

**REPORT TITLE: Our Cultural Heart, part of the Huddersfield Blueprint,
 Phase 1 Food Hall**

Cabinet date	24th March 2026,
Cabinet Member	Cllr Graham Turner (Finance and Regeneration)
Key Decision Eligible for Call In	Yes Yes
Purpose of Report	
<p>This report builds on the approvals and delegations previously given by Cabinet, most recently in September 2025, and seeks permissions associated with the food hall in Phase 1 including drawing down further funding for the fit out.</p>	
Recommendations:	
<p>1. Phase 1 Food Hall Tenant/Operator That Cabinet delegate authority to the Executive Director of Place, in consultation with the Service Director Finance, the Service Director – Legal, Governance and Commissioning and the Portfolio Holder for Finance & Regeneration to conclude the food hall tenant/operator selection process (options are lease, management agreement or direct operation by the council) to determine the best outcome for the council. Where third parties are to be used under a lease to negotiate and agree the terms of the lease or if there is a management agreement procure (for a management agreement), negotiate the contract terms and award the contract(s). This delegation shall include any grant of a lease at an undervalue if appropriate.</p>	
<p>2. Phase 1 Food Hall Contract That Cabinet delegate authority to the Executive Director or Place, in consultation with the Service Director – Legal, Governance and Commissioning and the Portfolio Holder for Finance and Regeneration to approve the commencement and award of a concession contract or a management services contract under the Procurement Act 2023 in accordance with the Council’s Procedure Rules.</p>	
<p>3. Phase 1 Food Hall Fit Out That Cabinet delegate authority to the Executive Director of Place, in consultation with the Service Director Finance, the Service Director – Legal, Governance and Commissioning and the Portfolio Holder for Finance & Regeneration to procure and award the necessary contract(s) to complete the food hall fit out.</p>	
<p>4. SDP, Architect and Engineer Services, Extension of Appointments Subject to agreement on fees and in line with the council’s procurement process and Contract Procedure Rules, Cabinet approve the extension of the services being provided by the external Client construction delivery team (SDP, architect and the engineer) to progress the Phase 1 food hall fit out. The same delivery team is</p>	

providing the necessary services on Phase 1, Phase 2, the retail demolition and the rest of the feasibility work on the master plan.

5. Our Cultural Heart Committed Expenditure

That Cabinet approve the further draw down of £3.0m from later phases of the OCH programme to fund the food hall fit out thereby increasing the committed expenditure for Phase 1 from £58.370m to £61.370m and for the overall programme from £136.983m to £139.983m. Cabinet is asked to note the potential revenue implications of the operation of the Food Hall, as described in the Private cabinet report, taking into account the current offer and using the latest available PWLB rates for borrowing.

6. Agreements and Executing Documents

That Cabinet delegate authority to the Service Director – Legal, Governance and Commissioning to negotiate, agree, enter into all agreements and enter into and execute any documents necessary to enable the delivery of the Our Cultural Heart food hall.

Reasons for Recommendations:

At the outset of the Our Cultural Heart programme it was determined that at key points in the development delivery process the programme would be brought back to Cabinet to consider the recommendations and decide the future direction.

The delegations have been recommended so that progress can be maintained and the operating model selected so that the Phase 1 food hall that is an integral part of the overall master plan can become operational in a timely manner.

Resource Implications:

With construction programmes of the scale of Our Cultural Heart a significant resource, outside the normal day-to-day business of the council, is needed and so the council's Client construction delivery team is made up of external consultants with the necessary range of skills. The cost of the delivery team is included in the budgets approved at Cabinet. The programme has interfaces with many services and staff associated with the council's operational facilities and the built environment who the delivery team consult and engage with on the programmes design and construction. To support the services a fund has previously been set up to cover these internal staff costs associated with the construction delivery.

The additional £3m funding requested in this report will be allocated from later phases (Phase 5) of the Capital Development Budget for project management, design and contractor costs (Construction Budget). See Section 2.2 for details of the fit-out feasibility budget.

