

**CABINET 21 SEPTEMBER 2021**
**Strategic Property Acquisition, 18-20 Corporation Street/17 Foundry Street, Dewsbury**
**Purpose of report**

To seek authority to purchase 18-20 Corporation Street/17 Foundry Street, Dewsbury and carry out initial works to the property.

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 <a href="#">Council's Forward Plan (key decisions and private reports?)</a>	Published 17 <sup>th</sup> August 2021
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd 9 <sup>th</sup> September 2021
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Eammon Croston 7 <sup>th</sup> September 2021
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Julie Muscroft 7 <sup>th</sup> September 2021
Cabinet member <a href="#">portfolio</a>	Cllr Eric Firth Town Centres Portfolio Holder and Cllr Peter McBride Regeneration Portfolio Holder

**Electoral wards affected: Dewsbury East**

**Ward councillors consulted: Cllr Firth, Cllr Scott, Cllr Lukic**

**Public report with Appendices. Appendices 1 & 2 are in public.**

**(Have you considered GDPR?) Yes.**

**Appendices 3 and 4 and 5 are private** in accordance with Schedule 12A Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 namely it contains information relating to the financial and business affairs of third parties (including the Authority holding that information). It is considered that the disclosure of the information would adversely affect those third parties including the Authority and therefore the public interest in maintaining the exemption, which would protect the rights of an individual or the Authority, outweighs the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Authority's decision making.

## 1. Summary

- 1.1 This report seeks approval of the purchase of a property at 18-20 Corporation Street /17 Foundry Street, Dewsbury and carry out initial works to the property.

### Information required to take a decision

#### Property Details

- 1.2 18-20 Corporation Street/17 Foundry Street (the “Property”) is situated in a prominent position at the corner of Corporation Street and Foundry Street in Dewsbury Town Centre (see Appendix One). The Property has 1,600ft<sup>2</sup> (148m<sup>2</sup>) of ground floor retail space across all frontages. 18/20 Corporation Street has four stories which is similar to the Arcade frontage at this point, which is adjacent; while 17 Foundry Street is two storey.
- 1.3 The Property has been vacant for over 2 years and is Grade 2 listed. Marketing details and plans of the property are included at the Appendix 2.
- 1.4 Purchase of the Property is proposed for five reasons
- The benefit it could potentially give to the long-term flexibility & viability of the adjacent Arcade.
  - The regeneration benefits to be gained from the Council having ownership of this prominent building between the Arcade and the Market, helping to achieve the aims of the Dewsbury Blueprint. .
  - The potential role it could play in supporting the temporary relocation of the Market while construction of the new Market takes place
  - Potential flexibility it may give in the future to accommodating any Council requirements
  - The longer term strategic and commercial benefits that may arise from owning a property at a key location opposite one of the main entrances to the Market and next door to the Arcade

### Policy Context

#### Dewsbury Blueprint

- 1.5 The Dewsbury Blueprint which was launched by the Council on 5<sup>th</sup> February 2020 and has a number of themes/objectives including :-
- Business Town
  - Learning town
  - Leisure Town
  - Shoppers Town
  - Heritage Town
  - Greener town
  - Creative Town
  - Connected Town
- 1.6 The upgrade and potential future uses of the 18-20 Corporation St building potentially contribute to the themes around heritage, shoppers town, business town. The Blueprint includes the reopening of the Arcade as one of the key projects. 18-20 Corporation Street lies adjacent to the Arcade and gives the ability to create new access

arrangements which will improve access to the upper floors of 16 Corporation Street (Arcade) ensuring improved flexibility and viability in the long term.

### Town Deal

- 1.7 Many of the projects in the Blueprint are included within the Town Deal approved in principle by Government in June 2021. The Town Investment Plan details the projects to be supported by the Town Deal and the Market and the Arcade are two of the key projects within the plan. The purchase, by the Council, of the Property and its subsequent use, will improve the overall regeneration impact in this area, both benefiting from and supporting long term regenerative impact of the Market and Arcade. Purchase and subsequent use of the Property will help address one of the key challenges identified in the TIP, namely driving economic activity in the town centre.

