

# A Route Map for the Mechanics Institute

**Cabinet**

**Date: 7<sup>th</sup> February 2024**

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Author: Cabinet Member for Heritage, Art and Culture

Director of Strategic Development

Wards: All Wards

Parishes Affected: South Swindon

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## **1. Purpose and Reasons**

- 1.1 This report sets out a route map to unlock the restoration of the Mechanics Institute building. Cabinet approval for this route map will demonstrate the Council's commitment to funders, including Historic England and the National Lottery Heritage Fund, to unlocking the restoration of the Mechanics.
- 1.2 The Grade II\* Listed Mechanics Institute has the potential to play a major role in Swindon's physical and social regeneration. The Council's 2023 Swindon Resident Survey identified the Mechanics Institute as the heritage building that residents would most like the Council to prioritise for investment.
- 1.3 Restoration of the Mechanics Institute would support the Council Mission to 'Build a Better Swindon'.

## **2. Recommendations**

Cabinet is recommended to:

- 2.1 Agree to:
  - 2.1.1 Note the route map set out in paragraphs 3.8 - 3.30 of the report to unlock the restoration of the Mechanics Institute;
  - 2.1.2 Approve a budget of up to £110k, funded from the cashflowing reserve, in order to progress the development of options set out in the route map;
  - 2.1.3 Authorise the Director of Strategic Development to proceed with the development of the options set out in the route map; and
  - 2.1.4 Note that progress reports will be brought for its consideration at key junctures identified within the report, and by no longer than 12 months from the date of this meeting.

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## 3. Detail

### Current Situation

- 3.1 The Mechanics Institute occupies a prominent location at the heart of Swindon's historic Railway Village. This area, which has Conservation Area status, is currently being regenerated through the Heritage Action Zone programme.
- 3.2 The building has been empty since 1986, is in a poor state of repair and is defined as a Dangerous Structure under the Building Act. The building is also defined as At Risk by the Theatres Trust. The Council has erected hoarding around the perimeter of the site to discourage the public from entering the building. The cost of the hoarding installed in 2021 was £50k. The Council has been funding the upkeep of the hoarding since. The building, which has played an important historical role in the social and civic development of Swindon and the UK, is currently a blight on the townscape.
- 3.3 The regeneration of the wider Railway Village and the Carriage Works, which is driving investment and increasing footfall to the area, has created more favourable preconditions for a potential restoration of the Mechanics Institute.
- 3.4 However, significant challenges remain. These challenges relate to securing a viable re-use of the building; the high cost of restoring it to a viable use; and the aspirations of its current owner.
- 3.5 A Mechanics Steering Group, Chaired by the Cabinet Member for Heritage, Art and Culture, with representation from the Council officers, Historic England, the Mechanics Institution Trust (MIT) and the Theatres Trust, has been considering options for securing the building's future.
- 3.6 The Group has re-examined the approach to securing the successful restoration of the Mechanics Institute. This review has informed a three step route map for delivering the restoration of the building. The route map addresses the following challenges:
- 3.6.1 Securing operationally viable and suitable new use(s) for the building;
  - 3.6.2 The high cost of the restoration of the building; and
  - 3.6.3 Ownership of the building.
- 3.7 The Route Map tackles these challenges in three distinct areas as set out below. Whilst the Steps follow sequentially, it is anticipated that with appropriate resource in place these steps may be able to progress simultaneously.

