

**Agenda Item No:**

**Report to:** Charity Committee

**Date of Meeting:** 2<sup>nd</sup> July, 2012

**Report Title:** White Rock Baths

**Report By:** Simon Hubbard  
Director of Regeneration

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**Purpose of Report**

To update members on the current position regarding White Rock Baths and to propose some next steps.

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**Recommendation(s)**

1. **That all the following options are explored and proposals presented to a future meeting:**
  - § **Marketing of the premises**
  - § **Limited improvements to the premises**
  - § **Capping off and use of the space above**
2. **That any decision relating to White Rock Baths is taken in the context of potential alternative demands upon the Trust and that the business plan is revised if that proves to be appropriate.**

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**Reasons for Recommendations**

- i) To suggest that the Committee considers the desirability of a different approach to the future of White Rock Baths.
- ii) That this be done in the context of the Trust's overall business plan.

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## Background

1. At a meeting held on 12<sup>th</sup> December 2011 it was agreed that the Charity Committee would continue to pursue the possibilities of the use of White Rock Baths (WRB) for the Lifecycle project with decisions in this respect delegated to the Director of Regeneration in consultation with the Chair of the Charity Committee. However, it was also agreed that if this venture was not practicable the Committee would wish to see the opportunities opened to a wider number of potential proposers. Re-advertisement was the first preference of the Coastal Users Group (CUG) at a previous meeting and this report gives details of its preferences in the current situation.
2. The Committee has allocated the following resources:
  - £60k for a working sewage system
  - £75k for asbestos removal and rubble clearances
  - £100k for concrete repairs and waterproofing the site
  - £12k for external decoration
  - £170k for further refurbishment inside the building for an agreed project
  - **Total of £417k**

It should be noted that around £250k of this expenditure is allocated to making the site safe and suitable for development for any purpose.

3. In addition, the Borough Council has £170k allocated within its budget for the regeneration and opening of WRB for economic and community benefit.

## Update on Progress

4. Work has been taken forward on two fronts, the carrying out of essential preparatory works and the conclusion of discussion around the Lifecycle proposal.

## Preparatory Works

5. In respect of the essential works it was decided to commission the rubble clearance and asbestos removal works irrespective of any decision about Lifecycle. This was because these needed to be carried out to enable the building to be developed or used for any purpose.
6. The issues around asbestos have proved to be more extensive than were anticipated when the type 3 survey was undertaken. This has necessitated re-planning how the issue will be addressed and a significant increase in cost, with the total for debris and asbestos removal now estimated at £100k. It is now proposed to clear the area of the lower floor where access is required for pumps and drainage systems. Asbestos affected areas elsewhere on the lower floor will be hoarded off preventing access and managed in situ. The extremely damp conditions in the area (it floods daily) are conducive to this approach, as the likelihood of airborne movement of asbestos fibre is considered to be extremely

low. This re-appraisal necessitated a delay in contracting. However, this has now been done and the work commenced on 19 March 2012 and is completed. This work was essential for any safe access to the premises in the future for any purpose.

7. A costed proposal for a pumped cess pool arrangement to deal with the waste drainage has been obtained and can be commissioned as soon as it is clear the premises will be occupied. Technical advice is that pumps should not be installed into such a hostile environment before there is certainty over whether they will be put into use.
8. Concrete repair works inside the building need to be timed to follow the asbestos and debris clearance and alongside the internal works undertaken by Lifecycle. The time involved would depend in part upon the condition of the concrete revealed once the surfaces had been stripped as part of work by Lifecycle or another project.
9. External concrete works and the resurfacing of the promenade.
10. These issues mean that there is no real possibility of opening the premises for use during 2012.

## **Discussion with Lifecycle**

11. Three key milestones were identified to assess progress in bringing forward the project for decision
  - Submission of a planning application and its approval
  - Agreeing Heads of Terms [HoT]
  - An agreed programme of works meeting objectives and to serve as a tool in staging payments
12. Lifecycle submitted their planning application on 14<sup>th</sup> February (it was considered on 5<sup>th</sup> April). They now have approval subject to conditions.
13. Draft HoT was sent to Lifecycle on 7<sup>th</sup> February 2012. Although there has been some correspondence around this these have not been concluded.
14. However, the most substantial issue remaining is the agreement of the programme of work to be carried out. Council officers did not feel they had sufficient information in this respect to make a firm recommendation when this issue was considered in March.
15. The Director of Regeneration and the Head of Regeneration and Planning Policy met with Lifecycle on the 30<sup>th</sup> March, 2012 and explained that it was necessary for us to report this matter to the Charity Committee so members could decide how they wished to proceed on the basis of Lifecycle not opening until Easter 2013 or to advertise the opportunity for others to bring forward alternative proposals.
16. Lifecycle have responded constructively by drawing attention to their assessment of pre-project works to tackle condensation in the part of the premises proposed for improvement together with other preparatory works. They have suggested that this pre-project work is required to address these issues as well as the drainage,

asbestos and rubble clearance work referred to in this report. They proposed that a scheme involving the following elements should be delivered irrespective of the Committee's decision about the end user. This consisted of:

- Installation of ventilation, solar panel, heat pump and accompanying electrical work
- Repairs of the roof and installation of roof lights
- New doors and windows
- Sandblasting of surface building and its repair and redecoration
- External storage

Lifecycle suggested that the Trust would need to undertake this work if it intended the premises to be used at all and suggested they could undertake this on the Trust's behalf for around £258k, although there are likely to be associated other costs.

