

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	09 March 2017
DIRECTOR	Bernadette Marjoram
TITLE OF REPORT	Thomas Glover House
REPORT NUMBER	CHI/17/025
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To update members on the implementation of works and options for Thomas Glover House.

2. RECOMMENDATION(S):

- (i) To note the progress report on implementation of Option 1;
- (ii) To note feasibility of additional grant funding from external sources to implement further options;
- (iii) Note current position of Aberdeen Asset Management and the Universities.

3. FINANCIAL IMPLICATIONS

Aberdeen City Council appointed a consultant to carry out a study to provide an indication of the feasibility of Thomas Blake Glover House for a number of potential uses, the demand for these, and likely development costs involved. A consortium, led by MKA Economics in association with Hoskins Architects and Graham and Sibbald, were appointed following a tendering exercise to:

- Undertake a condition survey of the house;
- Provide an options appraisal of the potential uses for the property; and
- To provide an indicative Business Plan of the preferred option.

Three options for the property were identified:

- Option 1: Refine, Reconfigure and Refurbish Glover House, at an estimated £300,000 cost;
- Option 2: Refine, Reconfigure and Refurbish Glover House and Outhouses, £840,000;

- Option 3: Refine, Reconfigure and Refurbish Glover House, Outhouses and New Build, £1,710,000.

Officers were instructed to implement Option 1 at FPR Committee December 2016, using a budget of £155,000 approved by FPR Committee May 2014 and £150,000 of reserves accumulated by the Bridge of Don Trust which was approved at Full Council August 2016.

This report also details the feasibility of potential external funding sources, including grants, the universities and Aberdeen Asset Management to develop a sustainable use(s) at the house.

4. OTHER IMPLICATIONS

Restrictions were included in the titles to Glover House whereby the Grampian Japan Trust would use Glover House as a Grampian Japan Centre for a variety of cultural, community and education projects. If this was no longer possible then the property was to be transferred to a different body to continue these aims.

In November 2012 Aberdeen City Council discussed the possibility with the Grampian Japan Trust of considering transferring the ownership of the property to the Council rather than attempting to sell it on the open market. Glover House Trustees Ltd, which was incorporated on 14 April 2015, is now the sole trustee of the Trust and has assumed responsibility for Glover House in accordance with the conditions and purposes of the Grampian Japan Trust.

The responsibility for operating the building has been passed to Aberdeen City Council.

The overall objectives of the current Project is to ensure that Glover House remains in public ownership and is used to facilitate greater cultural exchange between Aberdeen and Japan.

Officers are currently exploring uses for the building once Options have been implemented. This includes opportunities for student accommodation, as well as liaising with Scottish tourism experts who can identify and assess tourist attractions and appraisal thereof. Suggested uses have informally been proposed as part of the consultation with officers and the consultants. These include the conversion of Thomas Glover House to tourist accommodation, such as a Japanese-themed guest house, and partial conversion to create student accommodation while retaining a public-use and educational element.

The feasibility study established the challenges in developing a tourist attraction at the House in the context of its location and offer. Therefore the objective was to develop other sustainable use(s), while at the same time ensuring that there was a 'Glover Room' that could be used to show to visitors and Japanese tourists in particular.

As a full-blown tourist attraction in its own right, or even conversion into a 'Japanese-themed' guesthouse/ B&B, there are challenges. Aberdeen is not yet established as a "must-visit"/ short break tourist destination by leisure/ recreational markets. As such, the existing characteristics of that demand do not match with the characteristics of the type of demand which would make a small/exclusive boutique/lifestyle hotel with a Japanese theme successful.

5. BACKGROUND/MAIN ISSUES

i) **Progress report on implementation of Option 1**

Option One – Refine, Reconfigure and Refurbish Glover House – seeks to create a flexible resource capable of meeting the potential requirement of corporate uses, as well as providing ad-hoc access to visitors seeking a Glover experience as part of the wider trail and associated permanent exhibition at Aberdeen Maritime Museum. This option focuses on repair, redecoration, and enhancements to Glover House.