This additional expenditure will increase the capital costs for the council and bring programme borrowing costs forward. See Section 3.2, Financial Implications.

The human resource and financial implications associated with this report are set out in more detail in sections 2.2, 2.3, 2.4, 3.2, 3.3, 3.4 & 4.

Date signed off by the Executive Director for Place	David Shepherd, 16.03.2026
Is it also signed off by the Service Director for Finance?	Kevin Mulvaney, 16.03.2026
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Samantha Lawton, 16.03.2026

Electoral wards affected: Our Cultural Heart is located in the Newsome ward. However, in terms of the council’s strategic ambitions the programme is of importance to all wards in Kirklees.

Ward councillors consulted: As part of preparing for the public consultations for the master plan planning and listed building applications ward councillors were given a briefing and then a preview session of the public consultation material.

Public or private: Public Cabinet report (with private appendices)

Certain appendices included in Section 9 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.

The private appendices are numbers 2, 3, 4, 5.

Has GDPR been considered? Yes, no public information is contained

1. Introduction

Huddersfield Town centre is undergoing a transformation shaped by the Huddersfield Blueprint. Our Cultural Heart is proving to be a catalyst for this wider investment and is now reaching its first delivery milestone with the completion of Phase 1 happening this year.

It is widely recognised that stimulating economic growth is vital, to not just create opportunities for residents but increasingly to attract new businesses and generate additional income for the council that can help meet the increasing cost of delivering local authority services.

Our Cultural Heart is a key part of the Huddersfield Blueprint. It supports many of the council’s strategic social, economic, and cultural objectives by being a catalyst for change and regeneration in the town centre. It will create a coherent, safe, inclusive, and family friendly cultural offer. Set on a central campus between King Street and Queensgate Our Cultural Heart

will celebrate the heritage of Huddersfield while offering new cultural and leisure experiences for residents and visitors alike.

The council's investment in Our Cultural Heart is a fundamental part of the regeneration of the town centre and will create core facilities and encourage the provision of ancillary facilities, services, and opportunities by private, third and academic sectors, working in partnership with the council, 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.

When the assets that make up Our Cultural Heart are operational and available for use by the residents of Kirklees, many of them will be free to use and being centrally located will be easily accessible by public transport. The campus style development, which sits adjacent to Huddersfield University, the Town Hall, Lawrence Batley Theatre and Kingsgate Shopping and Leisure Centre, also means that there are many attractions/facilities 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 local businesses.

It is also encouraging that 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 where two facilities are open and will be significantly enhanced by the £11.5 billion Transpennine Route Upgrade works by Network Rail.

As a major transformational programme, progress on Our Cultural Heart is regularly reviewed by Cabinet through the gateway process and has previously been considered on eight separate occasions.

Similarly, the programme has been the subject of consideration at the Growth and Regeneration Scrutiny Panel on several occasions, with the last update being considered in August 2025.

The previously approved Cabinet reports are available through the links in Section 8 of this report.

2. Information required to take a decision

2.1 Phase 1

Phase 1 is the repurposing and upgrading of the Grade II listed former Queensgate Market and adjoining Piazza Shopping Centre retail units following their closure and includes the delivery of:

- New Huddersfield Library Hub, including West Yorkshire Archive
- Food hall
- Public square/public realm
- Basement service areas.

The contract for Phase 2 is due to be awarded shortly and when Phase 1 becomes operational it will be separated from the Phase 2 works by a hoarding line.

See Appendix 1, Phase 1 & Boundary with Phase 2 (public)

BAM Construction Limited (BAM) were selected as the preferred design & build contractor and appointed under the Pre Construction Services Agreement (PCSA) in mid-2023 and then subsequently awarded the JCT construction contract for Phase 1 in August 2024 with construction completion due in July 2026 followed by opening of the library and public square in summer 2026 with the food hall to follow in spring 2027.

