

Name of meeting: Cabinet

Date: 16th June 2020

Title of report: - The George Hotel, St Georges Square, Huddersfield:

Acquisition

Purpose of report

To seek authority to purchase The George Hotel in Huddersfield; take action to repair the building and work with third parties to reopen the building.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes, purchase price will be greater than £250k
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes – the decision date has been brought forward and the reasons for urgency are outlined in Section 3.6 of the report.
The Decision - Is it eligible for call in by Scrutiny?	No
Date signed off by <u>Strategic Director</u> & name	Karl Battersby – 12 th June 2020
Is it also signed off by the Service Director for Finance?	Eamonn Croston - 12 th June 2020
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – 12 th June 2020
Cabinet member portfolio	Cllr Peter McBride Economy Portfolio Holder

Electoral wards affected: Newsome

Ward councillors consulted: None specifically

Public - Appendix 3 in private

Have you considered GDPR? Yes

1. Summary

- 1.1 The George Hotel (the Hotel) is a Grade 2 Star (2*) listed building in the centre of Huddersfield which fronts onto the main public space St Georges Square. Once a popular hotel it has been closed and vacant since 2013 and is a cause of concern to the wider Kirklees public and the Council regarding, in particular:-
 - its poor visual appearance and negative impact of perceptions of the town to visitors:
 - the general deterioration of the structure;
 - the blighting effect its closure and vacancy has on the town centre; and
 - the lost opportunity it represents to have this unique asset unused.
- 1.2 Bringing the George Hotel back to life is a key part of the Council's Blueprint for Huddersfield. It is one of the key assets in this area, alongside Estate Buildings, Station Warehouse and the open market which, if developed, can greatly add to the regeneration of the town as a whole. It is an important focal point between Huddersfield Railway Station and the Southgate redevelopment site an axis which will drive new uses and spaces that contribute to ensuring that this is a thriving part of town and footfall is increased.
- 1.3 The George Hotel is world renowned as the birthplace of Rugby League. The game can trace its roots to the signing, at the George Hotel, of an agreement by 21 Lancashire and Yorkshire clubs to set up the Northern Rugby Union. This historic event is celebrated by a blue plaque on the hotel and the Hotel was home to a Rugby League Heritage Centre before it closed. Rugby League Cares, the charitable arm of the Rugby Football League and owners of the memorabilia, planned to move the collection to Bradford.
- 1.4 Due to its historic importance it provides a great opportunity to create something unique; which will contribute to the regeneration of the Town Centre and be a symbol of the town's resurgence and importance. This could involve a mix of uses, with a key element being leisure and cultural activities that will add to the current offer in the town centre and support plans to develop Huddersfield's role as a cultural hub.
- 1.5 The Council has attempted over a number of years to work with the owners to try and get the building reoccupied. The condition of the building has been of concern in the past and some repairs have been undertaken. However, a further programme of extensive repairs needs to be undertaken to ensure that the condition of the building does not deteriorate further.
- **1.6** The Council has granted approval for two significant planning applications (and the associated listed building applications). These are detailed below:
 - Application number 2019/62/91505 approved on 19th September 2019. This was
 for the partial change of use of hotel to 50 apart-hotel rooms, A3
 (restaurant/cafe/function room), A4 (drinking establishment), D1 (museum), Spa,
 ancillary storage and associated internal and external works.
 - Application number 2014/62/90692/W approved 2nd September 2015. This was for a change of use to mixed use 30 bedroom hotel with function rooms, part of first floor to dental centre and educational facility, basement to spa, formation of 11

apartments on parts of first, second and third floor, erection of rooftop coffee shop/diner with creation of terrace with balustrade, erection of canopies and external alterations.

