



Report to Cabinet

Date:	5th March 2024
Title:	Future High Street Fund Scheme
Cabinet Member(s):	Councillor Peter Strachan - Cabinet Member for Planning and Regeneration Councillor John Chilver - Cabinet Member for Accessible Housing and Resources
Contact officer:	John Reed
Ward(s) affected:	Abbey Ward – Councillor Arman Alam, Councillor Lesley Clarke OBE, Councillor Mahboob Husain

Recommendations:

1. To agree to implement the High Wycombe Future High Street Fund Retail Repurposing Scheme, as set out in the Confidential Annex, involving entering into a 'surrender & renewal' Agreement with the tenant, subject to proven structural integrity of the building and conditional upon planning consent for the proposed uses/alterations, enabling the downsizing of the tenant into the ground floor, releasing space to be converted to accommodate the relocation of the Buckinghamshire Archives, and potentially, Discover Bucks Museum's collections storage currently located at Halton, and create office space for existing Council services.
2. To agree to supplementary budget changes set out in the Confidential Annex, increasing the Capital Budget for the Future High Street Scheme from the current budget of £6m to £11.26m, funded from Future High Street Fund Grant, Council match funding, the Capital Receipt from the Tenant Surrender Premium, and new Capital Receipts.
3. To agree to release £8.27m of this amended Capital budget (which excludes the new Capital Receipts), to proceed with the Tenant lease surrender and the creation of the shell unit, to ensure we meet DLUHC's deadlines for spending the grant funding.

4. To delegate to the Director of Property & Assets and the Director of Culture, Sport & Leisure, in agreement with their respective Cabinet Members and the Section 151 Officer, authority to conclude detailed terms for the Agreement with the tenant; to negotiate detailed terms with Discover Bucks Museum linked to their museum storage (if it is agreed that this will be part of the scheme); to appoint a full project planning and design team and solicitors; submit a planning application and enter into appropriate contracts for the proposed conversion works and relocations. This will be up to the value of released budget as set out in the Confidential Annex.

***Reason for recommendation:** the proposed Retail Repurposing project provides a potential fully capital funded solution to the relocation of the Buckinghamshire Archives, as part of an innovative scheme to regenerate an ageing retail store in High Wycombe. The project will also enable the delivery of the budgeted Estates Strategy Revenue Savings from the NCO disposal.*

1. Executive Summary

- 1.1 This paper seeks approval of a new Future High Street 'Retail Repurposing Scheme'. It is being brought forward to ensure the Council maximises the full benefit of the allocated FHS monies. This project will enable a current high street tenant to downsize from their multi-level store in Wycombe town centre, by newly fitting out the ground floor. The Council own the freehold of the building. The tenant will pay to surrender their long leasehold and will enter into a new occupational lease. This will release the first and part second floors for alternative use. The large floorplates are suited to storage use, with one third of the first floor and half of the part second floor capable of being converted to offices. The proposal is to relocate Buckinghamshire Archives from Aylesbury into part of the first floor and, possibly, the relocation of the Discover Bucks Museum's collections storage from Halton. The potential offices being either for operational use or developed speculatively for letting.

2. Background

- 2.1 Future High Street Funding (FHS) of £11.779m was awarded to Buckinghamshire Council in December 2020, to revitalise the 'Old Town' and improve key 'Gateways'. The Council allocated £3.3m of match funding bringing the total value of the programme to circa £15.2m. The FHS programme was for 3 years to March

2024. However, DHLUC have acknowledged that all recipient local authorities have experienced slippage. So, the programme has been extended, in effect, by a year.

- 2.2 The proposed Retail Repurpose scheme was not in the 2020 programme. It has been brought forward to replace original proposed schemes that have since happened without Council intervention, leaving a substantial part of the FHS monies still to be invested. This Retail Repurpose project involves an existing multi-storey store in the town centre, the freehold of which is owned by the Council. The tenant currently has a long lease. In November 2023, DHLUC agreed to a 'Project Adjustment Request' amending the FHS programme to include this Retail Repurposing project.

