



Cabinet – 17th January
2024

Item

Public



Cambrian Railway Building Oswestry – Request for capital funding to match UKSPF grant offer

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Cabinet Member (Portfolio Holder):	Dean Carroll		

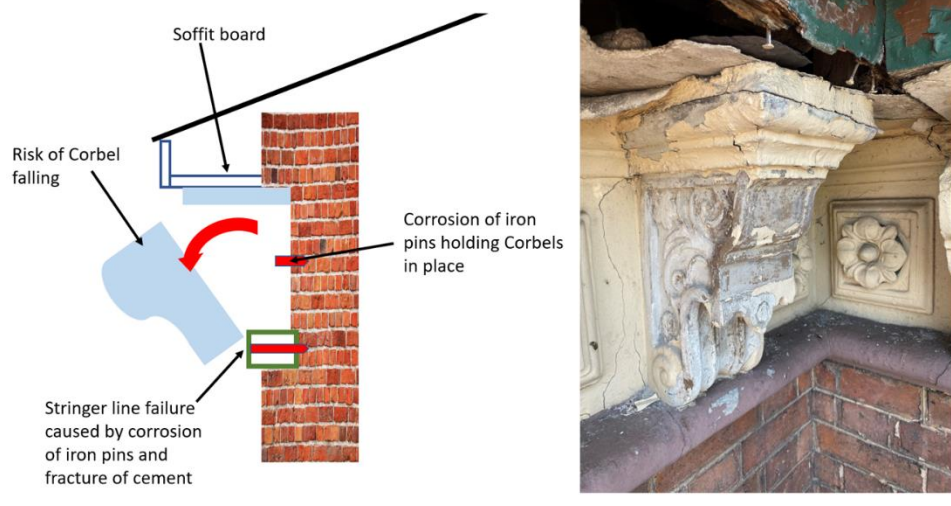
1. Synopsis

This report is seeking authority to proceed with a capital project to restore the exterior of the Cambrian Railway Building in Oswestry, a Grade 2 listed building in the ownership of the Council. The cost is estimated at £900,357 and a UKSPF bid has secured an offer of 70% but now requires 30% match funding from the Council's capital programme.

2. Executive Summary

2.1. The Cambrian Railway Building is a Grade 2 listed building in the ownership of Shropshire Council. The building dates from 1866 and was both the headquarters of the Cambrian Railway and Oswestry Station until its closure in 1975. The building is listed by Historic England because it is a good example of a Victorian regional railway headquarters building and a notable feature is the row of ornate corbels (cement molded carvings) which surround the building which were installed under the roof eaves.

2.2. Over the passage of time, the fittings holding the corbels in place have become corroded and weathered. Following a heavy storm in 2022 a number of corbels became loose and as a safety precaution scaffolding has been placed around the building to prevent any corbels or pieces of masonry falling on pedestrians or building visitors.



Iron pin corrosion and decay of stringer course poses risk of corbels falling

- 2.3. Inspection by the Council's conservation team and building surveyors has also identified that at some time in the past 40 years, the original slates from the roof have been removed and replaced with tiles made of a ceramic composite which includes asbestos. These tiles have now become weathered, and the asbestos fibres are now exposed requiring their replacement.
- 2.4. It is now imperative that the exterior of the building undergoes a restoration to replace the corroded roof tiles and restore and secure the corbels. This together with repainting of the building and repairs of the guttering, soffits and drain-pipes is an essential first step to removing the scaffolding and making the building safe to enable it to be re-used and support the regeneration of this part of Oswestry.
- 2.5. In the latest review of the capital strategy discussed at Cabinet on 6th Sept 2023 and Full Council on 21st Sept 2023, the Cambrian Railway Building was added to the List of Priority Schemes Schedule -Appendix B, with an indicative restoration cost of £1.47 million. This is the initial estimate for restoring both the exterior and interior of the building. The estimated costs of this proposed external restoration are £900,357 of capital spend.
- 2.6. In October 2023, the UK Shared Prosperity Fund (UKSPF) in Shropshire announced that there was funding available for the restoration of historic buildings in Shropshire, and the Council team submitted a proposal for these works. On 27th November the Council was notified that the bid had been successful and was being offered 70% of the required funding, amounting to £630,550. However, this grant offer requires 30% match funding to be made available from the Council's capital programme at a cost of £270,107. The terms of the grant require the works to be completed by the end of March 2025.
- 2.7. This grant funding offer is a significant opportunity for the Council to realise one of their capital proprieties and therefore this report is seeking Cabinet approval to proceed with the project and assign the match funding through the capital programme. This initiative fits well with the Shropshire Plan meeting objectives in the area of Healthy Economy by bringing a largely disused and poor condition landmark building back into use as a major community and business asset.