- Accompanying Listed Building Consent was approved 2nd September 2015, reference 2014/65/90693/W.
- 1.7 It is considered that while the Hotel remains outside Council ownership the issues identified above will not be addressed and it will remain a vacant and underused asset. Further deterioration of the Hotel at the strategically important gateway to the town centre will undermine the Council's commitment to regenerate the town centre. Officers have recently agreed terms to acquire the property from the owners and Cabinet approval is now sought for the purchase.
- 1.8 Cabinet approval is also sought for funding to carry out remedial works to the building and, in parallel with this, enter into discussions with third parties with the view to them reopening the building for uses that are appropriate to this central town centre location. This includes negotiations with Rugby League Cares to establish a National Museum for Rugby league in the George Hotel by 2023. As part of the above it is proposed to undertake out some early improvements to improve the appearance of the Hotel and its frontage onto the square.
- 1.9 With reference to the former Rugby League Heritage Centre and the planned move to Bradford. In January 2020, the Rugby League Cares charity reopened bidding for a new, National Museum for Rugby League. Kirklees Council was invited to submit an application and the Council has now been shortlisted to one of two proposed locations for the National Museum. We understand the Charity is keen to work with Kirklees but has asked for clear demonstration of our intention to purchase the Hotel. Officers believe the opportunity to be the home of a National Museum for Rugby League has economic benefits through tourism, such as the 2021 World Cup, as well as wider benefits promoting Huddersfield positively and to a global audience. The need to provide a response to Rugby League Cares explains the rationale for bringing this report to Cabinet today.

2. Information required to take a decision

Property Details

- 2.1 The George Hotel is a Grade 2* listed building dating from 1849 to 1850 and was built in response to a design competition for a building to complement the Georgian Square. The building has a basement level which once housed the Rugby League Museum, on the ground floor is the hotel lobby with decorated columns and restaurant and lounge, the first floor contains meeting rooms which still retain original historic features and the remaining floors and attic contain small hotel rooms of no historic interest. The building is in a reasonable condition with previous water ingress curtailed and the damage made good however further investigation may be needed into the step cracks above the stair landings which may be previous settlement damage.
- **2.2** The Hotel is currently vacant. In the past it has been subject to two planning applications (and related listed building applications). The details of these are as follows:

- 2014, planning permission was provided for the change of use to "a mixed-use scheme comprising a 30 bedroom hotel with function rooms, part of the first floor to dental centre and educational facility, basement to a spa, formation of 11 apartments on parts of first, second and third floor, erection of rooftop coffee shop/diner with creation of terrace with balustrade, erection of canopies and external alterations".
- In 2019, planning permission was secured for the "Partial change of use of hotel to 50 apart-hotel rooms A3 (Restaurant/Café/Function Room), A4 (Drinking Establishment), D1 (Museum), spa, ancillary storage and associated internal and external works".

Strategic Context

- 2.3 The Huddersfield Blueprint was launched in June 2019 and includes the reopening of the Hotel as one of the key projects. The Blueprint has been subject to a number of engagement and consultation exercises. The most recent of these was the Huddersfield Blueprint SPD consultation, undertaken between February and early March 2020. The most extensive consultation was undertaken between June and September 2019 following the launch event last year. The main exercises were as listed below.
 - Huddersfield Master Planning Stakeholder engagement late 2018
 - Huddersfield Blueprint Launch June 2019
 - Huddersfield Blueprint Consultation June to September 2019
 - Huddersfield Place Standard Tool June to September 2019
 - Huddersfield SPD Feb/March 2020
- **2.4** Reports for each of these exercises can be found at the following link:

https://www.kirklees.gov.uk/involve/default.aspx

2.5 Consultation demonstrates the importance of the Hotel to the people of the town and if the town centre is to be properly regenerated and reflect community ambitions, then the Hotel needs to be brought back to life and a sustainable use or uses found for the building. Due to its historic character, which includes its association with Rugby League, it provides a great opportunity for the town centre to offer something unique, potentially a destination for leisure and culture as well as other uses that complements the remainder of the town centre aspirations.

Local Plan Policies

2.6 The Local Plan lays considerable weight on the importance of conserving the areas historic environment and finding sustainable uses for individual buildings. The Strategic Objectives set the scene to; Protect and enhance the characteristics of the built, natural and historic environment (Objective 8); Policy PLP35 sets out in more detail the policies in this respect. With regards to 'Delivery and Implementation' of its policies on the Historic Environment the Local Plan (para 14.20) states that "The Council has a range of responsibilities and statutory powers to positively manage the historic environment. In order to safeguard and maximise the gain from heritage assets, the Council will seek to use the measures appropriately and responsibly for the public benefit in order to conserve and enhance the historic environment."

