



Name of meeting: Scrutiny

Date: 20th November 2023

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

Purpose of report:

The purpose of this report is to give an update on the progress of Our Cultural Heart programme following Cabinet approval at Gateway 3 on the 27th June 2023 to progress the delivery of Phase 1 of the masterplan.

Work is now progressing in preparation for Cabinet to review the programme again at Phase 1 Gateway 4 in December 2023.

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?	No decision sought from Scrutiny
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	N/a
The Decision - Is it eligible for call in by Scrutiny?	N/a
Date signed off by <u>Strategic Director</u> & name	David Shepherd: 7th November 2023
Is it also signed off by the Service Director for Finance?	Isabel Brittain: No
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft: No
Cabinet member <u>portfolio</u>	Cllr Graham Turner – Finance and Regeneration Portfolio Holder

Electoral wards affected:	Newsome
Ward councillors consulted:	Newsome ward councilors were consulted on the progress of the scheme as part of the public consultation for planning.
Public or private:	The 27/6/23 Cabinet Report had a public report with public and private appendices.

The appendices to the Cabinet Report (27/6/23) are set out below. In the public report where appendices are private parts may be redacted or the appendix may have been withheld.

The public appendices are not attached to this report but can be viewed by referring to the Cabinet Gateway 3 report dated 27th June 2023.

Appendix 1, Royal Institute of British Architects Stage 3 Report, Executive Summary(public)

Appendix 2, Royal Institute of British Architects Stage 3 Report, (private)
 Programme Board presentation
 Part 1 & Part 2

Appendix 3, Statement of Community Engagement (public)

Appendix 4, Phasing Options Review (private)

Appendix 5, Phase 1 plan (public)

Appendix 6, Design Monitoring proposals (public)

Appendix 7, Phase 1, stage 1 tender report (private)

Appendix 8, Phase 1 Gateway 3 to Gateway 4 Capital Development Budget (private)

Appendix 9, Phase 1 Gateway 4 to Completion Capital Development Budget (private)

Appendix 10, RIBA 3 Sustainability Summary (public)

Appendix 11, Master Plan Social Value paper (public)

Appendix 12, Integrated Impact Assessment (public)

Has GDPR been considered? Yes

1 Summary, Introduction and Context

1.1 Delivering Our Cultural Heart Programme

Launched in June 2019, the Huddersfield Blueprint aims to transform the town centre. As one of six key elements of the blueprint vision, Our Cultural Heart will help to deliver many of the council's strategic social, economic, and cultural objectives by being a catalyst for change and regeneration in the town centre, creating a coherent, safe, inclusive, and family friendly cultural offer. Set on a central campus in the Queensgate and Piazza area Our Cultural Heart will celebrate the heritage of Huddersfield while offering new cultural experiences for residents and visitors alike.

The council's investment in Our Cultural Heart will create core facilities and stimulate the provision of ancillary facilities, services, and opportunities by private, third and academic sectors, helping to secure the future of existing businesses and attract new investment. This catalytic role will help in creating a platform to deliver inclusive economic growth and social vibrancy of Huddersfield and the wider Kirklees area for the benefit of all communities.

It is also encouraging that these changes are already happening with the council's commitment to the blueprint and Our Cultural Heart being matched by Huddersfield University on their National Health Innovation Campus and will be significantly enhanced by the £1.5 billion Transpennine Route Upgrade now confirmed by Network Rail.

Proposed elements of the Our Cultural Heart include:

- A new library.
- A new museum & gallery
- A new food hall.
- Queen St development plot
- A new event venue which can be scaled up or down for live music, theatre, cultural events, and conferences.
- A new town park and outdoor event space.
- New parking.

As a major transformational programme, progress is regularly reviewed by Cabinet through the gateway process with key milestones for progressing the programme. This approach allows Cabinet to take stock of progress and consider factors such as changing market conditions, phasing, the developing design, affordability, and stakeholder views. At each stage, Cabinet is invited to endorse the outcomes of the gateway and decide whether and how to move forward to the next gateway.

To date the programme has been to Cabinet on four occasions where the proposals were considered and approval to proceed given.

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|---|---------------------------------|
| • Programme initiation | 22 nd June 2021 |
| • Strategic Outline Case (SOC), Gateway 1 | 16 th November 2021 |
| • Outline Business Case (OBC), Gateway 2 | 21 st September 2022 |
| • RIBA 3, Gateway 3 | 27 th June 2023 |
| • Phase 1 Gateway 4 | Dec 2023, target |

The programme has been to both public and private Scrutiny on a number of occasions with the last time being on the 6th March 2023.

The ongoing preparation up to Phase 1 Gateway 4 will take a significant amount of resource from the delivery team and support from Council staff over the remaining months.