- 2.8. The ground floor of the building is currently let on a peppercorn tenancy at will with peppercorn rent to a local charity; the Cambrian Heritage Railway Ltd, who have been making use of parts of the ground floor to operate railway excursions in summer months and at Christmas. The first floor was most recently used as offices but is currently vacant. Both floors will require some internal repairs, insulation measures and a new heating system before they can be brought fully into use again.
- 2.9. Once the exterior works are complete, the Council will need to undertake any necessary internal works required to bring the building fully back into a suitable end use. To this end, funding has been secured from the Council's capital projects feasibility budget, to undertake more detailed building surveys and to commission a Conservation Management Plan (CMP). These surveys and the CMP will be undertaken during 2024 in parallel to the essential external works before a recommended end-use(s) and business case is brought back to the Cabinet in the second half of 2024.

3. Recommendations

- 3.1. Cabinet is requested to:
- 3.2. Delegate authority to the Executive Director for Resources to enter into an Agreement with the UKSPF to restore the exterior of the building and so secure £630,250 in grant aid.
- 3.3. Approve match funding of £270,107 of capital to be financed through borrowing.
- 3.4. Provide Authority to Proceed with the project to restore the exterior of the Cambrian Railway Building in Oswestry and request that the capital programme is updated to reflect Cabinet approval of this report, within the capital programme being approved by Council on 29 February 2024.
- 3.5. Delegate authority to the Executive Director for Place to proceed with the delivery of the exterior restoration including listed building consent, detailed design, tendering of works and construction.
- 3.6. Once the Conservation Management Plan and surveys are complete a business case for the re-use of the Cambrian Building is brought back to the Cabinet for review and consideration of any additional investment required to restore the interior of the building and make it suitable for re-use.