### Dewsbury Town Centre Strategic Development Framework 2018

- 1.8 The Blueprint draws heavily on the Dewsbury Town Centre Strategic Development Framework and the accompanying Delivery Programme that was approved by Cabinet on the 22nd January 2019. One of its three strategic aims is to increase activity in the town centre and one of the objectives supporting this aim, is to bring historic and other vacant buildings into use. 18-20 Corporation Street is one of a number of key heritage buildings in the town that are vacant and require action to get it back into active use and will contribute to the Blueprint theme of 'heritage town'.

### Conservation & Heritage

- 1.9 Cabinet on the 21st August 2018 approved, subject to meeting a number of criteria, outlined below, the purchase of 'key properties' within the Dewsbury Town Centre Conservation Area (DTCCA) and the use in principle of C.P.O. powers to acquire these properties. Key properties, either buildings and/or sites, that may be acquired, would all be within the DTCCA and would exhibit at least three of the following characteristics :-

- Acquisition by the Council would be likely to contribute to achieving the promotion or the improvement of the economic, social, environmental improvement of the area
- Acquisition supports the objectives of the HAZ
- Is within the HAZ priority Area
- Is a 'heritage asset'
- Is vacant, partially vacant, underused
- Is of poor condition
- Is part of a potentially larger site that would meet the objectives immediately above

- 1.10 18-20 Corporation Street meets 4 of the above criteria and is also one of a number of vacant listed buildings in the town centre. On that basis the Councils approved policies and decisions support the case for acquisition.

### **Building Condition**

- 1.11 The Council undertook a survey of the Property in early 2021. The building is in reasonable condition, albeit that being vacant for 2 years has led to some deterioration in its condition. Previously 17 Foundry St was occupied by Leeds Building Society and is in a condition that is lettable at the moment. 18-20 Corporation Street requires some works before it could be let. Generally, there are some repairs that need to be done (roofing, gutters, downpipes) along with some internal upgrading.

## Options

- 1.12 There are two main options open to the Council
- Do not purchase
  - Purchase by agreement
- 1.13 There is an opportunity for the Council to purchase this key building and achieve multiple objectives. If it were not to purchase the Property then its future would be uncertain and there is the real risk that the building would remain empty and deteriorate further. In the event of it remaining in private ownership and being let, the Council would have little control over the uses, nature of the goods sold in the Property & quality of the operation. It should be noted that proposed changes to the Permitted Development rights mean that it is possible that the Council will have less planning control over the uses in the future

### The Proposal

- 1.14 Purchase of the Property is an important first step in bringing it back into use and supporting the delivery of other regeneration projects in the town e.g. Arcade, Market. Five benefits have been identified and these are outlined below.

### The Arcade

- 1.15 An important part of the Arcade project is to increase the flexibility of the space and open up access to the second floor 1,660ft<sup>2</sup> (154m<sup>2</sup>) above the Corporation St entrance. The second floor is currently accessed from the ground floor unit, 16 Corporation St. Its future use is, without alternative means of access, linked to the use and user of the ground and first floor unit. This restricts the flexibility of the use of the 2nd floor and first floor.
- 1.16 Providing new vertical access to the upper floors by a new staircase/lift within the existing Arcade footprint will help improve physical access but will involve the reduction in lettable floorspace. Creating a new lift/staircase in the adjacent building i.e. the Property, would be more effective; providing more flexibility in letting units for the Arcade as well as providing greater flexibility in the use of 18-20 Corporation St. Authority is sought to carry out these works.

### Strategic Position

- 1.17 In the longer term the Property will become a more important asset. Once the Market decant is completed, the Property could be used for a variety of uses; with commercial uses on the ground floor and, subject to suitable alterations/viability, potentially office above.

### Regeneration

- 1.18 The control of the Property frontages by the Council will help to achieve the aspirations set out in the Dewsbury Blueprint; in particular bringing back vacant buildings, especially historic ones, into use. Ownership should ensure that the occupiers are of a suitable type and quality and these buildings are kept in good condition in what is a prominent location next to the Market and the Arcade.

### Dewsbury Market – decant

- 1.19 Detailed plans are currently being developing for the decant, to move the Market site off site and relocating stalls on street, including Foundry street. Some of the 1,600 sq. ft of ground floor shop space in 17 Foundry Street/18 -20 Corporation Street could be

used to supplement the current provision in the decant; enabling more of traders requirements to be accommodated.