3. Drivers for Change

- 3.1 The retention of the tenant in the town centre is important from a footfall generator viewpoint. A previous scheme proposed by the tenant for them to sub-divide their space proved financially unviable. The tenant had intended to vacate the property in its entirety, but following discussions with the Council, is willing to downsize into a re-fitted ground floor, on a new occupational lease, vacating the first and part of the second floor. These floorplates are large and deep with windowless external elevations, so are mostly only suitable for storage. In terms of storage requirements:
1. The Council has a need to relocate Buckinghamshire Archives from the Walton Street offices, given (a) the intention to divest the building and (b) to retain National Archives accreditation, which is a commitment within the published Portfolio Priorities for Culture & Leisure.
 2. There is also an opportunity for Discover Bucks Museum's collections storage to relocate from a Council owned former school at Halton, which (a) is poor quality premises; (b) is not large enough to house HS2 archaeological findings and (c) has alternative SEN school use potential (the buildings having formerly been a school).
- 3.2 The Archives Service preserves and makes accessible over 800 years of Buckinghamshire's archival heritage. The current accommodation comprises of six temperature and humidity regulated strong rooms for secure storage, plus public-facing areas where customers come in to view the archives and Local Studies resources in a controlled environment, with oversight from staff.
- 3.3 The condition of the current accommodation and lack of expansion space have been an issue for some years. The space no longer meets service needs in terms of customer delivery, audience engagement and, importantly, for the archives it preserves and makes accessible. The strongrooms that house the archives are at full capacity and do not meet current standards (BS EN 16893:2018 Conservation of

Cultural Heritage and BS 4971:2017, 'Conservation & Care of Archive & Library Collections'). The lack of suitable storage means the Service is unable to meet any future expansion needs and actively limits its ability to collect material reflecting the diversity of the county's residents.

3.4 Current archives accommodation:



- 3.5 In 2018, the need for the Archives Service to have new premises was identified when it was assessed by The National Archives as part of the accreditation process. Provisional accreditation was granted contingent on progress being made to resolve the problems with the existing accommodation. The Service underwent a review by the National Archives in July 2022, and in November 2022 provisional accreditation was renewed but it was clearly stated that *'this extension would not be repeated if no concrete progress was seen by November 2024.'*
- 3.6 Unless Buckinghamshire Archives' accommodation needs are addressed, it could become the first archive service to lose its Accreditation in the country and its 'Place of Deposit' status under the Public Records Act, with associated reputational impact, loss of revenue and the withdrawal of collections of international importance.
- 3.7 The creation of a modern, customer focused and fit-for-purpose home for the collections, customers, and staff, would retain National Archives Accreditation for the long term.
- 3.8 The Discover Bucks Museum currently stores most of the 130,000 objects in its collections at the museum resource centre in Halton. The collection is varied including archaeology, social history, costume and textiles, fine art, and natural history, with different storage requirements. Due to the buildings being an old primary school, much of the collection is stored in relatively small rooms, with each

room individually maintained to the correct environmental conditions. The design of the building does not lend itself to efficient storage and the utilities bills at Halton are very high. Additionally, the stores are practically at capacity, with little expansion space. This is an issue, as within the next couple of years, the council will be receiving the HS2 archaeological finds from works across the county, which will be added to the existing collection (anticipated to be c.3500 boxes). There is currently a small additional archaeology store at Great Missenden, the contents of which could be brought together with the main collection at the new location.

- 3.9 It should be noted that there is also a Library drivers' base currently at Halton (comprising of a limited stock store and rest room) which would also need to be relocated elsewhere in the county. This move would be linked to the library review over 2024/25.
- 3.10 Both the museum and archives would benefit from newly designed spaces, to minimise running costs and allow improved public access to the collections.
- 3.11 The storage requirements do not use the entire first and part second floors, which have frontages to the north and west elevations. This space can be naturally lit, by the insertion of new windows (subject to planning), making it into potential offices.