Progress on site in the current period includes completing the roofs and external walls as part of making the buildings and basement watertight and progressing the internal works. At the same time external works continue including on the water feature and the public realm paving. However, whilst there is a lot of activity across the site in the last period the contractor has been delayed by four weeks and has received an extension of time for this period at no cost to the council.

The Clients construction delivery team continue to manage and monitor the progress of Phase 1 and report the same to the monthly Our Cultural Heart Programme Board meetings.

2.2 Food hall

Together with the other assets within the master plan the food hall is an important part of the Our Cultural Heart offer contributing to achieving the council's strategic objectives and adding to the sense of community by creating a space for social interaction, collaboration and gatherings for families, friends and visitors alike.

The preferred operating model for the food hall is for the council to enter into a lease with an experienced food hall tenant and this process is ongoing, see Section 2.3 below.

The lease offer we are currently negotiating and progressing for the food hall includes a variation to the original food hall delivery concept and to facilitate this, further approvals as set out above are required from Cabinet if this proposal is to be adopted.

Initially it had been anticipated that the greater proportion of the food hall fit out costs would be funded by the incoming tenant with a contribution from the council, whereas the offer received includes for the council to carry out and fund all the fit-out costs. Therefore, to assist with the ongoing commercial negotiations this report requests authority to utilise up to a further £3.0m to fund the food hall fit out in addition to the £1m allowance already included in the Phase 1 capital budget. Under a lease, the operator will have responsibility for the repair, maintenance and day to day upkeep of the internal fit out – whilst under a direct operation or management agreement model the council, as landlord, will be responsible for repair and maintenance.

Whilst the commercial negotiation continues on the lease option this report also requests authority to be able to enter into a management agreement or for the council to operate the food hall itself if either of these options is ultimately deemed to offer better outcomes for the council. To support this, the council is currently undertaking a feasibility study of the alternative operating models to help understand the costs, benefits, risks and resourcing needs. A delegation has been included above to enable officers, in consultation with the Portfolio Holder to progress direct operation, or a Management Agreement if the council is unable to proceed with a lease agreement.

With the current lease offer this means that all three operating models (lease, management agreement and direct operation by the council) will require the council to fund, procure and award all the fit-out works including procuring a concessionaire operator or management services provider. If, however, through negotiation it transpires that the tenant is to undertake the fit out works these would be funded by the council.

This means that the additional £3.0m is now required to fund the fit-out whichever operating model is selected, and as such, approval is sought to transfer funds from Phase 5 and delegated authority is requested to be able to procure and award contracts for the fit out works.

A breakdown of the food hall fit out budget and the supporting detail is included as Appendix 2, Phase 1 food hall Fit Out Feasibility Budget (private) to change the current empty shell into an operating food hall.

It should be noted that as the proposal is that the council will fund the fit out works this means that the fit out will remain in the ownership of the council which gives greater flexibility during the current selection process and in the future.

To allow for the best possible timeline, considering the anticipated Phase 1 construction completion, this report requests delegated authority to determine the operating model for the food hall which is deemed to deliver the best outcome for the council.

2.3 Preferred Operating Model, Journey to Date and Commercial Position Update

As described above, the food hall is a core part of the Our Cultural Heart offer, it provides a 24,999 sq ft civic anchor within Phase 1 and is directly connected to the new library and public square, forming the social heart of the scheme. Once open it will act as catalyst - driving dwell time, activating the public realm, and supporting the local economy.

Since mid-2024, in the search for a food hall tenant/operator, the council has been advised by Milligan, a specialist urban regeneration business focused on delivering transformative interventions in town and city centres through development and asset management mandates.

Milligan's commercial roles typically span strategy, leasing, operator selection, development interface and long-term asset performance optimisation and their senior team has delivered major regeneration schemes across the UK where food halls and experience led F&B have formed a core component of the tenant mix, including projects such as The Glass Works in Barnsley, and Camden Lock Market in London.

