

<b>Report of:</b>	Executive Member for Regeneration Director of Regeneration and Culture
-------------------	---

<b>Submitted to:</b>	Executive
----------------------	-----------

<b>Date:</b>	12 July 2022
--------------	--------------

<b>Title:</b>	Restoration of the Old Town Hall
---------------	----------------------------------

<b>Report for:</b>	Decision
--------------------	----------

<b>Status:</b>	Public
----------------	--------

<b>Strategic priority:</b>	Physical environment
----------------------------	----------------------

<b>Key decision:</b>	No
----------------------	----

<b>Why:</b>	Choose an item.
-------------	-----------------

<b>Urgent:</b>	No
----------------	----

<b>Why:</b>	
-------------	--

### **Executive summary**

This report sets out the approach to the restoration of the Old Town Hall (OTH), seeking approval to submit an Expression of Interest (EoI). This will be additional to Town's Fund allocation, which has been received for the restoration and development of the OTH.

The Town's Fund investment will enable an element of restoration, but it will only ensure that the building is structurally safe and water tight. The current condition of disrepair is such that without additional funding from the HLF or alternative sources, the Council will be unable to fully redevelop the asset and bring it back in to use for economic and community benefit.

In order to fulfil the objectives of strategic priority (TOC 04) it is imperative that Middlesbrough Council submits an EoI to the HLF to secure funding to fully develop the asset. Without permission to bid for funding, or in the instance of an unsuccessful bid, the OTH will be made structurally sound using the current allocation of Town's Fund money but the building will not be brought back in to an operational use. The longer the building remains without a commercial use the more it is at risk of future deterioration.

## **Purpose**

1. To seek approval to submit an Expression of Interest (EOI) to the Heritage Lottery Fund to secure funding to support the regeneration of the OTH.

## **Background and relevant information**

2. The Grade II Listed OTH, together with the market place and clock tower was designed by WL Moffat in 1846, and was developed as the centre piece of the new and developing Middlesbrough. It plays a significant role in the story of the heritage of Middlesbrough.
3. The OTH accommodated a Police Station on the ground floor, and a large public meeting hall with gallery on the first floor for the civic and municipal functions of a rapidly growing "Infant Hercules". The Market House, adjoining the OTH, was central to the Market Place with a Meat Market and a Fruit & Vegetable Market building situated either side.
4. Due to the rapid expansion of Middlesbrough as an industrial powerhouse, the Civic functions of the OTH were replaced in 1889 with the opening of the existing Town Hall and Municipal Buildings.
5. Since then the OTH has housed a variety of functions including: Market Hall, Police Station, Library, Community Council function and a Community Centre. The market in St Hilda's ceased in 1959 and the remaining uses ceased in 1999. Since then the building has stood empty.
6. As the OTH has stood empty for over 20 years, its condition has deteriorated with noticeable issues to both the fabric and the structure. Internally there are significant repairs required, it is now in such a state of disrepair that urgent action is required.

## **Wider Development**

7. There is significant redevelopment occurring in the immediate vicinity of the OTH, which is transforming the area:
  - Bohouse North - 40 high quality apartments - complete;
  - Boho 8 - 10,000 sqft of commercial office space - complete and fully let;
  - Captain Cook Pub refurbishment - complete to be marketed for commercial use;
  - Bright Ideas - 61 residential units - due for completion October 22;
  - Boho X - 60,000 sqft office space and public realm - due for completion December 2022;
  - New secondary school - due to be open in September 24;
  - £7.9m Brownfield Housing Fund awarded to deliver the infrastructure for over 500 further residential units - infrastructure works have commenced;
  - Opportunity for over 300,000 sqft of additional office space to support the rapidly expanding Digital sector.
8. The OTH sits at the highest point within the site and should be the focal point of the new community, however in its current condition it presents a detrimental impact upon the overall aesthetic of the area.

## **Current Proposal**

9. Acknowledging the OTH's prominence and urgent need for action, The Town's Fund Board have approved a sum of £1.3m to complete structural repairs to this historic

building, preventing its irrecoverable loss and ensuring that the building is safeguarded for future generations.

10. Initial surveys and indicative building designs indicate that a greater sum of money will be required to bring the building back into a full operational use.
11. It is proposed that Middlesbrough Council submit an EOI for £2.5m, and if successful full stage 1 and stage 2 applications, to the HLF to secure sufficient funding to bring the OTH back to an operational use.
12. In the event of a successful EOI full stage 1 and 2 applications would be made and a report brought back to Executive for approval of any grant offer made by the HLF.
13. Failure to secure additional funding would mean that the available Towns Fund budget would be used in its entirety to facilitate the structural repairs needed and cease further deterioration. Without additional funding from the HLF there would be the requirement for significant additional investment to bring the building back in to an operational use, inhibiting the potential uses or companies/organisations occupying space within the building.
14. The Council will make the building structurally sound through Town's Fund investment, but if the building remains empty for a long period of time it could potentially become a maintenance liability to the Council or be at risk of falling back in to disrepair.
15. It is proposed that repair works, using Towns Fund money, do not commence until the outcome of an EOI to the HLF is known.
16. The HLF require a sum of match funding to support any application. A successful funding bid, supported by match funding allocated from the Towns Fund, would ensure that the structural integrity of the OTH is secured and the building is brought back into use.
17. In the event of an unsuccessful EOI the Council will progress in earnest with the structural and remediation works identified within the original Town's Fund allocation.