- 2.7 Officers consider that the acquisition of the Hotel is an excellent example of where the Council can use its powers appropriately and responsibly to conserve and enhance the historic environment. The George Hotel is an important strategic building within our proposed Heritage Action Zone for St. George's Square and the Estates Buildings. Acquisition will play an important role in demonstrating to Historic England and other funders the Council's commitment to the town's heritage.
- 2.8 The Local Plan classifies Huddersfield Town Centre as one of the two principal town centres in Kirklees district and provides a framework to support the town centre, and aid in its regeneration, transformation and evolution. This is outlined in Policy PLP13a and recognises the importance the Council and the community place upon having a vibrant Town Centre that are diverse, with a mix of uses to attract visitors.
- 2.9 This policy will be delivered, in part, by developers and investors who propose new developments in the Town Centre. The Council will also deliver the policy through the planning application process via the Development Management and Planning Policy Teams, to support new development and growth in Huddersfield, and by other partner organisations and local business who operate in the Town Centre. An important role for the Council is to acquire key investment locations to enable investment by developers and other agencies. By purchasing the Hotel the Council proposes to work collaboratively with a suitable investor/operator to bring the building back to active use.
- 2.10 The Local Plan also seeks the efficient and effective use of land and buildings and in Policy LP7 it seeks, "To ensure the best use of land and buildings, proposals should encourage: (b) the reuse or adaption of vacant or underused buildings. The acquisition is fully in line with this ambition.
- **2.11** Local Plan policies are supported by policies and guidance in the national Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

Huddersfield Supplementary Planning Document (SPD)

2.12 The Huddersfield Blue Print SPD is now adopted as a formal planning document following a decision by Cabinet in May 2020. This identifies the following for the George Hotel.

'The George Hotel is in a highly prominent location with frontage on to St George's Square and adjacent to Huddersfield Railway Station. The building also has historic significance as the birthplace of rugby league and is Grade II* listed. The building is currently vacant and presents a prime opportunity for redevelopment to provide hotel and/or residential and/or office use with the potential for ground floor food and drink provision and other uses which support the vibrancy of the town centre'.

Heritage Action Zone

2.13 Kirklees Council has applied for Heritage Action Zone (HAZ) status seeking £1 million towards restoration of heritage buildings in St. George's Square. The aim of the HAZ is to help drive the Councils ambitions for the regeneration of the town centre by halting and reversing the decline of heritage assets and providing vacant buildings back into use. The HAZ would support improvements to the Grade 2* listed buildings enveloping St. George's Square including the George Hotel and Estates Building on Station Road.

- **2.14** The objectives of the HAZ bid are:
 - Bringing vacant buildings into long term viable use, providing a more positive 'Welcome to Huddersfield' and a stronger commercial offer.
 - Creating a more sustainable town centre
 - Taking Huddersfield off the Heritage at Risk Register
 - Enforcement where necessary
 - Increased public participation in the heritage of Huddersfield

History

- 2.15 The ownership boundary is shown in Appendix 1.
- 2.16 The Hotel closed in 2013. Since then town centres generally have suffered decline and the value of retail assets has decreased accordingly The Council has attempted over a number of years to work with the owners to try and get the building reoccupied. The condition of the building has been of concern in the past and some repairs have been undertaken. In addition the Council has granted approval for two significant planning applications (and the associated Listed building applications). These are detailed below:



- Application number 2019/62/91505 approved on 19th September 2019. This was
 for the partial change of use of hotel to 50 apart-hotel rooms, A3
 (restaurant/cafe/function room), A4 (drinking establishment), D1 (museum), Spa,
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Building Condition

2.17 A building Inspection report from May 2020 identified issues which required immediate attention to prevent further damage to the building which will increase remedial costs and prevent refurbishment unless action is taken. Key issues (identified as the most urgent) included:

External works

- Asbestos in accessible external areas of the building
- Repairs to roof and ceilings to prevent falls
- Damaged internal timbers through water ingress
- Broken roof lights causing further water ingress
- Loose stone parapet and loose stonework to be removed for safety
- Sandstone front weathered and in need of urgent attention
- Damp throughout the building
- Integrity of the stairs
- External fire escapes redundant
- Corrosion in areas of the internal building

