



Name of meeting: Scrutiny

Date: 7th September 2021

Title of report: Update on the Cultural Heart, part of the Huddersfield Blueprint

Purpose of report: The purpose of this report is to give an update on the progress of the Cultural Heart programme following Cabinet approval to proceed on the 22nd June 2021.

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 Expenditure >£250,000
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes published 19/5/21 The 22/6/21 Cabinet Report had a Public Report and Private Appendix.
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd: Cabinet report: 14 th June 2021 Scrutiny report: 23 rd August 2021
Is it also signed off by the Service Director for Finance?	Eamonn Croston: Cabinet Report: 14 th June 2021
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft: Cabinet Report: 14 th June 2021
Cabinet member portfolio	Cllr Peter McBride Regeneration Portfolio Holder, Cllr Davies – Corporate Portfolio holder

Electoral wards affected: Newsome

Ward councillors consulted: No

Public or private: The 22/6/21 Cabinet Report had a Public report and private Appendix

Has GDPR been considered? Yes

1 Summary, Introduction and Context

On the 22nd June 2021 Cabinet approved the report 'Cultural Heart, part of the Huddersfield Blueprint – Next Steps' (see section 8 for the report). The report set out proposals and strategy for developing a robust master plan and Outline Business Case (OBC) for the Cultural Heart programme on an accelerated timescale up to Gateway 2 (GW2) with a target date of July 2022.

The OBC will follow the Green Book methodology (the Green Book is guidance issued by HM Treasury on how to appraise policies, programmes and projects) and will provide Cabinet with the appropriate information to determine the future direction of the programme beyond GW2 and ensure that Council resources are committed appropriately.

So that progress can be monitored and controlled the programme will come back to Cabinet at the interim stage of Strategic Outline Case (SOC), Gateway 1 (GW1) which has a target date of November 2021. Cabinet can stop the programme at GW1 or GW2.

Kirklees Council launched its ambitious £250million Huddersfield Blueprint ("blueprint") regeneration vision in June 2019. The blueprint is a ten-year vision to create a thriving, modern-day town centre that will be busy, family-friendly and stay open longer

The blueprint focuses on regenerating six key areas of Huddersfield Town Centre: Station Gateway, St Peter's, Kingsgate and King Street, New Street, the Civic Quarter and a new Cultural Heart in the Queensgate and Piazza area.

Of particular importance is how Huddersfield Town Centre adapts and responds positively from the lessons learned and the impact of the ongoing pandemic, particularly the changing needs and aspirations of the town centre's catchment population. Town centre's will be different in the future with more focussed retail, increased leisure, greater accessibility and more green and open spaces with flexible uses. There is a need for town centres to change and evolve to stay relevant.

The Council's vision for a new Cultural Heart, built around the Queensgate Market and the existing library and art gallery building is a significant undertaking beyond the normal resources and operation of the Council and a team of external consultants is being engaged to deliver it. The team will be procured and managed by external consultants, the Strategic Development Partner (SDP), working with the Council.

From information currently available the Cultural Heart has an estimated value of £170-200m and will take five to six year to deliver. It's dossier of projects (programme) are anticipated to include:

- Events/live music venue and food court
- Museum and art gallery
- Town Park,
- New Restaurants and bars
- A new library
- Replacement MSCP
- Links to the University

During the development of the OBC each individual element of the Cultural Heart will be revisited and tested to ensure the most effective outcomes. The events space in Queensgate, as a new venture, will require particular attention to determine its commercial success with complimentary uses and activities across the full trading day.

The preparation of the OBC at GW2 will take a significant amount of resource from the consultant team and support from Council staff over approximately twelve months.

2 Information required to take a decision

2.1 Background

The blueprint has been considered by Cabinet a number of times and the links to those reports are set out in section 8 of this report and are referred to when appropriate in this report.

Directly related to the delivery of the Cultural Heart was the purchase of the Piazza Shopping Centre, this was agreed by cabinet on 29th May 2019 and was a precursor to the blueprint launch in June 2019.