Milligan's advice is from experience of structuring, negotiating and delivering food hall led regeneration within complex urban settings, with a clear understanding of commercial risk, operator behaviour and long-term performance.

A report from Milligan is attached as Appendix 3, Food Hall Operator Selection Update (private). Once negotiations have concluded, Milligan will prepare a final report including the commercial terms to enable the council to undertake relevant due diligence and reach a decision in the council's best interest, subject to Cabinet approving the delegations in Recommendation 1 of this report.

2.3.1 Context

From the commencement of the operator selection process, the strategic objective has been consistent:

- Secure a high-quality private sector food hall operator
- Deliver a long-term traditional lease arrangement
- Transfer operational risk away from Kirklees Council
- Generate income
- Anchor Phase 1 of Our Cultural Heart (OCH) with a credible food hall concept

This aligns with the original operator selection advice, which identified a traditional lease as the preferred commercial model which was endorsed by Cabinet in September 2025, with a management agreement or direct operation as fallback options.

The options available to the council are:

- Direct operation: The council runs the food hall itself and takes all costs and risks.
- Management agreement: A specialist operator runs the food hall on the council's behalf, but the council carries most of the financial risk.
- Lease: A specialist operator leases the space and takes day-to-day operating risk.

The lease offer under negotiation is on the basis of the council funding and carrying out the food hall fit out – as such, all three options require the council to fund the internal fit-out of the food hall, including stalls, bars, furniture and finishes. This is an increase of £3m from what was reported at Cabinet in September 2025 as outlined in Sections 2.2 and 3.2.

2.3.2 Market Coverage

An extensive national and regional engagement exercise was undertaken commencing late 2024. A total of 24 operators were approached across three categories:

- Best-in-Class Destination Food Hall Operators (7)
- Regional Food Hall/Market Hall Operators (10)
- Event-Led/Hybrid Leisure Concepts (7)

The full list of operators engaged, and the outcomes are included in Appendix 3, Food Hall Operator Selection Update (private).

2.3.3 Conclusions, next steps and timescales

The operator selection process has been comprehensive and has demonstrated genuine market testing through both breadth of coverage and depth of negotiation. However, it has also confirmed current market realities:

- Limited operators prepared to commit capital and covenant in secondary markets
- High expectations the landlord will take on most of the risk
- Increased operator caution where regeneration phasing precedes full critical mass
- Although the food hall will generate income, it is not expected to generate a profit for the council until the medium to long term.

The following activities are currently underway:

- Liaison with a prospective operator to negotiate and finalise Heads of Terms for a lease
- Feasibility review of alternative operating models
- Early design development of the landlord-delivered fit out specification and subject to approval by Cabinet the detailed design and procurement will progress

When the Heads of Terms have been negotiated and finalised a report will be presented with the commercial terms and final recommendation so that the selection process can be concluded and the best option selected using the delegations requested in the Cabinet report (Recommendation 1).

If the lease is selected as the operating model work will then be undertaken to finalise commercial and legal documentation, and in parallel work will progress to procure a fit-out contractor with a target opening date in spring 2027.

If the decision to progress with a Management Agreement or Direct Operation is selected this is likely to impact and delay the current programme meaning spring 2027 would be the earliest opening.

2.4 Client Construction Delivery Team

The council's commissioned Client construction delivery team working on the project management, design and construction capital delivery across all the phases and workstreams have worked on the programme from the beginning and is made up of the Strategic Delivery Partner (Turner & Townsend), Architect (FCB) and the Multi-Disciplinary Engineer (Arup). The team is supplemented with other specialists as and when required.

The delivery team are all separately appointed by the council under the NHS Shared Business Services Construction Consultancy Services Framework. Retaining this team, subject to agreement on fees for each phase and or stage within a phase and as approved through previous Cabinet reports, is important to retain the knowledge gained and achieve efficient delivery for the council.

For matters covered by this report the fees associated with this team are included in the budgets for the food hall fit out.