1.2 Securing Appropriate Resources

The Strategic Development Partner (SDP) was appointed on the 5th July 2021 and brings together the necessary skills and resources to deliver the programme. The SDP is comprised of the specialist disciplines that together with the designers (architect and engineers) are needed to produce the necessary deliverables for a programme of this scale.

The SDP brings the capacity and experience of similar masterplan scale programmes that was not available to the council in house. Led by their Programme Manager, the SDP has been working alongside the council, using recognised processes and procedures, to bring forward the programme.

Funding totaling £18.055m from the council's approved multi-year capital plan was approved by Cabinet to progress the programme to Gateway 3. This included Gateway 1 (SOC) costs of £1.99m, with a further £5.56m to get to Gateway 2 (OBC) and then up to £10.5m (RIBA 3, planning application, design & build (D&B) contractor procurement) to Gateway 3.

However, with the introduction of phasing and Phase 1 becoming the current focus, there were items included in the Capital Development Budget that didn't need progressing as originally envisaged and are more appropriately dealt with as part of the next gateway or later phases. This has resulted in an underspend of £5.747m up to Gateway 3.

The reallocation (no 'new' money is required) of £5.620m from the underspend will fund the capital work for Phase 1 Gateway 4 for the items listed below.

- Delivery team fees
- Others fees
- Pre-Contract Services Agreement (PCSA) with the contractor
- Allowance for enabling works
- Master plan developments

The design and build contractor (BAM Construction Limited) has now joined the team to progress the RIBA 4 design and agree the construction contract sum.

The Programme Board was established from the outset to provide governance and strategic direction for the programme, the chair for this board is the Strategic Director Growth and Regeneration.

A Technical and Quality group and a Master Plan group comprising mostly council staff have also been convened to provide technical checks and balances at appropriate milestones for the work completed by the SDP, architect and engineer.

A Finance group, interim chair Head of Commercial Services – Finance & Accountancy, has also been established. This group has responsibility for reviewing

the cashflow of the programme, and maintains the overall financial model of the development, and to periodically update the Board as required.

Also, internal Kirklees service department stakeholders have been consulted in a mixture of group and one-to-one sessions to define the requirements of the core elements that make up Our Cultural Heart.

A legal framework firm (Addleshaw Goddard) is assisting Legal Services with the appointment of consultants and contractors and the process of securing vacant possession of properties on the site (particularly the Piazza Shopping Centre) and advise generally on other property and legal related matters.

The programme is regularly presented to the Executive Leadership Team, Executive Board, and the Regeneration Portfolio Holder Board.

2 Information required to take a decision

2.1 Background

The blueprint, and the part that Our Cultural Heart plays in the aspirations, has been considered by Cabinet a number of times and the links to those reports are set out in section 8 of this report.

Directly related to the delivery of Our 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.

It is recognised that maintaining activity in and around Our Cultural Heart throughout the lifetime of the programme will be important and therefore meanwhile uses will be encouraged when and where possible. Also, the importance of maintaining a functioning town centre during the implementation phases is recognised.

2.2 Progress since Cabinet approval on the 27th June 2023

The programme board is chaired by the Strategic Director for Growth and Regeneration, and meetings continue monthly. The last meeting was held on the 12th October 2023, with the next one scheduled for 24th November 2023.

Our Cultural Heart programme reports every two months to the Regeneration PHB. The last report was given on the 11th October 2023.

Work progresses towards Phase 1 Gateway 4, including,

- The design and build contractor, BAM Construction Limited, have been appointed under the Pre-Contract Services Agreement (PCSA). During this period BAM, their designers and subcontractors are,
 - Reviewing the RIBA 3 stage design
 - Progressing the RIBA 4 stage design (technical design)
 - Negotiating the contract sum on an open book basis with the SDP

- Preparing for a start on site, subject to Cabinet approval at Phase 1 Gateway 4
- Reviewing possible beneficial works during the PCSA period,
 - surveys
 - enabling works
 - asbestos removal
 - early orders
- The appointment of the SDP has been extended to Phase 1 Gateway 4.
- The appointments of the architect and engineer have been extended to Phase 1 Gateway 4 with their services now providing a monitoring role.
- Following approval of the Phasing strategy at Cabinet, the immediate focus is to progress Phase 1 to construction on site.
- At the same time any necessary preparation will continue for future phases that make up the master plan. Issues being progressed are,
 - **Museum & Gallery.** Following approval at Cabinet the museum and gallery will be combined in the ex-library. The options for the necessary works to the building are being reviewed.
 - **Queen St Plot.** Moving the gallery into a combined facility with the museum will free up this plot for other uses. The council is currently in discussions with Greenhead College who have expressed an interest in developing the site for a further education facility.

