



Name of meeting: Cabinet
Date: 8th March 2016

Title of report: Pioneer House and land at Bradford Road, Dewsbury

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
Is it in the Council's Forward Plan?	Yes
Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Director & name	Jacqui Gedman - 29.02.16
Is it signed off by the Director of Resources?	David Smith - 29.02.16
Is it signed off by the Assistant Director - Legal, Governance & Monitoring?	Julie Muscroft - 29.02.16
Cabinet member portfolio	Councillor P McBride – Place (Transportation, Skills Jobs and Regional Affairs)

Electoral wards affected: Dewsbury East and Dewsbury West

Ward councillors consulted: Dewsbury East - Cllrs Scott, Firth and Kane and Dewsbury West - O'Donovan, Rowling and Hussain.

Public or private: Public with private appendix

The Appendix (one) is recommended to be taken in Private because the information contained in it is considered to be exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that it would not be in the public interest to disclose the information contained in the report as disclosure could potentially adversely affect overall value for money and could compromise the commercial confidentiality of the bidding organisations and may disclose the contractual terms, which is considered to outweigh the public interest in disclosing information including, greater accountability, transparency in spending public money and openness in Council decision-making.

1. Purpose of report

This report seeks approval for the Council to support Kirklees College in the creation of a new education facility in Dewsbury incorporating the Council owned properties at Pioneer House and the land at Bradford Road, Dewsbury which has recently been marketed.

2. Key points

The Council acquired Pioneer House (grade 2) on 19 July 2011 following a Compulsory Purchase Order process from Stayton Developments Ltd.

The first priority was to protect the building from further deterioration by making it wind and water tight. Phase one was a £2,500,000 envelope works programme completed in September 2013. The works to building included: repairs to roof; rain water goods; refurbishment of clock tower and clock mechanism; stabilising structure works; new windows; installation of alarm and removal of asbestos. The phase one programme “cleansed” the building and removed pigeons and detritus associated with a decaying structure. The works did not deal with defective flooring, install new stairs, nor prepare the building for reoccupation or redevelopment.

The acquisition, preservation and reuse of Pioneer House can deliver and support the transformation of Dewsbury town centre. The Council are faced with a number of potential options for Pioneer House. Soft market testing has yielded limited interest from the private sector in the building. Another option considered was occupation by the Council, but current office requirements can be accommodated within existing stock.

Officers have been pursuing interest from Kirklees College to occupy Pioneer House as part of an improvement to service provision. Kirklees College are seeking to relocate from Halifax Road (main campus and Wheelwright Centre) to consolidate education provision in Dewsbury town centre.

The College currently occupy 18,000m² on Halifax Road. The proposed relocation would reduce the accommodation requirement to 8,100m². This comprises 3,600m² in Pioneer House, which will become the focus for higher level skills, apprenticeships and post-19 education, specialising in creative and digital media, art & design, healthcare, business & finance and construction technologies.

A new 16-18 building of c.3,500m² will be developed on Bradford Road to create The Dewsbury Learning Village, focused on 16-18 provision. The Dewsbury Learning Village will cater for Levels 1 and 2, as well as foundation and employability skills provision. In addition, an additional 1,000m² purpose-built new construction and motor vehicle training centre will be provided. The Dewsbury Learning Village will also provide scope for further expansion of both skills and academic post-16 education in the heart of the town centre.

The project will rationalise the College’s existing Dewsbury campus with a reduction of 52% of existing floor-space. In addition, the relocation will enable the College’s existing sites to be redeveloped for residential use in line with Council priorities. The new facility will enhance education provision in North

Kirklees as a facet of the Strategic Area Review (SAR) expected to report in late April 2016.

The relocation will see the consolidation of 1,600 daytime students on Bradford Road and a further 1,000 students in Pioneer House. The College will seek to run evening classes, to be delivered mainly in Pioneer House. The College are targeting the opening of the Dewsbury Learning Village in September 2017.

Kirklees College has submitted an application for financial support from the Local Enterprise Partnership (LEP) Skills Capital Fund. The application seeks a capital grant to undertake a fit-out programme to Pioneer House and development of the Dewsbury Learning Village (working title). The business case is subject to appraisal and if successful the outcome of the application could be known in June 2016.

To facilitate the College occupation, the Council will undertake a landlord's work programme. This will provide a platform level for subsequent fit-out for the College.

To inform the schedule of works, a number of surveys have been commissioned, with FAS Heritage appointed to assess and prepare survey of significance for Pioneer House. Mason Clark have undertaken a structural and condition assessment of Pioneer House. The information contained in the surveys will inform the landlord's schedule of works and provide a cost envelope, which will be referred to Cabinet in subsequent report.

Former Safeway site, Bradford Road, Dewsbury

The relocation and development of the new educational provision in Dewsbury is based on split-site development, including the requirement to develop on the site of the former Safeway supermarket on Bradford Road.