2.5 Sustainability

The Our Cultural Heart sustainability strategy has encompassed the Council's 2038 Carbon Neutral Vision and policies encouraging sustainability and minimising the carbon footprint of the programme within affordability limits. It is recognised that a net zero economy, design, construction, and operation cannot be achieved overnight, but will be a process of incremental and positive actions to meet 2038 targets. The established sustainability strategy for the master plan includes no gas on site, reduced rainwater run-off and the target for the built environment (shell & core) remains BREEAM Excellent.

2.6 Social Value

Social Value (SV) has been an integral element of the Our Cultural Heart programme from the outset both in terms of the outcomes and the process of getting there and SV outcomes have been embedded in contracts at all stages and embraced by the wider project team.

The SDP continues to deliver their SV commitments across the programme, and the Social Value Portal is being used to measure the outputs. Social Value Portal is endorsed by the Local Government Association and helps us to procure, measure, manage and report SV via a single platform.

Since starting the Phase 1 construction contract on site in August 2024 BAM has been delivering SV and making payments into the Our Cultural Heart SV fund. Quarterly meetings have been established with the council to facilitate BAM's activities and share knowledge. The fund will be administered through the One Community Foundation and is expected to go live during March 2026.

SV is an integral part of the food hall offer generating local jobs, procurement spend and kitchens, creating spaces where SME's and aspiring traders can flourish backed up with an evidenced-based approach that ensures measurable, sustainable outcomes. The SV proposals from the prospective tenant are set out in Appendix 4, Food Hall Offer (private) page 14.

3. Implications for the Council

3.1 Council Plan

The Kirklees Council Plan contains areas of focus to prioritise the business of the council. One of these areas of focus is 'Investment and Place' with Our Cultural Heart being one of the named programmes. In bringing forward the next steps and the recommendations for this regeneration programme this report directly delivers against the council's plan to transform the experience within the town centre for residents and visitors alike and act as a catalyst for future investment.

3.2 Financial Implications

The council's existing multi-year revenue and capital medium term budget plans and financial strategies for 2025/26 and future years, approved at Budget Council on 25th February 2026, continues to acknowledge that Our Cultural Heart is a significant strategic investment priority commitment to deliver major long term sustainable regeneration for the borough.

The January 2025 Cabinet report stated that the assumption was that the food hall would run at net nil revenue cost to the council, and the September 2025 Cabinet report assumed a council contribution of £1m for the fit out. The engagement and negotiations, described in section 2.3, demonstrate that there has been a change in market conditions.

The impact of the current proposal will be up to £4m cost to the council for the fit out of the food hall. This is higher than the councils original £1m share which is included in the Capital Plan. With the increased cost to the council and the current commercial offer this proposal will have revenue impacts for the council and will need to be included in the refresh of the Council's Medium Term Financial Strategy and future budgets.

Negotiations continue with the prospective tenant to improve the income levels and therefore the council's revenue position.

The largest revenue impact will be in year 1 as the council will be incurring costs ahead of the food hall operating at capacity. This is normal on projects of this nature and it is possible that interest rates will fluctuate before borrowing is needed.

As the increased food hall fit out budget will be funded from the later phases of the Construction Budget this together with previous reallocation of budget will reduce further the funding currently available to deliver the venue and any associated car parking.

The feasibility study which is currently underway will consider potential costs and income profile of a direct operation or management agreement model, to enable a comparison with the lease model. This will be used to inform the conclusion of the selection process using the delegations requested in the Cabinet report (Recommendation 1).

For the overall master plan budget including the previously approved reallocations from the Construction Budget, see Appendix 5, OCH Master Plan Budget Summary (private), that sets out the construction budgets for each phase.

3.3 Capital Budgets

The current approved construction budget for Phase 1 from Gateway 3 (June 23) to completion of construction is £58.370m and the additional food hall fit out budget of £3.0m (subject to approval) would increase this figure to £61.370m.

