

## Project Experience

### Ashton Old Baths, Manchester – Heritage Lottery Fund



#### Background

AspinallVerdi were retained by the HLF on the Ashton (Old) Baths Heritage Enterprise scheme. Ashton baths is grade II\* Listed in the Ashton Town Centre Conservation Area.

The project which is being developed by PlaceFirst and Thameside Council comprises: the refurbishment and conservation of the 'Old Baths' building; to fully refurbish and restore the main swimming pool hall (phase 1) and construct new contrasting modern 4 storey free-standing flexible offices; to carry-out further restoration works to the spa areas (phase 2) to make this area wind and water-tight ready to be fitted-out; to use the building as in incubator 'tech' hub.

The building will comprise a total net internal area of 24,077 sqft / 2,237 sqm including 17,892 sqft / 1,662 sqm in phase 1 (tech hub) and 6,185 sqft / 575 sqm in phase 2.

#### The Challenge

The challenge in this case was the complex funding and state aid conditions imposed by ERDF which was also co-funding the project.

We calculated the conservation deficit using our own bespoke monthly cashflow appraisal having regard to the site value, construction and other costs and the value on completion. The model was based on a 15 year deferment of the exit value to calculate the uplift in value because a state aid condition of the ERDF grant was that the incubator has to provide subsidised units to tenants for 15 years and will therefore not make a revenue surplus.

We were required to interrogate and challenge the developers revenue assumptions for the managed workspace and agree the cashflow. We added significant value by advising the HLF on conditions precedent including: a subject to planning condition; title investigations; the delivery structure between the Council and PlaceFirst; clawback for HLF after 15 years; and cross-guarantees from the Council.

We recommended a substantial grant and the project is current at the delivery stage.