### Corporate Requirements

- 1.20 The Council periodically reviews its accommodation requirements, and this building may have a role to play in accommodating future service needs.

## **2 Implications for the Council**

### **Working with People**

- 2.1 The Dewsbury Blueprint was subject to public consultation in February 2020, which highlighted the importance that local people placed on bringing empty buildings, especially listed ones, back into use. The Blueprint draws heavily from the Strategic Development Framework approved by Cabinet on the 22<sup>nd</sup> January 2019 which in turn draws upon the earlier Strategic Development Framework produced in 2010. This was a result of extensive public engagement and highlighted the importance local people place on having an attractive and vibrant town centre.

### **Working with Partners**

- 2.2 As part of the plans to purchase and carry out works to the property the Council will work with potential partners to develop the most appropriate and deliverable plans to bring it back to life for sustainable uses.

### **Place Based Working**

- 2.3 The Dewsbury Blueprint is based on the idea of working with local people and businesses to improve the town centre.

### **Climate Change and Air Quality**

- 2.4 The repair and reconfiguration of the building will contribute to town centre regeneration and conservation of the town's heritage. Reusing buildings helps to retain the embedded carbon in their original construction and reduces the need for further manufacture that will generate carbon. By improving the 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.

### **Improving outcomes for children**

- 2.5 No implications.

### **Legal**

- 2.6 The Council has the power to acquire the Property by agreement under Section 120 Local Government Act 1972. for any of its functions, or for the benefit, improvement or development of its area. The benefits are set out at paragraphs 1.14- 1.19 of this report.

### **Finance**

- 2.7 A valuation report of the Property is included at Appendix 3 of this report. Appendix 4 contains the proposed Heads of Terms. Financial details of the acquisition and likely costs of renovation are contained in Appendix 5 to this report.

- 2.8 The cost of acquisition can be met from the Council's 'strategic acquisitions fund' that was approved by Full Council on 12<sup>th</sup> February 2020. There is currently £5.017m allocated in the 2021/22 approved capital plan for strategic acquisitions.
- 2.9 The initial works to the Property, including creating a new lift and stair core in 18 Corporation Street will be funded from the Arcade budget which comprises funds from the Council's capital plan and other grant sources. The Arcade budget has a provision for a new lift/stair core within 16 Corporation Street and this provision will be used instead to fund the works next door in 18 Corporation Street.

### Revenue

- 2.10 The property is not subject to any tenancies and therefore does not generate any income at present. Holding costs for the property are reduced given that part of the property is listed and therefore benefits from business rate relief. Standing charges for utilities will still need to be met by the landlord together with buildings insurance premiums and any required repairs.
- 2.11 Given the Council's plans for the property (through the Dewsbury Market decant and integration into The Arcade) it is unlikely that it will generate a surplus income prior to summer 2023. However, it is anticipated that any holding costs could be recharged to traders during the market decant period. Revenue details are detailed in the private appendix 5.

## **3 Consultees and their opinions**

- 3.1 The Portfolio Lead for Town Centres (Cllr Firth), the portfolio lead for regeneration and Councillor Scott all support this proposal. Councillor Lukic the other ward member for Dewsbury East states that 'I support the acquisition of this property as this would support the council's investments in the Arcade and the Market, which are both adjacent. Please note that I have not been given sight of the terms of purchase so my comments are addressing the principle only'.

## **4 Next steps and timelines**

- 4.1 Following Cabinet decision 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 October 2021.
- 4.2 Shortly following acquisition, it is proposed to submit the necessary planning, Listed Building Consent and building regulation applications to enable the works to create a new stair/lift core to be undertaken. Works will be carried out in 2022. More detailed work will be undertaken to establish what space could be made available for the market decant.
- 4.3 Once the property has been utilised for The Arcade and Dewsbury Market projects it is envisaged that the property will transfer into the Council's Commercial Estate and be managed using existing internal resources. The properties will be let out on a commercial basis in line with the approved Estate Management Policy and taking into account the aims and objectives of the Dewsbury Blueprint/SDF2018 when considering suitable uses/tenants for the space.