Alternative potential third party uses for the plot include a hotel.
 - **Vacant Possession.** Queensgate Market is now vacant and the timing for vacation of the remaining retail units on Princess Alexandra Walk is being finalised.
- Continue periodical cost and cashflow reviews and refinement of the Development Capital budget as the design and contract sum negotiations develop during the PCSA period.
- Service teams are developing requirements and the associated budgets (and how these are funded) for furniture, fixtures & equipment (FF&E), pre-opening and operational costs for staff and specialist support requirements.
- Our Cultural Heart website and the brand went live on the 27th June 2023. <https://ourculturalheart.co.uk/>
- On the 2nd March 2023 the Strategic Planning Committee approved the plans for the programme, with the planning and listed building consents being issued on the 21st July 2023.
- The sustainability strategy and KPI's for the programme have been developed in parallel with the RIBA Stage 3 design work. Wherever possible minimising embodied and operational carbon have been a priority and the buildings have

been designed to be capable of connecting to the proposed town centre heat network project.

- The SDP, architect and engineer are delivering their social value commitments and the Social Value Portal is being used to measure the outputs which are reviewed at monthly programme board meetings.

The Social Value offer from the contractor is now being developed in preparation for the construction phase on site. This will include establishing the Our Cultural Heart Fund for cash contributions.

- Town Centre Operational Board established to review the management of Huddersfield town centre including Our Cultural Heart and assist in developing service team budgets for the programme.
- The risk management strategy for the Cultural Heart is supported by the programme gateway method of decision and delivery. At each gateway Cabinet are invited to review progress to date, reflect on the current and specific circumstances, and determine the most appropriate way forward for the overall programme.

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 for Our Cultural Heart a number of internal and external stakeholders have been consulted as a way of testing out and developing options and then in May and August during 2022 public consultations took place as part of the planning application process to help inform the design. This consultation included a drop-in centre, presentations and workshops with groups and interested parties.

3.2 Working with Partners

Collaboration and working together with partners are the key to ensuring the council get the best outcomes for citizens, communities, and Kirklees as a whole. In addition to the consultations already undertaken and the work with stakeholders there will also be third party operators as part of Our Cultural Heart.

Phase 1 will include a food hall operator and the process of operator selection will commence in Q1 2024.

The form of the commercial arrangement and partnership with the operator has not yet been determined but will be influenced by further market engagement, the preferred operator selection process and what is in the best interest of the council.

The library, events square/public realm and service areas will be managed by the council.

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, including the plans for Our Cultural Heart. The buildings and spaces to be delivered as part of Our Cultural Heart create opportunity for wider use.

It is proposed to establish the Our Cultural Heart Fund for cash contributions which will help strengthen community and voluntary sector partners who are delivering place-based working throughout Kirklees. Other opportunities for the communities of Kirklees will also be available through the programmes social value deliverables.

3.4 Climate Change and Air Quality

The reduction of carbon emissions and the minimization of air quality problems is a key objective for the blueprint wherever possible.

Both Climate Change and Air Quality are key parts of the master plan and design. This in turn informed the planning application and will be developed as part of the future detailed design work.

In addition, climate change initiatives are associated with the delivery and promotion of other projects and programmes for example sustainable transport modes that help to reduce adverse transport derived impacts on communities and public health and the proposed Huddersfield town centre heat network.

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 does not 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 are being designed with all generations in mind promoting safety and inclusivity and as part of the master plan the range of destinations that will be clustered in Our Cultural Heart including the park, museum, art gallery, library, food hall and the venue will provide opportunities for children to explore, learn and have fun.

3.6 Financial Implications for the people living or working in Kirklees

When the assets that make up Our Cultural Heart are operational and available for use by the residents of Kirklees, it is anticipated that a number of them will be free to use and being centrally located are easily accessible by public transport. The campus style development also means that there are many attractions in one place with a variety of offers that are family friendly and appealing to all age groups.

As well as a place for leisure Our Cultural Heart will also create a variety of new job opportunities that are accessible by bus and train and these new 'workers' in the town centre will need the services that already exist thereby increasing spend in the town and supporting those businesses.

3.7 Other (Financial, Legal, IIA, Human Resources)

3.7.1 Finance

The financial implications arising from Our Cultural Heart ambition are significant, and the 27th June 2023 Cabinet report set out the overarching rationale for the resource implications.

However, through the gateway process Cabinet limit expenditure from the £262m council capital allocation, to progress Our Cultural Heart programme, to monies needed to progress those phases currently under delivery or consideration.

The service teams are developing their requirements and the associated budgets (and how these are funded) for furniture, fixtures & equipment (FF&E), pre-opening and operational costs for staff and specialist support requirements which would then subsequently need to be incorporated into emerging 2024/25 and future year budget proposals.

The council's existing multi-year revenue and capital medium term budget plans and financial strategies for 2023/24 and future years, approved at Budget Council on 8th March 2023, had previously acknowledged that this programme would be a significant strategic investment priority commitment to deliver major long term regeneration for the district.