A prioritised list of essential repairs, totalling an estimated minimum £144,000, has been identified. These include such works as treating damp, renewing fractured cast iron gutters, repairing the harling on the exterior walls, renewing woodwork, roofing repairs and demolition of the dilapidated outbuildings which are included in the site's Category B listing.

Economic Development Officers have met with Asset Management colleagues to discuss the required design works. Asset Management officers will investigate the scope of works and respond to the submitted request for services. This will include further design work to refurbish the property and improve access. It may be possible to undertake some of the works in-house, whilst others may require external expertise. Subject to planning permissions and procurement processes, it is intended that these works will be completed by Spring 2018.

Due to the continuing civic, business and other interest from Japan, additional building and re-fit works will be carried out to allow visits and receptions to take place at Glover House.

Information boards about Glover and a display of Glover-related artefacts held by the Museums and Galleries service will be included in the refurbished property.

Further tree works are scheduled to take place in early spring and will be carried out by Aberdeen City Council's arboriculture team. This will include pruning cherry trees on the boundary wall, felling 20 small to

medium self-seeded trees, raising the crowns of 10 trees to improve grass and shrubs or to prevent damage, and grinding out four stumps.

ii) Note the feasibility of grant funding from external sources to implement further options

The two further options which were presented to FPR December 2016 Committee would continue site development with the creation of a bespoke 'business centre' with a focus on internationalisation, innovation, enterprise and education, featuring:

- a conference room/ meeting rooms;
- supporting accommodation;
- student accommodation; and
- a Glover Room, which would be marketed alongside the gardens and the existing Glover Trail.

Officers within Economic Development have reviewed external funding sources which could assist with the implementation of these options. The objective of external funding would be to reduce any capital investment by the Council.

The two grants highlighted below have the potential to significantly contribute to the levels of funding required to implement the proposed preferred option, which is the Refined Option Two – Refine, Reconfigure and Refurbish Glover House and Outhouses. This option incorporates Option One in terms of refurbishing and enhancing Glover House, as well as adding a 180 square metre extension within the footprint of the outhouse buildings and creating a landscaped area associated with the extension. The extension would increase the available floor space of the house by about 50%. This cost of this option has been estimated at £1million.

Historic Scotland – Historic Building Repair Grants Fund	
Funding Body	Historic Environment Scotland
Level of Grant	Maximum value of £500,000
Timetable	Applications assessed three times a year
Details	<p>This scheme covers grants for the repair and conservation of historic buildings assessed as being of outstanding architectural or historic interest.</p> <p>These grants are intended to achieve the appropriate repair of those elements of a building that provide structural stability and give protection from the weather. The aim is to ensure the continued survival of important historic fabric.</p> <p>Grants are primarily for urgent repairs that need to be done</p>

Historic Scotland – Historic Building Repair Grants Fund	
	within two years to prevent loss or damage to important historic fabric.
Eligible Costs	<p>HS aims to secure a sustainable future for the historic environment by ensuring that work carried out with a grant is:</p> <ul style="list-style-type: none"> • Sympathetic to the character and significance of the building. • Completed to an appropriate standard that normally matches the original detailing, workmanship, material and building technique used at the time of original construction. • Regularly maintained thereafter. <p>The following are not eligible for funding:</p> <ul style="list-style-type: none"> • Alterations and improvements. • Maintenance and minor repairs. • Demolitions. • Reinstatement and reconstruction where there is a lack of historic evidence of design and detail. • Retrospective costs. This includes any work already done, or underway, when an application is submitted.