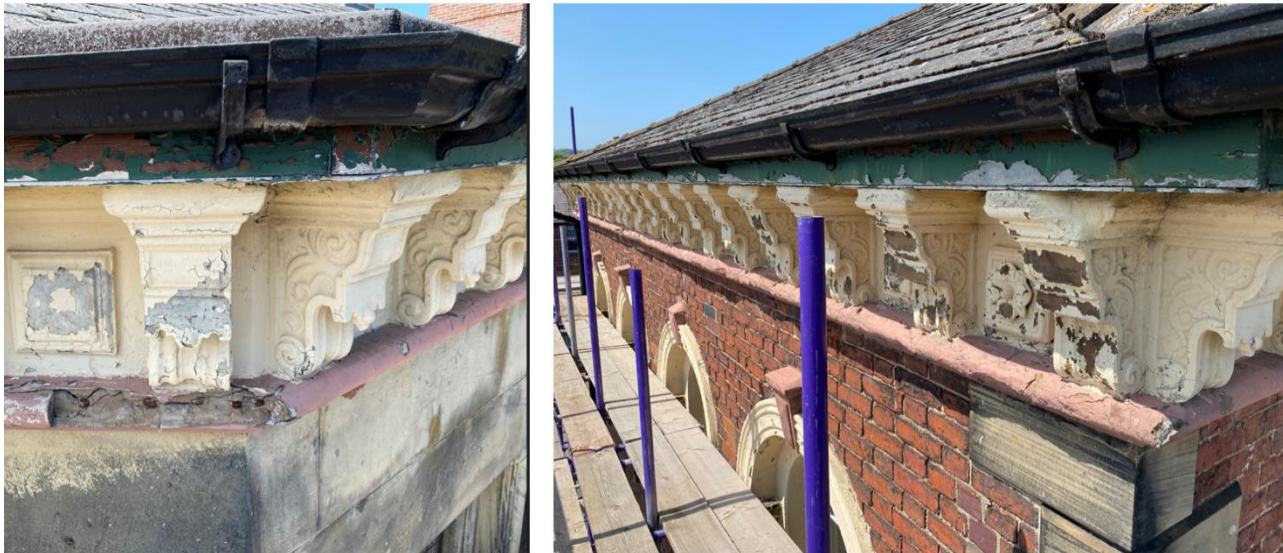
Report

4. Risk Assessment and Opportunities Appraisal

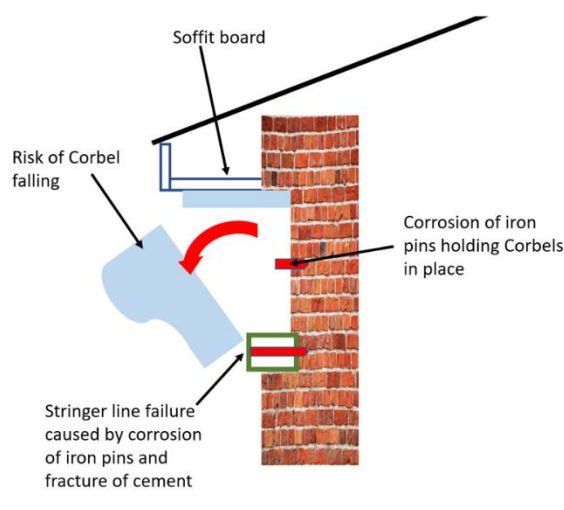
- 4.1. The Cambrian Railway Building is a Grade 2 listed Building in the ownership of Shropshire Council. The building dates from 1866 and was both the headquarters of the Cambrian Railway and Oswestry Station until its closure in 1975. The building is listed by Historic England because it is a good example of a Victorian

regional railway headquarters building and a notable feature is the row of ornate corbels which surround the building which were installed under the roof eaves.

- 4.2. Following storm damage in 2022, the building has been encased in scaffolding due to the deterioration of the exterior. A particular issue are the ornate corbels which surround the building under the roof eaves. Many of these corbels are severely decayed and loose and so pose a risk to passing traffic, pedestrian and visitors to the building. The corbels were originally attached using cast iron pins and held in place by compressions between the stringer course below and soffit board above. All of these features have become weathered and corroded resulting in the corbels becoming loose. There are 480 corbels around the build perimeter, with those on the Southwest corner of the building are in the worst condition.



Ornate corbels surround the building – Showing weathering and decay



Iron pin corrosion and decay of stringer course poses risk of Corbels falling

- 4.3. The conservation team and council surveyors have developed a technical solution for how the corbels can be stabilised. Once implemented this will allow the scaffolding to be removed. Inspection by the Council's conservation team in

summer 2023 has also identified that during the course of a previous restoration 40 years ago, the original slates from the roof have been replaced by a ceramic asbestos composite. These tiles have now become weathered, and the asbestos fibres are now exposed. Whilst this is a low risk, these weathered tiles do need to be replaced to avoid the risk of asbestos fibres being exposure to those in the building vicinity.



Roof Tiles – showing weathering and exposure of asbestos fibres

4.4. Risk assessment:

<i>Risk</i>	<i>Mitigation</i>
There is a risk that the Cambrian Building will be put on the Listed Buildings at Risk Register	Taking action to restore the exterior of the building and then implement a sustainable use for the whole building in due course will safeguard the long term future of the building
There is a risk to the health and safety of building visitors from falling masonry – due to the weather of the corbels and their fastenings	Restoration of the corbels will reattach them and render them safe and secure
There is a risk of asbestos fibres being exposed on the roof tiles due to weathering.	Reroofing the building will remove the asbestos risk.
There is a risk that the condition of the Cambrian building is detracting from the amenity and supressing economic activity in the north-east of the town centre.	Restoration of the exterior of the Cambrian building will improve the amenity of the area and attract more visitors and enable greater use of the Cambrian building

4.5. The project will fit well with the goals of the Shropshire Plan:

- **Healthy People:** Restoration of this significant listed building and bringing it back into use will improve the amenity of this area of Oswestry provide new economic and cultural opportunities for the population.
- **Healthy Economy.** The Project will restore a large historic commercial building within Oswestry Town Centre and bring it back into productive use and make Oswestry a more attractive town to both live and work.