Internal works

- Fire prevention and safeguarding to timbers
- Breaches in compartment walls through pipe penetrations
- Door installations in poor condition
- · Lift shaft is not fire tight, replacement of lift needed
- Asbestos debris throughout the building

Rationale for Purchase

- 2.18 Officers are of the view that without a vision for the property; substantial investment in the fabric of the building and effective proactive marketing and management, the Hotel will continue to remain empty. As a result it is very likely to experience further deterioration; continue to be a blight and a lost opportunity to help regenerate the town centre.
- 2.19 Unlike any other building in Huddersfield the Hotel is seen as a symbol of the town's past and future glories particularly its long association with rugby league. Feedback through the development of the Blueprint has shown that the public expect the George Hotel to be revitalised and is at the heart of the early plans for the town. With this in mind it has great strategic importance to the town and its early renovation will undoubtedly help to galvanise public support for future plans and instil public confidence in the Blueprint overall.
- 2.20 In addition to the above opportunities are already beginning to emerge for the Hotel. There have been informal discussions with potential end users in the hotel, business, and culture and leisure sectors. Importantly, there is an early opportunity to work with the sport of Rugby League to deliver a national attraction in Huddersfield. The George Hotel is at the very heart of that prospect and without early acquisition is likely to be undermined. Following a competitive bidding round to be the home of the new National Museum for Rugby League, Kirklees has been shortlisted as one of two final contenders. A pre-requisite for the selection of the Kirklees proposals will be a clear commitment to the purchase of the Hotel and funding for essential remedial works.
- **2.21** The strategic importance and history of the building described above provide the overarching rationale for purchasing the building. The Hotel plays a vital role in regenerating this part of the town centre alongside the Station Warehouse, Estate Buildings and the Open Market. We need to find new uses for all of these buildings to

strengthen our town. Officers therefore consider that there is a strong case to acquire the property. A freehold purchase by the Council would provide the opportunity for the Council and its partners to invest in the property and take immediate action towards a long term aim set out in the Blueprint.

Options

- **2.22** There are three main options open to the Council
 - Do nothing
 - Compulsory purchase the property
 - Purchase by agreement
- 2.23 Doing nothing is not an appropriate option for the Council, because if the Hotel remains in its current ownership it will not achieve the Council's objectives for a key project in the town. There is a strong prospect that the property will remain empty and continue to deteriorate. The negative perception of the town, with this key asset closed at the gateway to Huddersfield, could act as a deterrent to investment by potential partners in the town centre.
- 2.24 The Council has the necessary powers to compulsory purchase the building. This process is prescribed by law, the process may take 2 years to complete and there is no guarantee of a positive outcome for the Council. In addition, owners of property that has been compulsory purchased can claim monies that are above the open market value of the property. The items that they can claim are set out in law and can be summarised as follows:-
 - The Value of the land taken
 - Severance and injurious affection
 - Disturbance
 - Fees
 - Loss Payments
- 2.25 In summary, compulsory purchase comes with a risk, as it does not guarantee an outcome in favour of the Council and can take up to 2 years to complete, which will delay the Council's efforts to deliver its regeneration plans for the town centre. Such a timescale will also mean the Council loses the chance to secure the National Museum for Rugby League at the George Hotel.
- 2.26 In contrast to C.P.O; purchase by agreement can be achieved quickly and provides certainty. If the Cabinet approve the purchase then the aim would be to complete the purchase before the end of July 2020. Officers consider that certainty and short timescales provided by the proposed purchase are, when combined with the high priority of this project, sufficiently strong to justify a purchase now rather than pursing a C.P.O. for the property.

The Proposal

2.27 Purchase of the building is an important first step in bringing the building back into use. However, there are other things that will need to be undertaken if the Council's ambitions are to be delivered.

- Remedial works will need to be funded to secure the building and prevent further deterioration of the hotel.
- Options for end use need to be explored with potential development partners and funders to secure the most appropriate and sustainable use for the Hotel
- Identify potential end users as part of our options analysis

Risks

2.28 Subsequent to purchasing of the property the Council will need to devote the appropriate staff and financial resources to achieve the outcome it desires. The refurbishment process and agreeing the long term management and operation of the Hotel will pose challenges and risk. Officers will put in place project management arrangements and as part of this a risk management plan to proactively manage these risks. As part of the discussions about the mix of uses within the Hotel due consideration will be given to ensuring that the new Hotel offer complements and adds to the wider offer of the town.