2.2 Progress since Cabinet approval on the 22nd June 2021

- The programme board has been established and held its first meeting on the 23rd June 2021. The board meets monthly and is chaired by the Strategic Director for Growth and Regeneration.
- The Cultural Heart programme started reporting monthly to the Regeneration PHB on the 18th May 2021.
- A legal framework firm has been appointed to assist Legal Services with the appointment of consultants and secure vacant possession of properties on the site and particularly the Piazza Shopping Centre.
- Programme commencement with the SDP (Mace/T&T) was on the 5th July as planned. The first target is the SOC Cabinet Report for the 16th November at GW1. The ongoing work to achieve this includes:
 - Stakeholder consultations with Council departments and the programme board to confirm the initial brief.
 - Procurement of the Architects and Engineers (working with the Council procurement and legal departments) by a mini tender from the SBS/NHS framework. To ensure that we get the most appropriate tenders a sifting process took place of the initial interested parties of 14 architects and 9 engineers reducing both to lists of 6.

The invitations to tender were issued on the 6th August and a briefing to the 12 shortlisted parties took place on the 13th August. Tenders are due to be returned on the 3rd September but in the interests of receiving the best possible bids we may need to give a week extension due to it being the holiday season and with consultants currently being asked to bid many schemes post lockdown.

- The heritage impact assessment is underway and will inform decision making as the programme includes two Grade II listed buildings (library and Queensgate Market) and is adjacent to the conservation area.
- Planning meetings held with the Council departments in order to develop the planning strategy report.
- Reviewing existing leases of properties on the site and predominantly those associated with the Piazza Shopping Centre and any rights of access associated with the service tunnels under the site. Outcomes of the review will inform decision making on potential impacts on the timeline and any necessary mitigations.
- Undertaking initial market analysis of the main programme elements including demographics, catchment etc.
- Sustainability review commenced with the Council to enable development of a strategy in line with Council policies. This will include how the programme can connect to the proposed town centre heat network and electricity project.
- SDP liaising with the Council on the proposed social value deliverables
- Development of the Strategic Outline Case at Gateway 1 (16/11/21 Cabinet) will include:
 - RIBA 0 Strategic brief
 - Outline feasibility/viability
 - Development appraisal (outline)
 - Master development programme
 - Market review
 - Cost plan, review existing estimates where appropriate
 - Constraints/risk register
 - Sustainability strategy
 - Consultant team selection, architects and engineers, etc
 - BIM Execution Plan
 - Vision and mandate
 - Outline planning strategy
 - Heritage assessment
 - Programme Execution Plan (PEP)

At Gateway 1 the scope and brief for the programme will have been assessed with stakeholders, the case for change reviewed and the range of estimated costs will be better understood than they were at commencement.

- In parallel to the SDP mobilising their resources the Council have been liaising with the SDP to coordinate its own team that will work on the Cultural Heart programme. The Council have previously had staff working on the Cultural Heart and a number of these personnel will be engaged on a part and then full time basis as the programme moves forward. Heads of departments have been fully engaged in this process and aware of the demands on their teams.

3 Implications for the Council

3.1 Working with People

This report deals with the delivery aspect of one part of the blueprint. 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/>

As part of initial development work into options around the core projects a number of local stakeholders have been consulted as a way of testing out and developing options. A programme of this scale will need engagement and consultation at various stages of the programme development including the statutory stages associated with any planning application. Significantly the master plan targeted for Gateway 2 will have a consultation stage associated with it.

3.2 Working with Partners

Collaboration and working together with partners are the key to ensuring we get the best outcomes for citizens, communities and Kirklees as a whole. Early contact with selected stakeholders has been undertaken to help shape some early options for projects associated with the Cultural Heart. This will continue and be expanded as the programme is developed. The business case stages will require a full market review. At this stage the programme will engage with the market to ensure the best value programme can be delivered.

3.3 Place Based Working

The development of the blueprint and the associated Place Standard exercise has already engaged town centre stakeholders, businesses and users to help shape the overall approach to redeveloping Huddersfield Town Centre. Other engagement and consultation exercises will be carried out for each identified project including those within the Cultural Heart. This intelligence alongside market-based information will be used to shape proposals so that it meets the needs of existing and future Kirklees residents.

3.4 Climate Change and Air Quality

The reduction of carbon emissions and the minimisation of air quality problems is a key objective for the blueprint. The sustainability strategy and net zero requirements for the Cultural Heart programme will be developed as part of Gateway 1 and 2 from the Council's policies/strategies.