- **Healthy Environment:** The building is in an un-safe condition and the project will remove these risks.
 - **Healthy Organisation:** The Cambrian Railway Building is in the ownership of the Council and is an important heritage asset for Oswestry. Safeguarding it for today's residents and future generations and bringing it back into a safe and productive condition will be the most efficient and effective use of this Council asset.
- 4.6. In summary, it is now imperative that the exterior of the building undergoes a restoration to replace the weathered roof tiles and restore and secure the corbels. This together with repainting of the building and repairs of the guttering, soffits and drain-pipes is an essential first step to removing the scaffolding and making the building safe to enable it to be re-used and support the regeneration of this part of Oswestry.

5. Financial Implications

- 5.1. The Capital Strategy 2022/23 - 2027/28 Mid-Year Review was presented to Cabinet on the 6th of September 2023 and Full Council on 21st September 2023. This report added the renovation and reconfiguration of the Cambrian Railway Building to the Priority Schemes Schedule (Appendix B) with an indicative cost of £1.470 million which would be funded through borrowing (This is the estimate for restoring both the exterior and interior of the building). The estimated costs of the external restoration presented here are £900,357 and a project of this value needs Cabinet approval before it may proceed. In addition, the project will need to move from the Capital Strategy to the Capital Programme and subject to Cabinet approval here, the Capital Programme will need to be updated before this is approved by the Council on 29th February 2024.
- 5.2. Sourcing the match capital funding would need to be from borrowing. It would be the aim of the project to bring the building into productive use to generate rental income to both service any borrowing and meet future maintenance and repair costs. This will be addressed in the Conservation Management Plan and associated Business Case.
- 5.3. In October 2024, the UKSPF announced that there was funding available for the restoration of historic buildings in Shropshire, and the Council team submitted a proposal for these works. In late November the Council was notified that the bid to the UKSPF has been successful in securing up to £630,250 (70%) in grant aid but this requires match funding from the Council for £270,107 (30%) in order to proceed.
- 5.4. The grant offer from UKSPF is the maximum the fund would make available to the Council based on estimates. The agreement with UKSPF will not be finalised until the Council has tendered the works and obtained a Best Value quotation. At that point the final 70% grant offer will be updated with the true costs. Should the tendered costs exceed these estimates, the project will re-approach the UKSPF to see if they can match the tenders or seek an alternative restoration method.
- 5.5. This grant funding offer is a significant opportunity for the Council to realise one of their capital priorities and therefore this report is seeking Cabinet approval to

proceed with the project and assign the match funding through the capital programme.

6. Climate Change Appraisal

- 6.1. The building currently does not have any heating and has low levels of insulation which limit its current useability but provide an opportunity to look at how a new energy approach to the building can be adopted. Restoring the Cambrian Railway Building will safeguard the embedded carbon in 150-year-old property and bring over 1000 square metres of floor space back into productive use negating the need for new building project which would be carbon intensive to build.
- 6.2. Getting to net zero in the context of historic listed buildings such as the Cambrian Railway building will be a challenge. The project will need to identify ways to make the building more energy efficient and select a heating solution which meets the net zero targets – this is likely to be a combination of air source heat pumps and a new all electric heating solution. The elegant height ceilings and large doors and sash windows are not conducive to energy conservation and maintaining the look and feel of the building will make installing air source heat pumps a challenge. There is little opportunity for renewable energy sources without impacting on the conservation value of the building – these will be investigated fully in the next stage of the project.
- 6.3. Advising on how to make the mechanical and electrical services and building heating operational is a part of the brief of the Conservation Management Plan. The plan will also look at how the building could be made more resilient to deal with more extremes of climate. One example would be to have additional drainpipes to shed greater intensity of rainfall from the roof.