17. Booker and Best were commissioned to examine the ventilation elements of Lifecycle's proposals. They confirmed that the concepts were broadly reasonable, as were the indicative costs. However, although the report does not assess the impact of the wider Lifecycle proposals, it does raise a question regarding the need for additional insulation to prevent damp or spore problems.
18. Of more concern is the risk the Trust would potentially be exposed to if spend on the pre-works exceeded the identified budget. The proposed improvements might not suit any future potential users and be wasted if Lifecycle did not then move to deliver the project. Furthermore, there would be additional ongoing costs associated with the need to run the ventilation systems whether the premises were occupied or not. This poses a substantial risk to the Trust. Lifecycle have been written to asking under what conditions they would sign a lease for the premises and invest their own resources in the improvements. Their response makes it clear that they would expect the Trust to meet these costs. On this basis it does not seem prudent to commission this work and other options should now be considered.

## Marketing

19. The Committee previously agreed that if Lifecycle did not proceed the premises should be re-marketed. The Coastal Users Group (CUG) had identified this as its preferred option and the Committee will need to consider the way that this should be done. There can be no doubt that this may be a challenging path given the current economic conditions, low appetite for risk and the previous history of marketing the premises. The Committee might also wish to consider:
  - If limited improvements should be made in the building to improve its attractiveness
  - The parts of the premises that would be marketed
  - The position in relation to financial support to any future scheme
  - The brief that would be used to market it

20. Lifecycle should continue to be invited to participate in these processes if they wish. An examination of the other options does not mean that any better proposal will come forward, particularly in the current market.
21. It is suggested that a brief should be drawn up which invites potential investors from any leisure and cultural backgrounds. There has been very little interest shown in the premises so it will be important for the Committee to consider how it would “incentivise” potential investors. This will need to take into account any State Aid issues that might be relevant.
22. In terms of making the premises more attractive the removal of debris already undertaken has resulted in a substantial improvement to the internal appearance of part of the premises. It may be that a further programme of repairs to the roof and removal of temporary internal wells to show the potential of the available space would aid this marketing and a scheme and provisional costs for this will be developed.

## **Capping Off**

23. Another option is the use of the area above the White Rock Baths which might involve both the covering up of the wells and the demolition or redundancy of the existing surface building. It may be that the lowest cost option to the Trust (other than inaction) would be to follow this course than leasing either new lightweight premises or space for leisure type uses. This option might be considerably more attractive in the current economic climate where investors may be very risk averse and the Trust needs to ensure that it minimises its own risk.

## **Doing Nothing**

24. The Committee could simply decide that in the current very adverse economic climate it does not wish to risk the Trust’s resources until there is more confidence in the economy. It is unlikely that funds currently available from the Council would be available on this basis given the other demands for economic development. This option is not proposed given the significance of this area of the foreshore.

## **Views of the Coastal Users Group [CUG]**

25. An early draft of this report was presented at the meeting of the CUG held on 13<sup>th</sup> June, 2012. The Group unanimously endorsed the approach proposed. Details of future recommendations about the way forward will be consulted at a future CUG meeting.
26. There was agreement that finding investors in the current economic climate might be challenging and therefore careful thought would be required about the approach adopted and resources invested.
27. The comment was made, and appeared to have general support, that if an option of using the surface above White Rock Baths was chose any scheme must be properly planned and designed to ensure the attractiveness of this area of the foreshore.

## Proposed Way Forward

28. It is suggested that the Committee confirm that at present they do not wish to pursue the option suggested by Lifecycle.
29. It is proposed that the options around marketing and further limited improvement identified in the report are pursued and a report presented to the next meeting identifying the financial, legal and practical issues involved.
30. It is possible that the options proposed may have implications (positive or negative) for the Trust's business plan. The level of resources the Charity Committee may wish to make available for White Rock Baths might be affected by other ambitions it has in relation to the Trust's estate. A future meeting should consider all of these issues and take decisions in this wider context.

## Cost Implications

31. There may be some limited costs in bringing forward proposals. Costs will be considered as part of an analysis of future options.

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### Wards Affected

Castle

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### Area(s) Affected

None

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### Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

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### Background Information

Charity Committee Report – 29<sup>th</sup> March 2011  
Charity Committee Report – 12<sup>th</sup> December 2011

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### Officer to Contact

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