## **5. Officer recommendations and reasons**

It is recommended that approval is given for

- (i) the acquisition of the Property by the Council on the terms outlined in Appendix 4 of this report.

Reason: To help deliver the key themes in the Dewsbury Blueprint

- (ii) the purchase of the Property being funded from the Strategic Acquisition Fund.

Reason: To enable the purchase of the building to be funded.

- (iii) Delegating authority to the Service Director for Legal, Governance and Commissioning to enter into and execute any agreements or instruments relating to the acquisition of the Property;

Reason: Effective implementation of the purchase.

- (iv) Approves the implementation of works to create a new lift/stair core in 18/20 Corporation Street and that this be funded from the Arcade budget

Reason: To enable the works necessary to improve vertical access to both properties to be undertaken.

## 6. **Contact officers**

Peter Thompson: ER Project Manager

Matthew Garbutt: Acquisitions & Disposals Surveyor

## 8. **Background Papers and History of Decisions**

Report to Cabinet 21st August 2018: Dewsbury Heritage Action Zone.

Report to Cabinet 22<sup>nd</sup> January 2019: Dewsbury Town Centre Strategic Development Framework.

Report to Cabinet 25<sup>th</sup> February 2020: The Arcade, Market Place, Dewsbury

Report to Cabinet 19<sup>th</sup> January 2021: Dewsbury Town Deal – Town Investment Plan

Private Appendices

Appendix 3 – Valuation of the Property

Appendix 4 – Heads of Terms

Appendix 5 – Financial Information

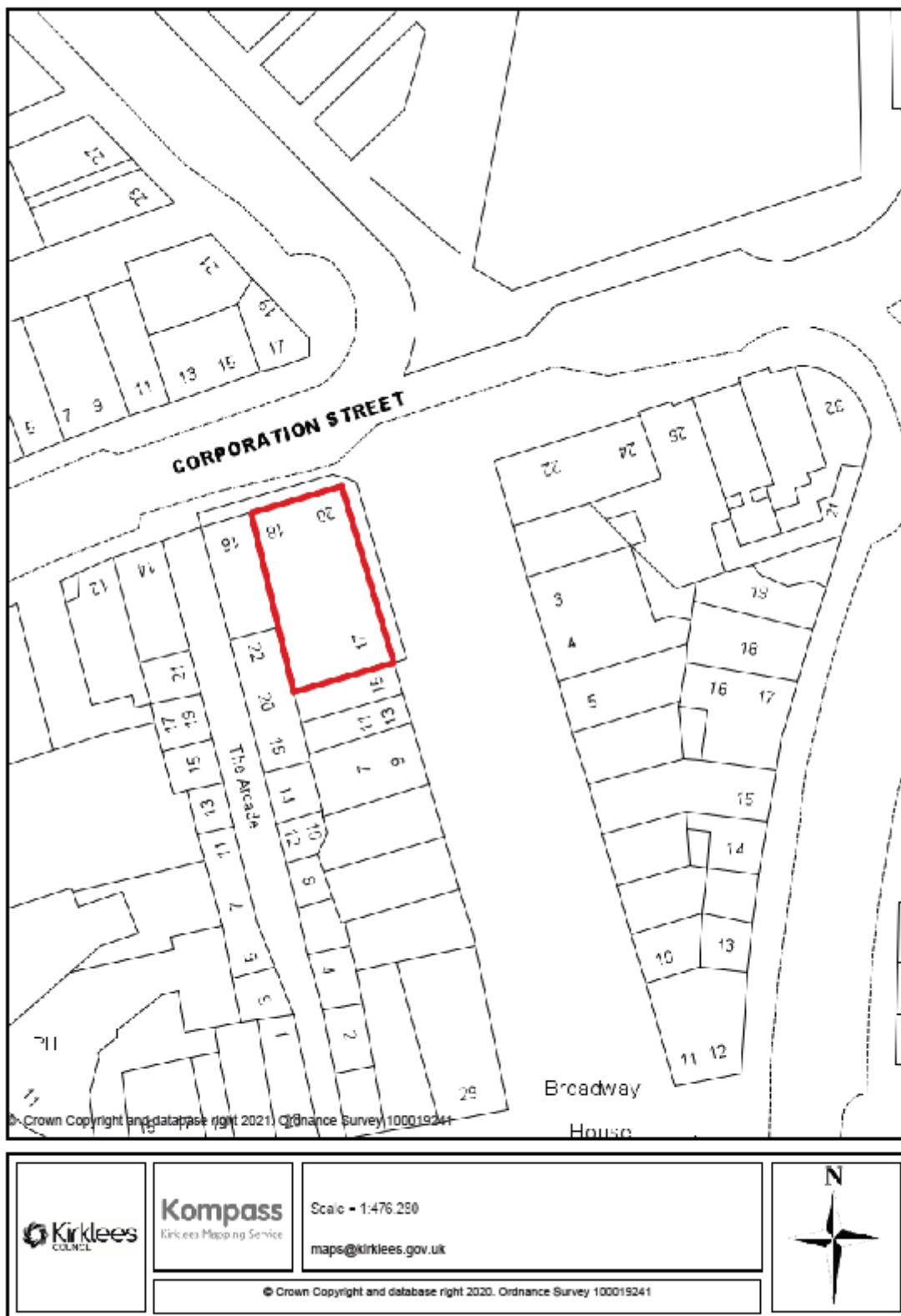
## 9. **Strategic Director responsible**

