

Name of meeting: Cabinet
Date: 22 June 2021
Title of report: Strategic Acquisition of a property in relation to the Huddersfield Blueprint Cultural Heart.

Purpose of report:

This report requests that Cabinet considers the opportunity to acquire a Strategic Long Leasehold asset (subject to existing tenancies) in Huddersfield Town Centre in line with the Huddersfield Town Centre Masterplan (“Masterplan”).

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 - this report is likely to result in expenditure exceeding £250K.
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes - Public Report with private appendices
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd - Strategic Director Growth and Regeneration - 10 / 06 / 21
Is it also signed off by the Service Director (Finance)?	Eamonn Croston - Finance and Accountancy – 08 / 06 / 21
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – Legal Governance and Commissioning – 08 / 06 / 21
Cabinet member portfolio	Cllr Paul Davies - Corporate Cllr Peter Mc Bride - Regeneration Cllr Eric Firth – Town Centres

Electoral wards affected: Newsome

Ward councillors consulted: No

Public or private: Public with Private Appendices

(Exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 as the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that the disclosure of the information would be contrary to confidential terms and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Council's decision making.)

GDPR – no personal or sensitive data; or other information covered by GDPR is included in this report

1. **Summary**

- 1.1 Town centres and the high street are experiencing long term structural changes and therefore a new forward-thinking approach is required to support vibrancy and the Council's strategic objectives.
- 1.2 This report is to seek Cabinet approval to purchase a property that will support the delivery of the Cultural Heart regeneration scheme in Huddersfield town centre.
- 1.3 The acquisition of this strategic asset will provide an opportunity for the Council to further control the ownership in the proposed Cultural Heart and support the implementation of the Masterplan, building on other recent acquisitions such as the Piazza.

2. **Background**

- 2.1 Kirklees Council made a public commitment in June 2019 to create a "thriving, modern-day Town Centre" offering "vibrant, art, leisure and nightlife... thriving businesses [and] a great place to live" through the launch of its Blueprint.
- 2.2 The reasons behind this are clear, failure to develop a Town Centre in a way that meets the needs of existing and future residents and visitors and doesn't respond to economic and societal changes will mean a further abandonment of our High Street as stakeholders seek more meaningful experiences in other destinations.
- 2.3 Six areas were identified as being key to the Town Centre Regeneration; the Station Gateway, St Peter's, Kingsgate and King Street, New Street, the Civic Quarter and the Cultural Heart.
- 2.4 The aim to create a cultural hub (the Cultural Heart) in the town is a key component of the plan. Its location around the Queensgate market and library area is significant as it will anchor footfall in this area and create a cluster of cultural activities that link back to the Town Hall and also the Lawrence Batley Theatre. It will also complement the emerging leisure focus at the Kingsgate centre.
- 2.5 The Council's vision for a new Cultural Heart is to cluster the art gallery, museum, library, archive service and music venue in this area and use the opportunity to create very high quality public realm and address the connectivity issues with the university in that area. This is set out further in the Cultural Heart Next Steps Cabinet Report.

3. **Information required to take a decision**

- 3.1 It is proposed that the Council acquires a strategic long leasehold asset (subject to existing tenancies) in Huddersfield Town Centre. A detailed private report with a number of appendices will be considered by Cabinet on 22 June 2021 as the information is exempt in accordance with Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

4. Implications for the Council

4.1 Working with People

Kirklees Council officers held town centre consultations and workshops in the town centre from July to August 2019. This was based upon the Place Standard approach. 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.

4.2 Working with Partners

Stakeholders with an interest in the town were involved in the initial development of the Blueprint. The Council will work with potential partners to develop the most appropriate and deliverable plans to bring forward the development of the Cultural Heart.

4.3 Place Based Working

It is recognised that one size does not fit all and whilst Huddersfield is a principal centre for the district, it has its own distinctiveness which needs to be harnessed and built on. It is intended that the regeneration of the town centre will use the Place Standard tool to implement the Masterplan so that the Council works with its communities to ensure their aspirations are built into the future of the town.

4.4 Improving outcomes for children

The masterplan has families and young people at its heart – it considers a whole range of initiatives that enable families to live in, work and enjoy the town – from how public realm can be playful to considering how the cultural hub meets the inter-generational aspirations of our communities by providing a museum, library and art gallery and archive service that engages the history of Huddersfield and catapults into the future innovations of the district.