7. Background

- 7.1. The Cambrian Railway Building is a Grade 2 listed building in the ownership of Shropshire Council. Construction was started in 1864 and the building was opened in 1866 with the Ground floor being the Station building and first floor the headquarters of the Cambrian Railway. Following the railway closure as part of the Beeching cuts, the building had various uses, including flats, retail and offices before being acquired by the Council in 2005. The ground floor is now let on a peppercorn rent to a charity, the Cambrian Heritage Railways and the first floor is vacant. The building is currently encased in scaffolding due to the deterioration of the exterior in particular the corbels many of which are loose. The building is in need of renovation and a suitable and sustainable end use for the whole building is required.
- 7.2. The railway played a significant part in the growth of Oswestry from a population of 5,500 in 1861, to nearly 10,000 in 1901. The Cambrian Railway served the mining and seaside communities in North Wales. The Cambrian Railway amalgamated with the GWR in 1922. Passenger trains ceased in 1966, the station closed in 1971 and freight use of the line declined and finally ceased in 1988.

- 7.3. Since the closure of the station, most of the station buildings have been demolished but the station headquarters building was retained. The building has been through various owners and been used for various enterprises before coming into the ownership of the Council.
- 7.4. The ground floor is currently let on a Tenancy at Will for a peppercorn rent to the Cambrian Heritage Railways Ltd, a local charity. They are making current use of the ticket hall, toilets, shop and waiting room. The CHR operate short excursions on the railway line during holiday periods, particularly the summer and Christmas. The CHR have significant plans to restore the railway operations and restart passenger transport Services which would make the station building a key transport hub once more. There is a kitchen and café at the north end of the building which are currently unused. The south end of the building was formerly a pharmacy which ceased trading in 2019 the shop and their offices and staff toilets are still in place but unused.
- 7.5. The first floor is currently unused and unlet. It has 6 offices of various sizes linked by a single corridor. There are two set of stairs one set leading to the outside and another leading to the ground floor. There is a lift which is currently disused. There are male and female toilets and a kitchenette at both ends of the building. The first floor is in a reasonable building condition but like the ground floor has no heating.
- 7.6. The UK Shared Prosperity Fund (UKSPF) is a government-allocated fund to be managed by local authorities in partnership with local stakeholders and is intended to reduce inequalities between communities, as part of the Government's wider "levelling up" agenda.

8. Additional Information

- 8.1. There are a number of initiatives within Oswestry which reference or rely on the Cambrian Building to be brought back into a suitable condition and reuse and are summarised below.
- 8.2. The Future Oswestry Plan describes the area around the building as the Cambrian Gateway. The plan views the area as a key transport hub and inter change between cars, buses, coaches, walking cycling and ultimately regular rail transport - with the Cambrian Railway Building at its centre, providing a visual focal point as a landmark building and providing a visitor destination with Café and toilet facilities re-opening to the public.



Extracts from Future Oswestry Plan – based around the Cambrian Railway Building

- 8.3. The Network North initiative was announced by the Government on 4th October 2023 which included a proposal to progress with the reopening of the Gobowen to Oswestry rail line via the Agnes Hunt Orthopaedic Hospital. Whilst the programme has funding earmarked, projects under consideration will be subject to business case updates. The Department for Transport are to lead on this with Network Rail who have been asked to prepare costs for the next phase to support the development of the business case and present them to DfT for consideration. If the line is re-opened to Oswestry the Cambrian Building would play a key role as the station with potential up to 40,000 passengers per annum.

Local Member: Cllr John Price - Oswestry East
 Cllr Chris Schofield – Oswestry East
 Duncan Kerr – Oswestry South
 Mike Isherwood – Oswestry West

Appendices [Please list the titles of Appendices]

- Appendix 1 – Funding confirmation letter from UKSPF
- Appendix 2 – UKSPF Funding cost model and repair estimates
- Appendix 3 – Briefing presentation on repair requirements