



Report of the Cabinet Member for Culture, Tourism and Major Projects

To the Development and Regeneration Scrutiny Performance Panel – 7th
November 2018

Hafod Copperworks Powerhouse Re-development Project: Heritage Lottery Funded (HLF)

Purpose:	To brief/update the Development and Regeneration Scrutiny Performance Panel on the HLF funded, Hafod Copperworks Powerhouse Re-development Project
Content:	A briefing/update on the background, and progress of the HLF funded, Hafod Copperworks Powerhouse Re-development Project
Councillors are being asked to:	Consider the information provided and to forward views to the Cabinet Member via a letter from the Panel Convener
Lead Councillor:	Councillor Robert Francis-Davies, Cabinet Member for Culture, Tourism and Major Projects
Lead Officer & Report Author:	Paul Relf Tel: 01792 636858 E-mail: paul.relf@swansea.gov.uk

1. Background

- 1.1 In 2016, Swansea Council led a grant application to Heritage Lottery Fund (HLF), via a new programme, Heritage Enterprise to seek funding to progress the conceptual designs of the Purcell Masterplan prepared in 2015, for the Powerhouse Building at the derelict Hafod Morfa Copperworks Site.
- 1.2 Swansea Council has a Memorandum of Understanding with Swansea University as a partner in respect of the Hafod Morfa Copperworks site, which states that Swansea Council is the lead for delivery, but is supported by Swansea University for research development.
- 1.3 Since 2016, the project has progressed to a position where an end tenant has been established as Penderyn Whisky, and funding is in place to deliver a fully designed and constructed building at the Powerhouse site at the Hafod Morfa Copperworks. Thus, creating a visitor attraction in this derelict, but historic

destination, which in turn has acted as a catalyst by creating other exciting development opportunities in close proximity to this projects site, and the Hafod Morfa river corridor, further extending the site's appeal and Swansea visitor destination status.

2. Briefing/Main body of report

- 2.1 The site contains twelve grade II listed buildings or structures related to the copper industry, most of which were built during the nineteenth century following the opening of the Hafod works in 1810, and the Morfa works in 1835. By the middle of the nineteenth century the works played a key role in Swansea's production of 65 percent of the world's smelted copper output, making Morfa the largest industrial complex of its type in Europe.
- 2.2 The project focuses on the Powerhouse building located within the tangible remains of the Hafod-Morfa Copperworks, which occupies 12.5 acres of land on the west bank of the River Tawe in the Lower Swansea Valley.
- 2.3 The Hafod Copperworks Powerhouse Re-development project, will establish a high profile, financially viable, sustainable core at the internationally significant site of the former Hafod-Morfa Copperworks, Swansea that was the crucible of the world copper industry in the 1800s.
- 2.4 It will do this by regenerating the grade II listed Powerhouse building, and part of the grade II listed Rolling Mill. It will provide a long-term home for a private sector occupier, to act as the catalyst to unlock further phases of integrated development through mixed commercial, housing and community uses at the site to make it once again a hub of innovation, aspiration and wealth creation for Swansea and the wider region.
- 2.5 The world-class Penderyn Whisky company has identified the site as its base for expansion of their highly successful business at the Grade II listed Powerhouse building, and part of the Grade II listed Rolling Mill Hafod-Morfa Copperworks Site in Swansea.
- 2.6 The project will provide a stimulating visitor attraction that will attract a wide range of local, national and international audiences and will link the commercial operations of Penderyn Whisky with the risk copper history of the site. The project will build upon the platform of the highly successful access, community engagement, master-planning and stabilisation works already undertaken by the City and County of Swansea and Swansea University through the Cu@Swansea project.
- 2.7 The aim of the project is to accommodate Penderyn Whisky's commercial operation including manufacture of spirit and charged-for whisky and heritage tours attracting initially around 40,000 visitors a year scaling up to 100,000 over 5 years and creating 19.5 FTE jobs.
- 2.8 The HLF grant application is split into two stages:

Round 1 – Development Phase	To design the project up to and including RIBA Stage 3, including submission of Planning and Listed Building Consent applications.	July 2016 to May 2018
Round 2 – Delivery Phase	To design and undertake physical re-development works to the buildings to a shell and core finish, otherwise referred to as RIBA Stage 4 to 7	November 2018 to February 2021

- 2.9 Approval was received in June 2016 to undertake the Round 1 design stages and to complete the Round 2 application to HLF to secure the additional funding to complete design, and deliver the shell and core refurbished buildings. In May 2018, in readiness for the HLF deadline, the Round 2 application was submitted to HLF.
- 2.10 A multi-disciplinary team was appointed in July 2017 to undertake both Round 1 and Round 2 design requirements, including cost and project management function. A break clause was included in their contract should the Round 2 application not be successful and the funding not be in place to undertake the remaining design phases and delivery of the project.
- 2.11 A site visit and meeting took place with representation of the UK-level HLF Trustees, HLF, senior representation from Penderyn Whisky, political and senior representation from Swansea Council as a pre-requisite to the Round 2 application being presented to HLF Committee on the 5th September 2018, and HLF UK Trustees on the 25th September.
- 2.12 The project has received Listed Building Consent. At the time of writing this report, some additional elements have been requested to complete the planning application process by NRW regarding ecology. This is currently being gathered and upon submission, the planning application process should be complete.
- 2.13 Works to secure the Scheduled Ancient Monument, The Musgrave Engine House, that houses the Musgrave Engine, funded by Cadw to address structural stability, windows, doors and roof providing a safe and weather tight space for further development.

3. Conclusions/Key Points Summary

4. Legal implications

- 4.1 The Council will need to comply with the terms and conditions attached to any grant funding utilised in conjunction with the regeneration match funding budget identified in this report.
- 4.2 All contracts for works, goods and services necessary to deliver the projects must be procured in accordance with the Council's Contract Procedure Rules

and the relevant EU Regulations as appropriate. The contractual liabilities/obligations of the Council and any appointed contractors will be covered by the individual contracts entered into.

- 4.3 All statutory consents required in proposals to utilise the regeneration match funding budget will be the responsibility of the Planning and City Regeneration Division.

5. Finance

Breakdown of HLF Grant – Total Project Cost

Total for Round 1 and Round 2	
Total Delivery Costs	£5,521,681
HLF Delivery Grant Award	£3,757,000
Match Funding – CCS Core Funding	£1,764,681

- 5.1 Phase 1 costs were charged to Revenue Cost Centre 42110. Match funding requirements of £1,764,681 has been secured via £1.74m from the existing Capital Programme. The remaining sum of a circa £20k has been funded via capital code C06554.
- 5.2 There will be no future revenue implications arising from the schemes other than potential redundancy costs that are included within the staff costs budget headings at the cessation and ultimate delivery of the scheme.

Glossary of terms:

HLF – Heritage Lottery Fund

Background papers:

None.

Appendices:

None.