### Step 1 Identifying a viable new use for the building

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- 3.8 Step 1 of the Route Map is to identify a viable and appropriate new use (or uses) for the building.
- 3.9 A Viability Study and Options Appraisal of Feb 2020 (prepared by Fourth Street Consultants) recommended the re-use of the building as a multi-purpose events venue as the preferred option. The proposal made at the time was for conferencing, business meetings and weddings to generate the income needed to underpin community and theatre/arts activities in the building, once restored.
- 3.10 The Viability Assessment, published in 2020, concluded that this option best
- 3.10.1 “responds to the partners’ strategic aims and objectives while offering a solution that has a high probability of being funded and the strong potential to become financially viable in operation.”
- 3.11 The Viability Assessment noted that the Mechanics Institute lends itself to such a role, advising;
- 3.11.1 “The building’s impressive architecture and celebrated spaces – notably, its Theatre, Reading and Lecture Rooms – will be transformed into an outstanding multi-purpose venue that positively contributes to the ‘offer’ of contemporary Swindon, while respecting and drawing on its own past and that of the Railway Village around it, and the wider former Railway Works area.”
- 3.12 The Viability Assessment referenced the possibility of phasing the restoration of the building, but this option was not considered in detail.
- 3.13 The Viability Assessment was prepared before the Covid Pandemic. The demand for, and configuration of, business and conferencing spaces has altered since 2020 and this preferred solution is in need of bringing up to date with current conditions.
- 3.14 The Viability Assessment was also prepared before completion of Phase 2 of the restoration of the Carriage Works (which is adjacent to the Mechanics Institute). A number of dynamic organisations and educational establishments have relocated to the area in the last two years, creating favourable conditions for new configurations and mixes of use.
- 3.15 The use of the building as a higher educational facility (blended with other uses) was identified as a suitable option by the Viability Assessment, although at the time the report concluded that it is unlikely that further interest in educational use would be forthcoming. This conclusion that educational use would not be forthcoming is also out of step with the new opportunities presented by the Carriage Works and wider regeneration.
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- 3.16 It is moreover proposed that other assumptions that underpinned the Viability Assessment be revisited. Most notably, a review of the ability to phase the building's restoration and the ability to blend uses is required. Containing 2,500 square metres of floorspace the Mechanics Institute is a substantial building, and is configured in a way that lends itself to subdivision.
- 3.17 The future role of the Mechanics Institute will be shaped by the wider regeneration in the Railway Village area. This wider regeneration is creating new opportunities for the re-use of the building. These new opportunities would need to be responsively incorporated into plans for the restoration of the Mechanics and its potential future uses.
- 3.18 Accordingly, in order to progress Step 1 of the route map, it will be necessary to refresh the 'potential uses' evidence base set out above. Should it be established that the previously identified potential uses are no longer viable, that alternate uses are more appropriate, or that no potential uses can be identified, a further update report will be brought to Cabinet for consideration.

## Step 2: Identifying an achievable Funding Strategy

- 3.19 A Building Condition Survey (Simon Cartlidge Architect, June 2022) identified 'urgent works' necessary to prevent the deterioration of the building. These urgent works were undertaken in March 2023 at a cost to the Council of £20k.
- 3.20 The accompanying Financial Report (BWA, August 2022) identified a cost of £25m to restore the building. A further £2.5m of repair works, in addition to the £25m cost of the restoration works, has been identified as being required to stabilise the building. These costs were estimated in Q3 of 2022. With construction inflation and a significant contingency allowance the estimated cost is now in the region of £35m. This however would need to be informed by further work.
- 3.21 Step 2 of the Route Map is to identify an achievable funding strategy for restoring the Mechanics.
- 3.22 To lower the barrier to securing the finance needed, the focus would be on funding the building fabric repairs, together with a 'phase 1' fit-out of the southern end of the building for an identified end-user. The southern end of the building is in comparatively good condition, which would limit the cost of the fit-out-works. The value of fit-out works would be dependent on the nature of the end-user.
- 3.23 It is anticipated that the majority of the funding needed for this first phase could come from the National Lottery Heritage Fund. Further funding sources would also be reviewed, and would include other forms of grant, crowd funding, and private investment. Private investment could be secured through coupling the building's

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restoration to wider regeneration schemes that will come forward in the Heritage Action Zone and adjacent areas.

- 3.24 Once potential funding avenues have been explored in more detail, an analysis will be undertaken setting out the potential funding available, specifically what that funding could be applied to, when funding would be available in relation to the restoration timeline, as well as any other relevant funding conditions of note. This would enable the Council to identify potential gaps in funding and/or timing of funding, and the impact on the overall viability of the restoration.