4. Proposal

- 4.1 A feasibility study on the potential to convert the space vacated by the tenant has now been completed.
- 4.2 The proposed circa 4000sm 're-purposing' involves the conversion of the first floor into new premises for Buckinghamshire Archives relocating from Walton Street, and potentially Discover Bucks Museum's collections storage relocating from Halton into parts of the first and second floor. The remaining third of the first floor and half of the second floor would be converted to potential offices, either for operational use or for letting.
- 4.3 Some display/exhibition space for the archives and museum will be accommodated to further increase accessibility to the collections. The extent and nature of this display will be determined when floor plans are finalised.
- 4.4 The capital cost of the scheme and the relocations is to be funded by the remaining FHS funds and the Council's committed co-funding, plus a conditional surrender premium to be paid by the tenant (for surrendering their old 99-year lease and taking a new shorter occupational lease of the ground floor only). The makeup of these three funding sources, relative to the estimated capital costs, is set out in the Confidential Annex.
- 4.5 Preliminary layout plans are attached in the Confidential Annex, along with the Summary Capital Cost and Revenue Plans, and a Project Timeline.

5. **Risks**

- 5.1 As a large-scale development proposal, the proposed scheme carries a number of risks:

Planning Permission - there will be a requirement for planning permission. This risk has been mitigated by early engagement with Planning Team although the timing of obtaining full planning consent remains a risk to the programme. To meet programme milestones, a planning application will need to be submitted as soon as possible. To maintain programme momentum, design and development work will be undertaken concurrently with the planning process, so expenditure will hence be at risk.

Tenant Contractual Agreement - Whilst Heads of Terms ('HoTs') had been agreed with the tenant and they are fully engaged with a design team working up their element of the scheme, the deal with them remains 'subject to contract'. The HoTs are now in the tenant's solicitor's hands. A key pre-condition is to secure a temporary store for the tenant during their store closure/re-fit. This is under discussion with a prospective landlord. Other Agreement for Lease terms are set out in the Confidential Annex.

FHS Funding Commitment - For FHS purposes, the Council needed to be legally committed to the scheme by the end of March 2024. This risk has been mitigated by DHLUC confirming (subject to a revised Memorandum of Understanding, pending), an extension to this commitment deadline to end September 2024.

Building Structure – whilst a preliminary structural survey has been carried out, there is still a risk that the structure of the building is not up to the proposed conversion. There is evidence of water ingress from upper floors (which has recently been re-surfaced to prevent this). The structural integrity risk is being assessed by structural engineers, who have commissioned specialist concrete testing. Their report states that there are no major concerns, beyond normal condition of concrete of the age of the building and no deleterious materials have been found. The engineers report provides two options for managing the ongoing condition of the building: (a) a watching brief over an extended period of time to identify any early signs of additional degradation and completing patch repairs as required which is common for building maintenance or (b) more proactive maintenance options, which will be considered as part of the project.

The structural engineers have not confirmed the floor loading capacity of the building, as they are having to re-visit with specialist surveyors to undertake further scanning of an area of floor slab (which initially produced defective results). Hence, there still remains a risk, which will need to be finalised and reported separately.

Fire Requirements – the proposals have been discussed with The National Archives ('TNA'). Their fire safeguarding requirements for archives are rigorous – 4 hr fire resistance and limited adjacencies. TNA are satisfied in principle. Specialist fire strategy consultants form part of the project design team. In terms of fire resistance, there remain some 'unknowns' when it comes to details like depth of concrete cover to the ground floor columns (currently covered by shopfitting). These will be resolved during design development.

Conversion & Relocation Costs – the cost report includes a contingency, but cost escalation is a risk. Detailed design will involve on-going 'value engineering'. The aim is to retain headroom in the budget to fund Archives/Museum's relocation and fit-out costs.