The 2023/24 MTFS report highlighted the emerging scale of the global, national, and local economic, financial, and societal impacts from the current cost of living crisis and modelled the impact on the council's current and future years forecast financial position. The MTFS report also acknowledged that the environment within which local government, and all sectors of the economy, are currently operating, is volatile, fast moving. In recognition of this, it is anticipated that further financial reports would be brought back to Cabinet and Council to further update on the council's forecast financial position going forward.

3.7.2 Procurement & Value for Money

For this stage of the programme up to Phase 1 Gateway 4 the delivery team appointments have been extended up to Gateway 4 only. This includes the SDP (Turner & Townsend), architects (Feilden Clegg Bradley) and the engineers (Arup).

The council also have direct appointments for surveys, investigations and BREEAM assessor.

The design and build contractor (BAM Construction Limited) has been selected following the procurement process and appointed under the Pre-Contract Services Agreement (PCSA) to develop the RIBA 4 design and negotiate the contract sum prior to awarding the main construction contract (subject to Cabinet approval at Phase 1 Gateway 4).

3.7.3 Legal

Legal Services, and Addleshaw Goddard LLP (an external framework firm), are involved in the procurement process and appointment of the SDP, the wider team and the contractors in accordance with the council's Contract Procedure Rules.

There are a number of occupiers of the Piazza Shopping Centre who have security of tenure. Legal Services, and the external framework firm, are involved in the process to complete any relevant documentation in order to secure vacant possession of the Piazza Shopping Centre to enable delivery of the proposed programme.

There are also occupiers outside the boundaries of the site who have rights to use the access and service areas associated with the Piazza Shopping Centre. Legal Services, and the external framework firm, will be involved in the process to complete any relevant documentation so that any necessary works can be carried out to these accesses. Other potential impacts on neighbours are also being assessed.

Legal Services, and the external framework firm, will be involved in the procurement process and contractual arrangements with the third party operators in accordance with the council's Contract Procedure Rules.

There are a number of powers that the council will rely on to carry out this project.

3.7.4 Integrated Impact Assessment

An Integrated Impact Assessment (IIA) has been undertaken to assess the impact of the proposed Our Cultural Heart programme and what needs to be considered and incorporated into the design of the scheme. The IIA considers equality impact, covering the nine protective characteristics set out in the Equality Act 2010, plus environmental impact and the effects on low earners and unpaid carers.

The stage 1 assessment indicated that a stage 2 was required, and this was completed for Gateway 3.

3.8 Consultees and their opinions

Consultations have taken place as already set out in this report and the latest 27th June Cabinet report. Consultations will continue as required into the delivery stages.

Officers last presented an update on progress of Our Cultural Heart to the Ad-hoc Regeneration Scrutiny Panel chaired by Cllr Liz Smaje on 6th March 2023.

4 Next steps and timelines

The key milestones and Gateways for the Cultural Heart programme are as set out below.

4.1	Programme Initiation		22 nd June 2021
4.2	Gateway 1 –	SOC	16 th November 2021
4.3	Gateway 2 –	OBC RIBA 2 design & master plan	21 st September 2022
4.4	Gateway 3 –	RIBA 3 design & master plan Phase 1 ➤ Scope of works ➤ Preferred design & build contractor	27 th June 2023
4.5	Gateway 4 –	Phase 1 ➤ RIBA 4 design ➤ Construction contract Sum ➤ Award design & build contract Master plan developments	Q4 2023, target
4.6	Start on site –	Phase 1 ➤ Demolition ➤ Construction	Q1/Q2 2024
4.7	Completion –	Phase 1	Q4 2025, target
4.8	Future Phases –	Repeats of gateway's 3 & 4	TBC

5 Officer recommendations and reasons

Scrutiny is invited to note the progress made in developing the programme and the next steps.

6 Contact officer

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7 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](#)
- **November 2021** – Cabinet Report – Cultural Heart, part of the Huddersfield Blueprint – Gateway 1.
<https://democracy.kirklees.gov.uk/documents/s43757/PUBLIC%20CUTLURAL%20HEART%20Cabinet%20Report.%20Final%2016.11.21.pdf>
- **September 2022** – Cabinet Report – Cultural Heart, part of the Huddersfield Blueprint – Gateway 2.
<https://democracy.kirklees.gov.uk/documents/s48238/PUBLIC%20Cultural%20Heart%20Cabinet%20Report%2021.9.22.pdf>
- **June 2023** – Cabinet Report – Cultural Heart, part of the Huddersfield Blueprint – Gateway 3.
<https://democracy.kirklees.gov.uk/documents/s52438/Cabinet%20Report%2027.6.23%20public.pdf>

8 Service Director responsible

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