3 Implications for the Council

3.1 Working with People

Kirklees Council officers held town centre consultations and workshops in the town centre from July to August 2019. Consultation over a 12 week period involved nearly 1,000 face to face interviews with Huddersfield citizens, focus groups, a staffed exhibition in the Piazza, Huddersfield and an on-line Blueprint questionnaire.

3.2 Working with Partners

As part of the plans to reopen the Hotel the Council will work with potential partners to develop the most appropriate and deliverable plans to bring the building back to life for sustainable uses. Officers have worked with Rugby League Cares and partners keen to bring a museum of Rugby League to the Hotel including the University of Huddersfield, Huddersfield Giants, Huddersfield Unlimited and the Business Improvement District.

3.3 Place Based Working

Developing the George Hotel is part of a place-first approach, setting key sites and opportunities in their recognisable surroundings which the Blueprint identifies as focus areas. The purpose of this is to retain the Huddersfield context and allow the flexibility for clever thinking and development, which will positively transform our future

3.4 Climate Change and Air Quality

The repair, refurbishment and reopening of the Hotel will contribute to town centre regeneration and conservation of the town's heritage. By improving the leisure and retail offer of the town centre it will provide greater opportunity for linked trips to the town centre, potentially reducing the number of journeys and production of carbon.

3.5 Improving outcomes for children

The building provides ample opportunity to introduce facilities that are attractive to families and support the ambition for a family friendly town.

3.6 Legal

The Council has the power to acquire the Hotel under Section 120 Local Government Act 1972. Under this section the Council can pay a premium for the acquisition that is above the price that the Council would be likely to pay if it sought to compulsorily acquire the Hotel. However, the Council should at all time act prudently in the negotiation and agreement of the terms of any acquisition and therefore Cabinet should be satisfied that it is more beneficial to the Council to voluntarily acquire the Hotel now by paying an enhanced premium than for the Council to wait and seek to compulsorily acquire the Hotel at what the Council's property advisers consider would be likely to be at a lower overall cost.

It should be noted that this item is considered under Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012- Key Decisions taken in cases of Special Urgency.

A key decision notice was originally published for decision at the end of June 2020. However, it has been necessary to bring this forward. The reasons why the making of the decision is urgent and cannot reasonably be deferred are as follows:-

The Council have submitted an expression of interest for the George Hotel to be the location for the national rugby league museum. Kirklees and one other bidder remain in the process, with the final decision to be made following a presentation to Rugby League Cares on 18 June 2020. The control of the building is key to the success of the bid, hence why we are looking to take an urgent item to Cabinet on the 16 June 2020, in order that we can confirm we have made the decision to purchase the building before the final panel meeting on 18 June 2020.

3.7 Finance

Financial details of the acquisition and likely costs of renovation are contained in Appendix 3 of this report (private). Following acquisition, it will be necessary to undertake repairs to the building. Some of this will be short term 'emergency' repairs, while a comprehensive scheme is drawn up. Working with partners there may be opportunities to secure external grant support such as the National Lottery Heritage Fund and this will be explored as part of the delivery plan for the project.

The cost of acquisition can be met from the Council's 'strategic acquisitions fund' that was approved by Full Council on 12th February 2020. The funds required for repairs could be met from the capital plan allocation for 'Strategic Regeneration of Town Centres – Huddersfield'. The Council has allocated £30 Million in the approved Capital Plan to support regeneration of Huddersfield Town Centre and there are currently enough uncommitted funds from this allocation to fund immediate repair and environmental works. Funding of more substantial repairs and any other works would be subject to negotiation with potential partners.

4 Consultees and their opinions

Section 2.3 refers to the substantial consultation with the public regarding the Huddersfield Blueprint and plans for the regeneration of the town centre. Overwhelming support for the regeneration of the Hotel was clear.

5 Next steps and timelines

Following a decision by Cabinet, officers will undertake all the necessary legal and other work required to complete the purchase. It is planned to complete the purchase by the end of July 2020. Shortly following acquisition, it is proposed to carry out works to generally improve the external appearance of the Hotel tidying up the entrances and to carry out some 'emergency' maintenance to slow the deterioration of the building.