Both Climate Change and Air Quality will be key parts of the master plan to be delivered at Gateway 2. This in turn will inform detailed design and planning applications at a future stage. This stage will be the key opportunity to consider these aspects formally and in detail.

In addition, climate change initiatives are associated with the delivery and promotion of other associated projects and programmes for example sustainable transport modes that help to reduce adverse transport-derived impacts on communities and public health. This aspect is particularly evident in the Transforming Cities Fund where further carbon mitigation measures need to be integrated into scheme scope and designs.

3.5 Improving outcomes for children

The blueprint includes within it a key objective of providing a family friendly town centre. This means that uses, streets and places will favour all age groups including children. Part of the strategy to renew the town is to bring in new uses that attract families and young people in a way the town doesn't at present. This means that the introduction of cultural activities and associated food and beverage offers need to be managed in a way that appeals to all age groups. Additionally, streets and spaces such as the Town Park will be designed with all generations in mind making them both safe and inclusive at the same time.

3.6 Other (Legal/Financial or Human Resources)

3.6.1 Finance

The Council's approved multi-year capital plan includes a headline £33.8m capital allocation for the Cultural Heart Programme, currently uncommitted. It is intended that the Gateway 1 indicative £1.99m costs to develop the Strategic Outline Case, will be drawn down from this headline capital allocation. Likewise, if Cabinet are mindful to then proceed to Gateway 2 Outline Business Case, the indicative further £4.56m cost for stage 2 will also be drawn down from this headline capital allocation.

The capitalisation of Gateway 1 and 2 costs are predicated on there being an eventual capital programme to proceed from this initial business case development work. Depending on subsequent options taken forward by members, the upfront capitalisation will be reviewed in due course. This includes the potential for earmarking a portion of existing strategic investment revenue reserves if some of the initial capitalisation costs are subsequently written down to revenue.

The broader context and business case development behind the above costings reflects the scale of the Cultural Heart programme proposals and options that will come forward in due course for Cabinet consideration, initially later in the year to consider the Strategic Outline Case. The Council's updated financial strategy and budget planning framework for 2022/23 and future years will be presented to Cabinet and Council in October, and it is intended that the financial strategy update will include explicit reference to the Cultural Heart programme and potential longer-term capital and revenue (borrowing) resource ask, to help inform subsequent budget proposals for member consideration at Budget Council in February 2022.

3.6.2 Procurement & Value for Money

Appointment of the SDP to Gateway 2, at a fee of £1.75m, was approved by Cabinet and as set out earlier in this report (and as planned in the Cabinet report) mini tenders, from the SBS framework, are now taking place to procure the Architects and Engineers and ensure value for money.

3.6.3 Legal

As anticipated in the Cabinet report a legal framework firm has been appointed to assist Legal Services with the appointment of consultants and secure vacant possession of properties on the site and particularly the Piazza Shopping Centre.

3.7 Consultees and their opinions

No consultees at this time other than the consultations referred to at 3.1 and 3.2 above. Consultations will take place as part of achieving Gateway 2.

4 Next steps and timelines

Subject to Cabinet approvals the anticipated programme is:

- Gateway 1 Oct/Nov 2021 target

Cabinet approval is required to proceed beyond Gateway 1

- Gateway 2 June/July 2022 target

Cabinet approval is required to proceed beyond Gateway 2

5 Officer recommendations and reasons

Below are the recommendations from the 22nd June 2021 Cabinet report.

- 5.1** To agree to proceed with an accelerated programme so that the Cultural Heart master plan and Outline Business Case can be completed as soon as is practical.

Reason: To avoid further delay and allow the assets within the Cultural Heart to be brought into public use at the earliest reasonable date in order to achieve the aspirations set out within the blueprint and to mitigate increased costs caused by inflation

- 5.2** If recommendation 1 is agreed to use Public Sector Body frameworks for all external appointments to achieve the acceleration and to delegate authority to the Strategic Director for Growth and Regeneration in liaison with the Service Director – Legal Governance and Commissioning and the Service Director – Finance to make all necessary appointments in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

Reason: To expedite the programme and achieve the overall acceleration.