David Shepherd

Strategic Director Economy and Infrastructure

# APPENDIX 1: Plan & elevation

## Red Line Boundary Plan



18-20 Corporation Street - Elevation Image





Source: Google Maps Street View

# APPENDIX 2: MARKETING PARTICULARS

**SHOP TO LET**  
**PLANNING PERMISSION FOR RESTAURANT/CAFÉ**  
**(A3) GRANTED JULY 2013**  
**DEWSBURY**  
**18/20 Corporation Street**  
**Could combine with 17 Foundry Street to give**  
**2,824 sq.ft. sales**



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**LOCATION / DESCRIPTION** – This shop occupies a highly prominent corner location overlooking the Market at the end of the pedestrianised Foundry Street, a busy thoroughfare which also accommodates British Heart Foundation, Subway, Greggs and Ladbrokes. This would make an ideal restaurant or café being highly accessible both during the day and throughout the evening. This and 17 Foundry Street were originally one shop so will easily be amalgamated.

**ACCOMMODATION** – The subject premises have the following approximate areas/dimensions:

Frontage to Foundry St	8.90 m	29' – 2"
Front to Corporation Street	9.57 m	31' – 5"
Ground Floor Sales	76.07 sq m	819 sq ft
First Floor Staffroom	16.7 sq m	180 sq ft
Second Floor Stores, kitchenette & WC's	46.80 sq m	504 sq ft
Third Floor	25.31 sq m	272 sq ft
Inc. 17 Foundry Street –		
GF Sales	144.83 sq m	1,600 sq ft
FF Sales	113.71 sq m	1,224 sq ft

The property also benefits from a passenger lift.

*Whilst we believe the above measurements are correct, interested parties are advised to verify these themselves.*

**LEASE TERMS / TENURE** – The premises are available by way of a full repairing and insuring lease for a term of 15 years subject to upward only rent reviews at the end of every 5<sup>th</sup> year at a commencing rental of £16,000 per annum exclusive of VAT. As a whole £30,000 per annum exclusive of VAT.

For details of other properties our web-site address is - [www.bradys.co.uk](http://www.bradys.co.uk)

**MISDESCRIPTION** - The agents and vendor take no responsibility for any error, mis-statement or omission in these details. Measurements are approximate and for guidance only. The particulars do not constitute an offer or contract and members of the agent's firm have no authority to make any representation or warranty in relation to the property. DETAILS AMENDED : May 2020

**EPC** – 9990-8085-0358-7750-7080 (D)



**RATING ASSESSMENT** – We have been verbally informed by the Rating Authority that the premises have a Rateable Value of £16,750 from 1 April 2017. As the Rateable Value falls below the £51,000 threshold, for the period April 2020 to March 2021 the property is exempt from payment of rates whilst the premises are in occupation by a business.

*We would advise interested parties to verify this information themselves*

**LEGAL COSTS** – Each party are to bear their own legal costs incurred in the documentation of this transaction.

**VIEWING** – Strictly by appointment with John Brady or Sarah Jones of this office.