HLF – Heritage Enterprise	
Funding Body	Heritage Lottery Fund
Level of Grant	Grants between £100,000 and £5 million
Timetable	Applications assessed quarterly
Details	<p>Funding is available for heritage projects that have the potential to unlock a heritage asset in need of investment and use it as a stimulus for economic growth. It is anticipated that in most instances this will involve the repair and adaptation of a historic building or a coherent group of historic buildings for an end-use that generates a sustainable commercial income.</p> <p>Projects are not required to provide open public access once the capital project is completed, but the project should look for opportunities for people to develop skills and learn about heritage during the lifetime of the project.</p>
Eligible Costs	<p>Funding can be used for the following:</p> <ul style="list-style-type: none"> • The purchase of a heritage asset in need of investment. • Essential conservation work, such as structural repairs to a historic building. • Work to bring vacant and derelict buildings and sites back

HLF – Heritage Enterprise	
	<p>into commercial use.</p> <ul style="list-style-type: none"> • Activities to help people engage with the heritage asset, including: <ul style="list-style-type: none"> ○ Training in conservation, mentoring, learning, management or digital skills for people delivering the project. ○ Providing activities or information that allows people to learn about the heritage of the buildings or sites in the project. • Work to help develop and manage the project, such as: <ul style="list-style-type: none"> ○ Valuations, professional fees or the costs associated with obtaining the necessary statutory consents. ○ Specialist research to ensure the conservation and development works are properly informed by a thorough understanding of the significance of the heritage asset and its repair needs. ○ Preparing a development appraisal. ○ Employing project staff. • A limited amount of funding for capital expenditure during project development to support: <ul style="list-style-type: none"> ○ Urgent repairs to prevent further deterioration of the asset whilst detailed planning work is completed. ○ New temporary structures designed to allow ‘meanwhile uses’ during project development.

Other grants may be available to assist with the development of the project but these are dependent on the final use of the building. Factors which influence available funding for Options Two and Three include levels of public access, regeneration of community assets and upskilling of local workforce.

iii) Note current position of Aberdeen Asset Management and the Universities

Officers have had further constructive discussions with Aberdeen Asset Management, the University of Aberdeen and Robert Gordon University about the future use options for Glover House.

These focussed on a 'do-minimum' use whereby the house could operate for occasional corporate or civic events, if there was predicted demand for accommodation use by either / both universities. It was made clear that there is sufficient capacity for accommodation at both universities, but without a 'core' use, the ability to attract occasional other uses to the house was compromised.

The latest discussions considered a solution that could entail:

- The Council undertaking capital works required to bring the house into residential use, leveraging in match funding where possible;
- Private sector and universities working together to develop a potential international educational exchange programme;
- The house including a dedicated tribute to the Glover story;
- A commitment to utilise the house by other ad hoc users who have a dedicated interest in promoting Japan-Scottish relations.

Officers will continue to undertake more feasibility and testing on this new use option.

6. IMPACT

Improving Customer Experience –

The Council has led the development of the feasibility study to provide clarity on the future potential uses for the property and its potential role in contributing to the regional economic strategy goals (and the internationalisation priorities in particular). Officers will continue to engage with external stakeholders in the public and private sectors in bringing forward a solution for the site.

Improving Staff Experience –

Staff within the Council's Economic Development Service will work closely with colleagues in other services to develop the proposals in this report and promote Thomas Glover House and business links to Japan.

Improving our use of Resources –

Participation in the project provides strategic added value in working across key city, regional and national stakeholders to promote the feasibility study and to develop the House itself and contribute to the education and tourism objectives of the Aberdeen-Japan and Regional Economic Strategies.

Corporate -

Representation on the Trust ensures that the Council is able to play a key role in the long term development of Thomas Blake Glover House.

Public –

This report is not of interest to the public as at this stage the financial implications are minimal, and it does not present a new policy and strategy. There are no requirements for an EHRIA or a PIA.

7. MANAGEMENT OF RISK

There are no risks associated with this report as report is for information only. Any actions which result from this report will be assessed accordingly.

8. BACKGROUND PAPERS

CHI/16/259, Thomas Glover House, FPR Committee 01 December 2016

9. REPORT AUTHOR DETAILS

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