- 5.3** To delegate authority to the Strategic Director for Growth and Regeneration in liaison with the Service Director – Legal Governance and Commissioning and the Service Director – Finance to appoint a Strategic Development Partner/Project Manager by direct award from the SCAPE, Place Shaping Framework in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

Reason: To expedite the programme and achieve the overall acceleration.

- 5.4** To allocate the necessary Council staff and resources to support the programme and to note that in the absence of sufficient internal resources that additional resources will be sourced from existing/future framework agreements.

Reason: To expedite the programme and achieve the overall acceleration.

- 5.5** To note and approve the recommended stage break at Gateway 1 and approve the budget of £6.55m to deliver the Cultural Heart programme up to Gateway 2.

Reason: To ensure sufficient funds are available to deliver the programme to the required stage.

- 5.6** Subject to approval on the matters above and a further Cabinet approval at the conclusion of Gateway 1 to delegate authority to the Strategic Director for Growth and Regeneration to deliver the programme to Gateway 2.

Reason: To expedite the programme and achieve the overall acceleration.

6 Cabinet Portfolio Holder's recommendations

Below are the recommendations from the 22nd June 2021 Cabinet report that were approved at Cabinet.

Cllr Peter McBride, the Cabinet Portfolio Holder for Regeneration, supports the recommendation and was briefed, along with Cllr Paul Davies, the Cabinet Portfolio Holder for Corporate, on 18th May 2021.

The Cabinet Portfolio Holder recommends that Cabinet:

- 6.1** agrees to proceed with an accelerated programme so that the Cultural Heart master plan and Outline Business Case can be completed as soon as is practical.
- 6.2** agrees to use Public Sector Body frameworks for all external appointments, if recommendation 1 is agreed, to achieve the acceleration and to delegate authority to the Strategic Director for Growth and Regeneration in liaison with the Service Director – Legal Governance and Commissioning and the Service Director – Finance to make all necessary appointments in compliance with the Contract Procedure Rules and the Financial Procedure Rules.
- 6.3** delegates authority to the Strategic Director for Growth and Regeneration in liaison with the Service Director – Legal Governance and Commissioning and the Service Director – Finance to appoint a Strategic Development Partner/Project Manager by direct award from the SCAPE, Place Shaping Framework in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

- 6.4 allocates the necessary Council staff and resources to support the programme and to note that in the absence of sufficient internal resources that additional resources will be sourced from existing/future framework agreements.
- 6.5 notes and approves the recommended stage break at Gateway 1 and approves the budget of £6.55m to deliver the Cultural Heart programme up to Gateway 2.
- 6.6 delegates authority to the Strategic Director for Growth and Regeneration to deliver the programme to Gateway 2 subject to approval on the matters above and to a further Cabinet approval at the conclusion of Gateway 1.

7 **Contact officer**

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8 **Background Papers and History of Decisions**

- **March 2019** – Cabinet Report - Assembling land and property – Huddersfield Town Centre (Piazza) -
<https://democracy.kirklees.gov.uk/documents/s29122/Item%2014%20Land%20Assembly.pdf>
- **June 2019** – Huddersfield Blueprint Launch Event
- **August - Oct 2019** - Huddersfield Blueprint Place Standard Exercise – Results at <https://howgoodisourplace.org.uk/huddersfield-town-centre/>
- **February 2020** – Cabinet Report - Huddersfield Blueprint - Next Steps -
<https://democracy.kirklees.gov.uk/documents/s34958/Item%2015%20CAB%20-%202020-%20-%20071%20-%202020-02-25%20Cabinet%20Huddersfield%20Blueprint%20-%20Next%20Steps%20Final.pdf>
- **September 2020** – Cabinet Report - Dewsbury and Huddersfield Town Centre Finance -
<https://democracy.kirklees.gov.uk/documents/s37506/Town%20Centre%20Finance%20Cabinet%20Report%20-%20Final%20Version.doc.pdf>
- **June 2021** – Cabinet Report - Cultural Heart, part of the Huddersfield Blueprint – Next Steps
[Cultural Heart, part of the Huddersfield Blueprint – Next Steps](#)

9 Strategic Director responsible

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