4.5 Legal

Section 120 of the Local Government Act 1972 provides the legal framework for Councils to acquire land for the purposes of any of their functions or the benefit, improvement or development of their area. The proposed acquisition will provide an opportunity for the Council to deliver on the early phases of the Masterplan to implement targeted investment and improve the offer of the town centre.

The Council's Disposals and Acquisitions Policy sets out the general principles that govern strategic acquisitions, including having regard to prudent commercial practises. External consultants have been appointed to provide a Red Book Valuation for the proposed purchase. The Valuation Report is contained within Appendix E to the private report as it is exempt information.

4.6 **Financial**

The proposed strategic acquisition as set out in this report will be met from the Council's strategic acquisition fund allocation within the approved capital plan. The revenue implications of the proposed strategic purchase are contained within the private report as this is exempt information.

5. **Consultees and their opinions**

- 5.1 No consultation has been undertaken specifically with regard to this item. However, the Blueprint was subject to a number of engagement exercises commencing in 2018 as part of the Blueprint development and then again late in 2019 after the Blueprint launch the Council undertook a Place Standard exercise to benchmark public reaction to the approach and projects. The key report for this can be found by accessing the following link:

<https://howgoodisourplace.org.uk/huddersfield-town-centre/>

6. **Next steps and timelines**

- 6.1 If the Officer recommendations are approved, Officers will seek to exchange contracts by the end of July 2021 and complete the transfer either simultaneously or shortly thereafter.

7. **Officer recommendations and reasons**

- 7.1 Town centres and the high street are experiencing long term structural changes and therefore a new forward-thinking approach is required to support vibrancy and the Council's strategic objectives.
- 7.2 The purchase of this property will support the delivery of the Cultural Heart regeneration scheme in Huddersfield town centre. An acquisition of this strategic asset will provide an opportunity for the Council to control the ownership in the proposed Cultural Heart and support the implementation of the Masterplan, building on other recent acquisitions such as the Piazza.
- 7.2 The Officers recommendation, having regard to the detail in the private appendices, is to complete the purchase of this strategic asset.

7.3 **Cabinet is requested to:**

- (a) Consider the content of the public and private reports and private appendices;
- (b) Approve the strategic acquisition, as detailed in the red line boundary attached at private Appendix B, and in line with the Agreed Heads of Terms in private Appendix C for the purchase price outlined in the Valuation Report in Appendix E;
- (c) Approve the required capital funding from the Strategic Acquisitions Fund for Huddersfield Town Centre as identified in the Council's Capital Plan;

- (d) Delegate authority to the Service Director for Legal, Governance and Commissioning to enter into and execute any agreements or instruments relating to the acquisition;
- (e) Delegate authority to the Service Director for Development to undertake the strategic and operational management, working with the Service Director for Legal, Governance and Commissioning, to agree relevant leases and management agreements as required.

8. Cabinet Portfolio Holder's recommendations

8.1 The Portfolio Holders for Corporate, Regeneration and Town Centres recommend that Cabinet:

- (a) Approve the strategic acquisition, as detailed in the red line boundary attached at private Appendix B, and in line with the agreed Heads of Terms in private Appendix C for the purchase price outlined in the Valuation Report in Appendix E;
- (b) Approve the required capital funding from the Strategic Acquisition Fund for Huddersfield Town Centre as identified in the Council's Capital Plan;
- (c) Delegate authority to the Service Director for Legal, Governance and Commissioning to enter into and execute any agreements or instruments relating to the acquisition;
- (d) Delegate authority to the Service Director for Development to undertake the operational management of the property, working with the Service Director for Legal, Governance and Commissioning, to agree relevant leases and management agreements as required.

9. Contact officers

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– 01484 221000

David Martin – Head of Service for Corporate Landlord and Capital –
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10. Strategic Director responsible

David Shepherd

11. Attachments

Private Appendix A – Private report on the proposed strategic acquisition
Private Appendix B – Red line boundary plan
Private Appendix C – Agreed Heads of Terms
Private Appendix D – Tenancy Schedule
Private Appendix E - Valuation Report