For the breakdown of the food hall fit out budget developed by the SDP and the supporting detail see Appendix 2, Phase 1 Food Hall Fit Out Feasibility Budget (private) to change the current empty shell into an operating food hall.

The previously approved committed construction expenditure for the overall programme is a total of £136.983m (adjusted from £137.185m in the September 2025 report) for the period up to October 2028 and this request would increase the approved committed figure to £139.983m.

3.4 Legal Implications

Legal Services continue to progress the other work streams as reported in earlier Cabinet reports but in the context of this report they and the external framework firm, are advising in the property letting process and contractual arrangements with food hall tenants and will similarly advise on the management agreement should it become the operating model for the food hall.

The Council must comply with its duty under the Public Services (Social Value) Act 2012 as noted in Section 2.6 above the Council will consider how services/works are procured to improve economic, social and environmental wellbeing of the area.

The Council has a duty of Best Value under section 3 of the Local Government Act 1999 to make arrangements for continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council in carrying out its functions must comply with the Public Sector Equality duty under section 149 Equality Act 2010 before exercising any decision on a particular policy or strategy is taken ; namely it must have due regard to the need to eliminate unlawful discrimination,

harassment, victimisation; advance equality of opportunity between persons who share protected characteristics and those who do not and foster good relations between those who share protected characteristics and those who do not.

Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes.

The Council will comply with its Contract Procedure Rules and Financial Procedure Rules; and the Public Contracts Regulations 2015 and/or the Procurement Act 2023 in relation to Goods, Works and Services.

The proposals outlined in this report will be assessed by the Service Director, Skills and Regeneration for compliance with the Subsidy Control Act 2022 in accordance with Financial Procedure Rules 22.17 and 22.18.

Section 123 of the local Government Act 1972 provides the legal power to enter into the agreement for lease and lease with the food hall operator for the best consideration reasonably obtainable. If the disposal is at an undervalue then the General Disposal Consent 2003 may be relevant to provide deemed consent of the secretary of State if the undervalue is less than £2m and the disposal is likely to achieve the promotion of economic wellbeing, social wellbeing or environmental wellbeing of the area or persons resident in it.

3.5 Climate Change and Air Quality

Both Climate Change and Air Quality are key parts of the Our Cultural Heart master plan and design. This in turn informed the planning application, the sustainability strategy and the 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. Public transport can be used to access Our Cultural Heart from both the railway station and the bus station.

3.6 Risk

The risk management strategy for Our 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.

As reported previously the SDP/project manager maintains a risk register for the construction programme and the active phases within it. Similarly, the OCH Mobilisation Steering Group maintains a risk register for the council services.

There is a risk that whilst the lease option is the preferred operating model for the food hall that the prospective tenant offer and the subsequent outcome of negotiations with them may be deemed to be unsuitable. To mitigate this risk two alternative options to (1) operate the food hall under a management agreement or (2) for the council to operate, are being developed. The risks with each of these options is set out in Section 2.3. However, there are also risks associated with the direct operation and management agreement model including procuring a provider under the Procurement Act 2023.

With regard to the overall programme, subject to budget being reallocated and not being replenished or alternative sources of funding being found, the full master plan cannot be delivered without modifying the scope.

There is a significant risk that irrespective of the operational model chosen that the operation of the food hall will require long term base budget funding from the council.

3.7 Integrated Impact Assessment

A two stage Integrated Impact Assessment (IIA) was undertaken to assess the impact of the proposed Our Cultural Heart programme and what needs to be considered in the design of the master plan and the assets within it. 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 IIA was previously included with the Gateway 3 Cabinet report (June 2023) and is considered appropriate for this report. It is included here at Appendix 6 (public).

4. Consultation & Engagement

The concept for the food hall was determined at the outset of the programme and through consultation during the master plan planning process, and this report focuses on delivery, therefore current consultation is with council colleagues to determine the best outcome for the council.

More broadly, with regard to master plan programmes of this scale they will continue to require regular engagement and consultation at various stages of the programme development and delivery of phases.