During 2020 detailed plans and specifications will be drawn up to repair the building.

- **5.1** In parallel to the above officers will in conjunction with potential partners:
 - work with Rugby League Cares to submit a formal application for the new National Museum for Rugby League to be based at the George Hotel;
 - further explore the options for the mix of uses in the building; and
 - explore and secure funding opportunities in conjunction with partners to support the development of the Hotel including potential management arrangements.
- **5.2** Officers commit to an early report on the Blueprint strategy and programme to Economy and Neighbourhoods Scrutiny Panel for the 9th July 2020.

6. Officer recommendations and reasons

It is recommended that Cabinet:-

- (i) Approves the acquisition of the Hotel by the Council on the terms outlined in Appendix 3 of this report.
 Reason: To progress the delivery of a key project within the Huddersfield Blueprint
- (ii) Delegates authority to the Strategic Director (Economy and Infrastructure) in consultation with the Economy Portfolio Lead to negotiate and agree the terms of any lease of the Hotel, or part thereof, that is to be granted to a third party and the terms of any supporting or ancillary management agreement or operating agreement that may be entered into with the third party. Reason: To enable the effective delivery of the George Hotel project
- (iii) Approves the funds required to purchase the building (see Appendix 3 of this report)
- (iv) Approve the funds required to carry out remedial works to the building as recommended in Appendix 3 of this report.

Reason: To enable the purchase of the George Hotel to proceed

7. Cabinet portfolio holder's recommendations

That the report be approved.

8. Contact officer

Naz Parkar – Service Director Housing and Growth

9. Background Papers and History of Decisions

Planning applications ref: 2014/62/90692/W: 2019/62/91505

10. Strategic Director responsible

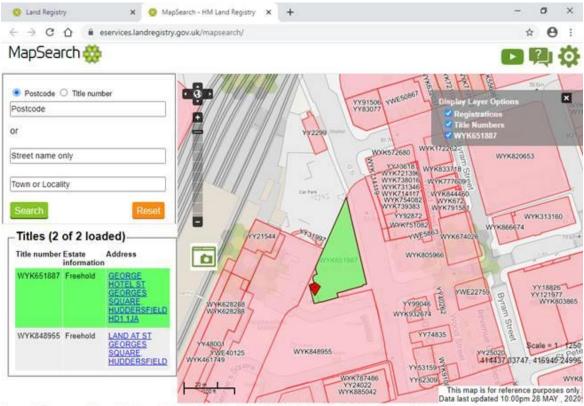
Karl Battersby Strategic Director Economy and Infrastructure karl.battersby@kirklees.gov.uk 01484 221000

APPENDIX 1: Boundary of The George Hotel (land registry plan)

Title Number WYK651887

The George Hotel is centrally located in St George's Square, Huddersfield and adjacent to the historic Railway Station. The property is a Grade II* listed building and renowned local landmark which dates back to 1851. The project is physically defined as the building contained with the Land Registry Title number

Plan One: Boundary of the George Hotel Huddersfield



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APPENDIX 2: LIST ENTRIES

The George Hotel has the following list entries for planning and listed building status

1 Planning applications

1.1 Application number

2014/62/90692/W

Applicant

Northpoint Living Developments

Location

The George Hotel, St George Square, Huddersfield, HD1 1JA

Ward

Newsome Ward

Description / Development

Change of use to mixed use 30 bedroom hotel with function rooms, part of first floor to dental centre and educational facility, basement to spa, formation of 11 apartments on parts of first, second and third floor, erection of rooftop coffee shop/diner with creation of terrace with balustrade, erection of canopies and external alterations (Listed Building within a Conservation Area)

1.2 Application number

2019/62/91505

Applicant

Northpoint Living Developments

Location

The George Hotel, St George Square, Huddersfield, HD1 1JA

Ward

Newsome Ward

Description / Development

Partial change of use of hotel to 50 apart-hotel rooms, A3 (restaurant/cafe/function room), A4 (drinking establishment), D1 (museum), Spa, ancillary storage and associated internal and external works.

1.3 The accompanying Listed Building consent is 2014/90693 –

APPENDIX 3: Private to follow