## Step 3: Addressing ownership issues

- 3.25 The owner of the building does not appear to have been active in securing a new use for it or in protecting the building from deterioration.
- 3.26 The Council has had to step in over several years to carry out urgent works to protect the building and has incurred aggregate costs in doing so of over £1.2m since 2001. A charge has been placed on the Mechanics Institute to allow the Council to seek to recover around £0.5m of these costs.
- 3.27 Step 3 of the Route Map involves engaging with the owner of the Mechanics Institute to ensure that the condition of the building does not deteriorate further and to collaborate on to securing the restoration of the building.
- 3.28 In recent months discussions have been initiated with the owner. This represents progress, as the Council has written to the owner in the past without response.
- 3.29 However, if the owner fails to positively engage, the Council, working alongside Historic England, would evaluate options to bring about alternative ownership and/or control of the building in order to secure its preservation. Any such evaluation would culminate in a further report with a recommended course of action, and a full legal and financial assessment. .

## Summary

- 3.30 In summary, the route map sets out a pragmatic and therefore realistic plan for unlocking the restoration of the building. The plan is based on a having phased approach to delivery; securing a blended mix of uses; and capitalising on the opportunities that the regeneration of the wider area creates.

## **4. Alternative Options**

- 4.1 The Council could decide to not work in a proactive manner to secure the restoration of the building. However, failure to adopt a proactive approach would mean that the

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building would remain dilapidated and continue to deteriorate, potentially to the point of becoming unrecoverable.

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 Progression of the route map as set out at steps 1-3 would require additional funding.
- 5.2 Step 1, “identifying proposed uses of the building” would require the evidence base to be updated at an estimated cost of c£30k
- 5.3 Step 2, “identifying an achievable investment strategy” requires identifying potential funding opportunities to meet the restoration costs of the building, and understanding the nature of this in terms of forming an overall funding source to deliver works at the right time, and in keeping with any funding conditions. This step would also require an updated long term operational financial plan to ensure on-going viability of the identified uses. This work would require external support at an estimated cost of around £30k in relation to progressing funding opportunities to finance the restoration costs and a further c£50k to produce a viable operating plan. Historic England funding is potentially available to support these workstreams although this has yet to be confirmed in terms of the value and conditions around it.
- 5.4 Step 3, addressing the ownership issues would only require financial resource should discussions with the owner lead to a position where alternative ownership/control of the building were required. This would result in additional costs of circa £100k for management and specialist legal and surveying support. If this were considered necessary this would be subject to a further report to Cabinet before any activities commence.
- 5.5 While the Mechanics is in its current state the Council would continue to have an obligation to ensure that the building is safe and would incur any associated costs, however there are no specific budgets for this. Approximately 10 years ago the Council incurred significant costs in order to limit the deterioration of the Mechanics and keep the building safe for passers-by. Hoardings and scaffolding owned by the Council are currently in place to safeguard the public and prevent ingress into the building which results in some minor inspection and maintenance costs.

### Legal and Human Rights Implications

- 5.6 Any specific legal implications of the options available to the Council will be set out in future reports. There are no specific legal implications in relation to this report.

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## Climate Change Impact

- 5.7 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.
- 5.8 The embedded carbon the building embodies makes refurbishment and re-use the environmentally responsible option.

## All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.9 The Mechanics Institute occupies a prominent location at the heart of the Railway Village, which occupies one of the most deprived lower super output areas in the Borough. The restoration of the Mechanics would support the economic and social renewal of this area.

## Equalities Impact Assessment

- 5.10 An Equalities Impact Assessment has been completed for the Heritage Action Zone Programme and is available from the report author. The Equality Impact Assessment noted the positive impact of the programmes in a range of areas, and in particular promoting access into the area for all.

## Risk Management

- 5.11 There are risks arising from the current condition of the building as a Dangerous Structure. These risks are being managed. There is a risk that the work detailed in this report will not be able to be progressed if funding for the resources needed is not secured.

## **6. Consultees**

- 6.1 The Director of Finance and Audit (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 Mechanics Institute Viability Assessment, Fourth Street Consultants (February 2020).
- 7.2 Mechanics Institute Swindon: Assessment of Building Condition, Simon Cartlidge Architect (June 2022).
- 7.3 Mechanics Institute Financial Report on the Updated Assessment of Building Condition, BWA (August 2022).
- 7.4 Stopping the Rot: A guide to enforcement action to save historic buildings, Historic England (June 2022).

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**8. Appendices**

8.1 None.

**9. Key Decision/Decision in Cabinet Work Programme**

9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2024.