Discover Bucks Museum ('DBM') – Final decisions around the inclusion of DBM in the scheme are subject to the additional information outlined above around building structure and costs. DBM's current high energy costs are expected to reduce by relocating into the scheme, but the new premises will incur a share of running costs (apportioned as 'service charge'), the impact of which is referred to in the Confidential Annex. If DBM's museum storage does not form part of the scheme, it would result in a second large potential office suite and a mothballed part second floor. The revenue implications are set out in the Confidential Annex.

Potential Office Area – the demand for offices, post Covid, has yet to re-stabilise and Wycombe town centre has never been a strong office location (most offices there have been converted to residential). Hence, achieving an occupier for the potential office area is a risk. As a result, alternative uses will also be pursued (healthcare and leisure), as well as the potential to relocate occupiers of Council operational properties in the town centre into the space (see Confidential Annex), which may need DHLUC approval.

State Subsidy Assessment - the Council must satisfy itself that the terms of the tenant's 'surrender & renewal' do not involve any subsidy to them. External advice is being sought on whether the repairs liability ('dilapidations') that the tenant shed, by changing from their full repairing long lease to an internal repairing occupational lease, is fully reflected in the surrender premium they are paying.

HR Implications – Employees of Buckinghamshire Archives will have a new place of work. This is provided for within existing staff contracts. There will be consultation with staff as part of the implementation should the project be approved to proceed, to understand and discuss any specific impacts or concerns around relocation, with consideration of their individual personal circumstances.

6. Other Options considered

- 6.1 For the existing store itself, a 'do nothing' option would involve either leaving the tenant to decide whether to close their store and try to sub-let the ground floor and /or 'mothball' the first and part second floors (i.e., leave them disused). Any sub-letting, if achievable, is likely to be a poor calibre occupier, not enhancing the town centre.
- 6.2 For Buckinghamshire Archives, they could remain at Walton Street until it is divested/redeveloped. This could risk them losing their accreditation, but in the foreseeable future, they would still need to relocate. To acquire land and develop a purpose-built archive store would involve 100% debt funding, the estimated cost of which is set out in the Confidential Annex in comparison to this fully (capital) funded Retail Repurposing opportunity.
- 6.3 For DBM, their storage could remain at Halton, but this would leave expansion issues unresolved and remove the option to explore potential re-use of the premises as a SEN school.
- 6.4 The proposed first floor (and potential part second floor) office areas have the potential for Council operational use. This is explored in some detail in the Confidential Annex.

7. Legal and Financial Implications

- 7.1 Capital Budget Implications: The estimated cost of the total project is £11.26m, the breakdown of which is set out in the Confidential Annex. The project would be fully funded from Future High Streets Grant (£3,732,827), the Council's required Match-Funding for Future High Streets (£2,287,173) (both of which are already budgeted in the Capital Programme), and new Capital Receipts (£5,250,000) not currently included in the MTFP. The funding scenario includes a £10k contingency.
- 7.2 Revenue Budget Implications: the proposed project would enable existing MTFP Revenue savings from the closure of NCO to be realised, will fund the ongoing cost of the Archive, and may deliver new revenue savings of between £80k to £146k for inclusion in future MTFPs. The exact level of savings would be dependent on factors as set out in the Confidential Annex.
- 7.3 The project can only be made cost neutral from a Revenue and Capital perspective if existing Council services are moved into the space, and if new capital receipts are delivered through asset disposals – over and above those in the current Estates Strategy.
- 7.4 Capital Risks:

- i. The project proceeding at pace to ensure that the Future High Street Fund grant funding is contractually committed by September 2024 and fully spent by March 2025. Any unspent funds will be required to be returned to DLUHC.
 - ii. Capital expenditure estimates for Fit out and Removal are initial estimates. They include a 20% contingency but have not yet been market tested.
- 7.5 The current running cost of the Archives for the Council are set out in the Confidential Annex (based on apportioning Revenue and Capital running costs of the square footage occupied by the Archives at Walton Street).
- 7.6 There may be a timing difference between the opening of this site, the disposal of NCO, and the consolidation of other Council services which will lead to short term double Revenue running costs. This will need to be taken into consideration for the next iteration of the MTFP, with some one-off funding to meet the double running costs and unlock the long-term revenue benefits.

