

## **Jacob's Wells Baths**

Jacob's Wells Road, Bristol BS8 1DX

### **Proposed Community Asset Transfer (CAT)**

#### Current provision:

Jacob's Wells Baths (Jacob's Wells Road, BS8 1DX) is a large Victorian property, Grade 2 listed, listed as an Asset of Community Value (24 May 2016) and fallen into significant disrepair.

This former municipal swimming pool building was opened in 1889 as the Hotwells Public Baths. It provided hot baths and a swimming pool in what was then a very deprived part of Bristol. The baths closed in the late 1970s and the building was listed Grade II by English Heritage.

The building consist of a central swimming pool, with a lantern roof, side blocks, a boiler house, water storage tanks and a tall chimney. The water for the pool initially came from Jacob's Well on Brandon Hill.

After it ceased to be a public swimming pool, the building was converted in 1979/80 into a community-managed dance centre. The Bristol Community Dance Centre leased the property from the Council until 2016.

Since then, the building has been temporarily managed and occupied by Artspace Lifespace for dance, music, art and community activities.

Neither the lease with the Dance Centre nor the lease with Artspace Lifespace have generated any rental income for the Council.

The asset has a current 'book value' of £57,000. This is based on achieving an open market rental of £8,600 per annum (approx £22 per square meter) on the assumption that the building is let in its current condition and remains in its current use. The valuer estimated £400k to £500k of backlog repairs would be required.

The current rateable value is £10,750.

#### Options considered and process followed:

During 2016, the Central, Clifton and Harbourside Neighbourhood Partnership considered the potential of the Baths property and identified the need for better facilities to serve the local community.

The NP commissioned Vivid Regeneration, who carried out detailed stakeholder consultation in Autumn 2016 and produced a feasibility study in January 2017.

Following a public meeting in February 2017 and a subsequent workshop open to all interested parties, the property has been offered for Community Asset Transfer to third sector organisations and a two stage selection process has been completed.

A CAT Selection Panel consisting of the following members was set up: Suzanne Rolt, Chief Exec Saint Georges Brandon Hill; Peter Insole, BCC Historic Buildings Officer; Steve Matthews, BCC Property Services Asset Delivery Manager; Arilda Tymko, BCC Arts and Culture Officer; Councillor Estella Tincknell; Councillor Jerome Thomas, who chaired the Panel.

The Selection Panel cannot make the final CAT decision, but it was anticipated that the Council's decision making process would review the preferred submission and, where appropriate, ratify their recommendation. This is considered the most democratic and

participative decision making model for CAT.

The Panel interviewed applicants on two separate occasions: on 18 July and 22 September. The first stage interviews were with all four bidders.

The two bids short-listed after the first round of interviews in July were Fusion Lifestyle (swimming pool, leisure, dance & community venue) and Spike Island (arts, dance, cultural and community venue).

On 19 September, SLT endorsed the principle of offering Jacob's Wells Baths for CAT and taking the Selection Panel's recommendation to Executive Board on 10 October. This was subject to the Council's CAT criteria being met in terms of the surplus nature of the property and the achievement, promotion or improvement of the economic, social or environmental wellbeing of the whole or any part of the area and delegated responsibility to the S151 Officer to review the financials in more depth.

It was stated at the subsequent review that the business case must objectively demonstrate the sustainable benefit or value of the proposal in monetary terms, eg be financially sustainable over the life of the business plan, will not incur future financial liabilities for the Council, and will protect the value of the Council's asset in the long term. It was proposed that no cash 'dowry' should be offered with this lease and the level of subsidy should be determined by the benefits generated by the transfer, financial forecast and risks.

Further detail was requested from both bidders and examined at the second stage interviews on 22 September. Both bidders were interviewed and their proposals were scored on the following criteria:

- track record of managing community assets;
- financial viability of the proposal;
- ability to preserve and restore a historic listed building;
- a clear vision for the building;
- the ability to make a significant contribution to the arts, culture and leisure offer in Bristol;
- the capacity to manage the asset to a high standard;
- a commitment to working with Bristol's diverse communities; and
- a track record and commitment to working in partnership.

Whilst the established CAT principle of a peppercorn rent was noted, subject to adherence to a strict Service Agreement, the Panel have sought to include a provision within the terms of the lease to the recommended bidder which could create future revenue share to the Council.

Financial due diligence was carried out in consultation with BCC Corporate Finance to confirm the financial health of each short-listed party and this was taken into account in making the recommendation to proceed with the proposals from Fusion Lifestyle. At the second interview stage, the bid from Fusion Lifestyle scored significantly higher than the bid from Spike Island and consequently the Selection Panel recommended that the Council progresses the CAT with Fusion Lifestyle.

#### Proposed provision:

Fusion Lifestyle will enter into a 35 year lease, without a break option. The rent will be abated to a peppercorn for as long as the tenant complies with the provisions of the Service Agreement that will be linked to the Lease.

The Service Agreement is monitored annually and reviewable every 5 years. It sets out the

minimum times during which the property should be available for use, the types of use, the levels of subsidised access that the Tenant will provide to priority groups, and how community stakeholders will be empowered and can engage in the way the property is operated. Non-compliance with the Service Agreement gives the Council the ability to either impose a full market rent, or to forfeit the Lease.

At the end of the 35 year term the Tenant will hand the property back to the Council in good condition.

As with all CAT transfers, the lease will contract out of the security of tenure and compensation provisions of the Landlord & Tenant Act 1954 pt II.

Fusion Lifestyle's proposals for the property are based on a previous planning consent, which was obtained by the Bristol Community Dance Centre. Fusion will be applying for planning and listed building consent. They are working with the same architect team and are confident that their modified proposals have a high likelihood of receiving consent.

#### Provisional timeline:

- By March 2018: Lease completion and hand-over to Fusion
- Essential repairs to be undertaken within 6 months of grant of relevant consents
- Full operational improvements and refurbishment to be commenced within 3 months of relevant consents with target of 4 years fully operational from grant of lease.

#### Funding dependencies:

Fusion's proposals for the capital investment is phased and will be dependent on the availability of own working capital and loan finance. Fusion is confident that the availability of capital finance will not be a constraining factor.

Fusion's proposals were not dependent on a 'dowry' and they will fully fund the investment programme and will take over the property in its current condition, without the need for further revenue expenditure by the Council.

#### Outcomes:

##### City Outcome:

A valuable City heritage asset is preserved, re - purposed and enhanced as a result of this community asset transfer.

##### Health Outcome:

Improved health outcomes through key elements of the provision contained within the two short-listed bids.

##### Sustainability Outcome:

Preservation of at-risk heritage asset, energy efficient restoration of building.

##### Equalities Outcome:

Creation of local jobs in renovation and running of building. On an ongoing basis the facility will have a high level of no cost or low cost community access to support our equalities agenda. The property will be made accessible and opened up to use by disabled people and more welcoming for older and young people.