### **Potential Future Development**

18. There is currently real momentum within the creative and digital sectors in Middlesbrough. The Cultural Partnership is a collective of arts, heritage and cultural organisation with a mission to make Middlesbrough the most creative town in the UK and has recently been successful in obtaining over £4m from the Arts Council to develop the sector in Middlesbrough.
19. The creative sector is expanding with new arts and creative organisations setting up in Middlesbrough providing workspace and studios attracting artists from all over the country, supporting the growth of the sector, which adds real value to the place making of a town.
20. To allow the sector to develop further, there is demand and a real need for further space to allow artists and cultural and heritage organisations to create, showcase and sell their work, as well as to provide opportunities for people to engage in creativity and heritage and develop their own skills.
21. The digital sector is also rapidly expanding, Boho 1 and Boho 5 are currently fully let and through the development of Boho 8 and Boho X an additional 70,000 sqft has been

provided to assist in meeting this demand for expanding companies. The success of 16-20 Albert Road has also assisted in allowing digital companies to expand.

22. To allow the sector to continue to grow and flourish a successful pipeline must be supported. There has been a growth in start-up companies from Teesside University and their Launch Pad building is at capacity meaning there is a requirement for further start up/incubation space within the sector.
23. It is proposed that the OTH be redeveloped to support the creative and digital sectors through providing incubation and workshop space to allow both start-ups and existing organisations and individuals to develop their business and creative practice in a supportive environment with the right facilities.
24. This would see the renovation of the main building into flexible spaces with associated facilities that could be utilised by creative and digital companies and foster collaboration and networking to allow development and growth. The Clock Tower would be restored and repaired to full working order and the 1970's extension be demolished and replaced with a modern fit for purpose extension that would replicate the original footprint of the market hall. The extension would provide additional space that could be utilised for creative companies to use as workshops and potentially exhibit/sell their work to the public with cafe facilities providing an offer that transcends the day and night time economy. The development would bring approximately 7,000 sqft of additional space.
25. There would be further opportunities for creative businesses to animate the space through the delivery of events and workshops, as well as reintroducing small scale outdoor markets to the area as part of the works to the public realm, which would provide additional animation to the space and provide further opportunities for community engagement.
26. With additional funding from the HLF this heritage asset would not only be made structurally sound but present viable economic and employment opportunities as well as engagement for visitors. Bringing the OTH back to life will further support the physical and cultural regeneration of the area.
27. An indicative building layout and high level costs have been produced. Prior to submitting an EOI it is proposed that a proportion of Town's Fund be used to develop the feasibility further and develop a business case.
28. Should the EOI be successful the HLF will fund a high proportion of the costs to develop the design of the OTH to facilitate the proposed use.
29. Should the EOI be unsuccessful the Council will progress with the structural and remediation works identified within the original Town's Fund allocation, ensuring the building is structurally sound.
30. The OTH is located within the Central Ward and Councillors have been notified of the intent to request permission to submit and EOI, to further bolster the investment that the Town's Fund presents.

### **What decision(s) are being recommended?**

That the Executive:

- Approves the submission of an Expression of Interest to the HLF to support the restoration and redevelopment of the Old Town Hall.

### **Rationale for the recommended decision(s)**

31. The needs of the OTH and the desire to bring the building back into use outstrip the funding available from the Towns Fund.
32. Uniquely the Towns Fund sum provides Middlesbrough Council with the availability of a significant match funding contribution, as required by the HLF. Should the opportunity to utilise this match funding now be missed then further development work required to bring the OTH back in to use in line with the strategic priority (TOC 04) would need to be sought from the capital pot.
33. As paragraph 16, should the EOI be unsuccessful the Council will progress at once with works to ensure the building is structurally sound, utilising the available Towns Fund budget.

### **Other potential decision(s) and why these have not been recommended**

34. Option 1 - Do nothing – the OTH's condition will continue to deteriorate and place the buildings future at risk, this would be detrimental to the wider development ambitions of the Boho/Middlehaven area.
35. Option 2 – Progress immediately with the structural and remedial works identified as part of the Towns Fund allocation. This will safeguard the building and ensure it is structurally safe. The building could then be marketed to potential tenants, however, the works will not be sufficient to bring the building back in to an operational use and there would be the requirement for a significant capital investment from any potential tenant.

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

36. Submission of an EOI to the HLF does not present any known legal implications to Middlesbrough Council.

#### ***Strategic priorities and risks***

37. The restoration of the OTH is a strategic priority (TOC 04), with the need to secure HLF monies a key objective.
38. Failure to seek additional funding from the HLF would present an ongoing financial and reputational risk to the Council and result in a lack of income generating activity and wider economic benefit.

#### ***Human Rights, Equality and Data Protection***

39. There will be no detrimental impact upon human rights, equality and data protection, any redevelopment will ensure that it is inclusive to all groups.

#### ***Financial***

40. Submission of an EOI to the HLF would present no financial risk to the Council.
41. A report would be brought to Executive for approval with project design and acceptance of any award of funding, with any ongoing revenue implications fully detailed.
42. Without approval to submit an EOI or receipt of monies from a successful bid to the HLF the Town's Fund will only be able to cover the cost of the remedial works. However, the

asset would not be fit for use and the asset would remain an ongoing liability, at risk of further disrepair or vandalism.

### **Actions to be taken to implement the recommended decision(s)**

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Expression of Interest to be submitted to the HLF	Claire Bell	Sept 22
If successful, develop and submit Stage 1 application to HLF	Claire Bell	May 23
If successful, develop and submit Stage 2 application to HLF	Claire Bell	Dec 23
Report to Executive to update on the design and use of the OTH and seek approval to accept the funding	Claire Bell	Feb 24

### **Background papers**

<b>Body</b>	<b>Report title</b>	<b>Date</b>
Executive	<b>Towns Fund and Future High Streets Fund</b>	27 <sup>th</sup> May 2021

**Contact:** Michael Canavan – Capital Projects Team Manager  
**Email:** [michael.canavan@middlesbrough.gov.uk](mailto:michael.canavan@middlesbrough.gov.uk)