7a Director of Legal & Democratic Services comment

- 7.7 The Director has read and approved the report.

7b Section 151 Officer comment

- 7.8 This project presents an opportunity for the Council to reprove an Archive and consolidate our Estate in line with the Estates Strategy, drawing on a significant amount of external funding, whilst living within existing MTFP targets on Revenue and Capital, and possibly delivering additional savings. The main Finance risks are on the Capital delivery: on ensuring the project is on the ground and has committed and spent the Future High Streets grant; ensuring the fit out and removal costs of the archive, museum and offices are in line with the estimates; that the capital receipts will be delivered in full as a key source of capital funding for the project.

8. Corporate Implications

- 8.1 This scheme is part of the Future High Street Fund programme which supports the Regeneration Framework and is consistently referred to throughout the High Wycombe Regeneration Strategy. Any opportunity to activate, animate and celebrate the culture of High Wycombe through the proposed scheme would be a distinct benefit to the town centre. Improving the quality of buildings is recognised in the Regeneration Strategy as important to the town centre. Improving a building in such a prominent location is an effective way to demonstrate positive change within the town.

- 8.2 The scheme would provide an active frontage in the heart of town which could encourage greater footfall, positive outcomes for businesses in the immediate area and offers shoppers an improved experience. High quality office space could help to support growing businesses with a lack of suitable space currently available. These outcomes align to the Corporate Plan priority to 'Increase Prosperity' in Buckinghamshire.
- 8.3 In addition, the scheme would secure long-term suitable accommodation for the Buckinghamshire Archives. This is required to ensure continued accreditation of the archives; is identified within the Culture & Leisure Portfolio Priorities; and was a recommendation from the budget scrutiny inquiry group in 2023 that was agreed by Cabinet. It also supports the corporate plan objective to Strengthen our Communities by promoting and developing our cultural offer; there is also potential for climate change benefit through locating these services in a more modern, energy efficient building.
- 8.4 An Equalities Impact Assessment (EqIA) screening has been completed and will be kept under review.

9. Local councillors & community boards consultation & views

Councillors Lesley Clarke OBE and Tony Green were informed of the Retail Repurposing concept. The Property Board (18th December 2023) and the High Wycombe Regeneration Group (19th December 2023) were provided a high-level overview brief of the FHS programme, and both Boards were broadly supportive. The Cabinet Member for Culture, Sport and Leisure is supportive of the proposal for the Archives and DBM museum storage.

10. Communication, engagement & further consultation

Internal discussions will continue and negotiations with key stakeholders to finalise details. Subject to the approval of this scheme by Cabinet and agreement with the tenant, we will proactively communicate our plans and timeframes to repurpose the space using Future High Streets Funding to stakeholders and groups within the community. The key message will be the delivery of an innovative scheme using FHS Funding in a space which would have become vacant, preserving a ground floor retail presence in a key location.

11. Next steps and review

- 11.1 Key next steps will include:
- 11.2 Prepare and submit a planning application.
- 11.3 Instruct solicitors to complete legals with the tenant.

- 11.4 Confirm a decision regarding Discover Bucks Museum storage relocation from Halton and if appropriate, agree Heads of Terms.

12. Background papers

- 12.1 None

13. Questions & Views

- 13.1 If you have any questions about the matters contained in this report, please contact the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team by 5pm on 1 March 2024. This can be done by email to democracy@buckinghamshire.gov.uk.

