group, which includes representatives of the Victoria Baths Trust, Heritage Lottery Fund, English Heritage and the Restoration fund, were responsible for developing the £3m Heritage Lottery application initiated after the Baths won the BBC2 Restoration programme in September 2003. The proposed work is for an enveloping scheme focusing on the external fabric of the Turkish Baths contained within the front block of the Victoria Baths, Phase I, which will be undertaken by the City Council.

1.3 The Heritage Lottery Fund agreed the Stage 2 application for Restoration Phase I. This was awarded in late 2005, on the understanding that the Steering Group continued to explore a long-term viable use for the entire site. The Steering Group identified a number of best options highlighted within the option appraisal, including a mixed-use scheme for a residential development.

1.4 During the above process, United Utilities approached the Council in late 2004 to discuss a number of sites including their landholding at Bax Road (adjacent to Victoria Baths), stating that it was likely to become surplus to their operational requirements. This presented an opportunity to discuss the potential for a joint partnership relating to the realisation of value from the site and the provision of benefit to the restoration proposal. United Utilities, the City with the Steering Group agreed to bring both sites to the market. United Utilities are in the process of selecting a development partner for their holdings.

1.5 This report updates Members on the development of Phase I front block restoration and progress in appointing a preferred developer for the overall Victoria Baths site.

2.0 PROGRESS TO DATE

Phase I: Restoration of the Turkish Baths

2.1 The overall cost of Phase 1 is £4m and the Council has secured funding agreements with English Heritage and HLF, with allocations of £3.0M and £450K respectively. The Council’s contribution to the match funding is anticipated to be approximately £85k. This is currently within the Capital Programme at Gateway 5. The Design work for Phase 1 of the restoration of Victoria Baths has been completed recently.
2.2 Following a successful public consultation exercise organised by United Utilities, outline planning permission was granted on 22 December 2005 to change the use of the surrounding land at Bax Road/Hathersage Road, adjacent to Victoria Baths, to residential accommodating 198 apartments. As part of this agreement, the Council is negotiating a licence agreement with United Utilities-Property Solutions or the subsequent purchaser of their land holding on Hathersage Road, to enable them to provide 17 car parking spaces required as part of a Section 106 agreement.

2.3 Restoration Phase I is due to commence on site later this month. Phase I work will entail full permanent repairs to the external fabric of the front block, which include the roof timbers, terracotta brickwork and the clock tower. The roof will be re-slated and the gutters and drains replaced. Restoration to the stained glass windows is also included, as well as extensive re-pointing of the brickwork.

**Phase II Developer Selection**

2.4 As part of the Victoria Baths planning studies, an option appraisal commissioned in May 2004 identified possible usage for the site. Three uses were explored by the Steering Group; a community health facility, a mixed-use residential development, with or without a health facility and artistic/cultural/creative use. The strongest option emerged as the residential combined with health/spa facility.

2.5 As agreed with the Victoria Baths Steering Group, a two stage tender process to procure a developer for the site commenced in August 2006 when Development and Marketing Briefs were released to the market.

2.6 A Technical Review team comprising of MCC officers reviewed the initial expressions of interest in October and submitted a report including a shortlist to the Project Steering Group, chaired by the Deputy Chief Executive. The short listed companies were requested to submit additional information, which was reviewed by a panel consisting of Heritage Lottery Fund, English Heritage and the Victoria Baths Trust. This culminated in three potential developers who subsequently presented their company’s proposals to the Steering Group in December 2006.

2.7 The selection of the City Council’s development partner is dealt with in a separate report in Part B of this agenda.

3.0 **PUBLIC ACCESS TO THE BATHS**

3.1 During the Phase I development of Victoria Baths, the work of the Victoria Baths Trust in engaging with local residents and the wider
community by organizing a programme of events and fundraising activities on behalf of the City Council will continue.

3.2 Activities planned for 2006/07 include:

- Production of Schools pack with invitation to visit and examples of activities that can be undertaken at Victoria Baths (early 2007)
- Provision of hands on craft workshops and demonstrations at Open Days during 2007, to promote understanding of the restoration work being undertaken during Restoration Phase 1 and to enhance the visitor experience
- Events for volunteers to deepen understanding of Restoration Phase 1 and meetings with the contractors and sub-contractors.