5. Options

The food hall is a core part of the Our Cultural Heart offer contributing to achieving the council's strategic objectives and adding to the sense of community by creating a space for social interaction, collaboration and gatherings for families, friends and visitors alike.

The work undertaken as set out in Section 2.3 has shown significant market engagement and interest, but market conditions demonstrate operators are now not prepared to commit capital and expect the landlord to take on a greater level of cost and risk, especially when phasing and wider regeneration works are underway.

As discussed in sections 2.3 and 3.6 there are three options for the delivery of the food hall (Lease, Management Agreement, Direct operation by the council) – all involve the council carrying out the fit out and require the budget of up to £4m.

The food hall will deliver significant benefits to the town, and to ensure those benefits are realised the option of the council funding the fit-out costs of up to £4m is the recommended way forward. Approval at this stage is required to allow fit-out design and procurement to run in parallel with the final stages of Phase 1 construction.

Subject to the outcome of negotiations being successful the lease option is the current recommended option for the reasons outlined in previous reports, it would provide for less of delay and minimise any immediate reputational risks. If it is deemed there is no longer a viable lease option available that provides value for money, commercial feasibility and is in the council's best interest, direct operation or a management agreement will be progressed.

Approving the recommendations in this report protects the council's investment in Phase 1, ensures the food hall opens as soon as practically possible, and secures a credible, deliverable operating solution in challenging market conditions.

6. **Next steps and timelines**

The new Huddersfield Library Hub including the home for the West Yorkshire Archive Service in Kirklees together with the public square and its events programme will open in late summer 2026.

Subject to Cabinet approval, the council will progress to conclude the operating model during spring 2026 so that the fit-out works can commence later this year, with the food hall expected to be operational in spring 2027. With the other operating model options spring 2027 would be the earliest opening date.

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%20Assembling.pdf>
- **August Oct 2019** - Huddersfield Blueprint Place Standard Exercise – Results
<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%2020%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%200%20Cabinet%20Report%20-%20Final%20Version.doc.pdf>
- **June 2021** – Cabinet report – Cultural Heart, part of the Huddersfield Blueprint – Next Steps.
<https://democracy.kirklees.gov.uk/documents/s41881/Delivering%20the%20Cultural%20Heart%20Cabinet%202022.6.21%20002.pdf>

- **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>
- **December 2023** - Cabinet Report – Our Cultural Heart, part of the Huddersfield Blueprint – Phase 1 Gateway 4.
<https://democracy.kirklees.gov.uk/documents/s54749/Signed.%20OCH%20GW4%20Cabinet%20Report%2021.12.23%20public.pdf>
- **July 2024** – Decision – Our Cultural Heart Phase 1, Structural works to former Queensgate Market.
<https://democracy.kirklees.gov.uk/ieDecisionDetails.aspx?Id=12075>
- **January 2025** – Cabinet Report – Our Cultural Heart, part of the Huddersfield Blueprint – Phase 2 Gateway 3
<https://democracy.kirklees.gov.uk/documents/s61864/Our%20Cultural%20Heart.%20Cabinet%20Report.%2021.1.25.pdf>
- **September 2025** – Cabinet Report – Our Cultural Heart, part of the Huddersfield Blueprint – Phase 2 Gateway 4
<https://democracy.kirklees.gov.uk/documents/s66104/Signed%20Final.%20Our%20Cultural%20Heart.%20Cabinet%20Report.%2009.9.25.pdf>

9. Appendices

Certain appendices 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.

In the public report where appendices are private parts may be redacted, or the appendix may have been withheld.

- App 1. Phase 1 & Boundary with Phase 2 (public)

- App 2. Phase 1 Food Hall Fit Out Feasibility Budget (private)
- App 3. Food Hall Operator Selection Update (private)
- App 4. Food Hall Offer (private)
- App 5. OCH Master Plan Budget Summary (private)
- App 6. Final. 220519 IIA stage-2 v3_Redacted (public)

10. Service Director responsible

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