Members will recall that Cabinet on 25th August 2015 approved the sale of the land, subject to the requirement that the land must be sold, by way of tender, on the open market. The land was subsequently marketed with offers to be received by 29th January. The offers received have been assessed by Officers in conjunction with the Council's external marketing agent taking account of the restrictive covenant, site conditions as evidenced by the site investigation (construction methodology) and requirement to provide a shared access. It is therefore considered that the unrestricted market value has been established for the site. The details of the offers received are contained in the private appendix to today's report.

The Council is under a statutory duty to obtain the *best consideration* that can reasonably be obtained when disposing of land and property. Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003, issued by the Department for Communities and local Government (DCLG), states that best consideration is generally the unrestricted Market Value (MV) and is the best price reasonably obtainable for the disposal where the principal aim was to maximise the value of the receipt. The unrestricted value should take account of whatever uses might be permitted by the local planning authority. It is proposed that Kirklees College will acquire the site, at best consideration, in accordance with the Council's statutory duty.

3. Implications for the Council

Due to the nature of Pioneer House, being an iconic listed building in Dewsbury town centre, the redevelopment of the asset has a number of implications. As the landlord's work package is developed and confirmation (or otherwise) of LEP funding is received, further Cabinet reports will be tabled and decisions sought.

3.1 Legal Implications

The redevelopment of Pioneer House and the creation of the Dewsbury Learning Village will be the subject of funding approvals from LEP. The basis of these are unknown at this stage, the implications will be presented to Cabinet in due course.

The Council will enter into a legal agreement capturing the working relationship with Kirklees in the delivery of the proposal.

Pioneer House was acquired from Stayton Developments Ltd following a Compulsory Purchase Order in July 2011. DTZ Cushman Wakefield, the Council's appointed external advisors, are resolving the settlement.

3.2 Financial Implications

The redevelopment of Pioneer House by Kirklees College requires the Council to undertake a programme of landlord's works. The programme of works is currently in preparation, and will be reported separately to Cabinet. The Council has identified £2,000,000 investment from the Capital Plan and a further £850,000 is available through the Dewsbury Townscape Heritage Initiative. As the project is in early stage, the total project costs are unknown.

The Council is under a statutory duty to obtain *best consideration* that can reasonably be obtained when disposing of land and property. The land on Bradford Road, Dewsbury, has recently been marketed and it is considered the unrestricted market value of the site has been established. It is proposed that Kirklees College will acquire the site, at best consideration, in accordance with the Council's statutory duty.

3.3 Human Resources Implications

None.

3.4 IT Implications

None.

3.5 Strategy and Partnership Implications:

The Kirklees Economic Strategy (KES) identifies the transformation of Dewsbury town centre as a major priority. The redevelopment of Pioneer House and the creation of the Dewsbury Learning Village will provide the turn-key required to start this transformation journey.

The working LEP Strategic Economic Plan (2016 - 2036) identifies the North Kirklees Growth Zone as a priority (see Cabinet 17th November 2015 for background report). The NKGZ proposal seeks to deliver between 7,000 and 7,500 new homes, generating 5,000 new jobs, securing over a 25 year period a total Gross Value Added (GVA) of £1.9 billion and thereby critically revitalising the urban centre of Dewsbury.

The redevelopment of Pioneer House, on its own, is significant to Dewsbury town centre, but as part of the NKGZ is anticipated to kick-start the programme.

In addition, the College's existing campus sites form part of the asset development strategy within the NKGZ. Finally, the Council and College are undertaking an ongoing study of the labour and skills requirement of the NKGZ to ensure that provision in Dewsbury is aligned with the projected needs of the market, especially those associated with the NKGZ.

As part of the College's funding application to the LEP, an analysis of Economic (GVA) impact was undertaken. The projected additional (employment-related) GVA, created by these proposals, is £82.4m, representing a transformational opportunity for the economic and physical regeneration of Dewsbury.

4. Consultees and their opinions

The LEP have confirmed commitment to the NKGZ and are supportive of seeing Pioneer House redeveloped as part of a package of assistance to Dewsbury and Kirklees.

Local Councillors opinions are supportive of redeveloping the building thereby providing a transformational economic boost to Dewsbury town centre.

Portfolio holders and Asset Board have been consulted and were supportive of working with Kirklees College to redevelop Pioneer House as a new education base in Dewsbury.

5. Next steps

Investment & Regeneration and Physical Resources & Procurement will prepare the landlord's schedule of work and support Kirklees College with funding applications to deliver the proposal. Further Cabinet reports will be tabled and decisions sought as the proposal develops.

6. Officer recommendations and reasons

It is recommended that Cabinet:

- a) Endorses the Council's commitment to work with Kirklees College with a view to bringing Pioneer House back in to use as a new education facility
- b) Agree that while the Dewsbury Learning Village is being progressed it will not take forward any of the offers received for the disposal of the land at Bradford Road.

- c) Requests that further reports on the detailed terms of any disposal of Pioneer House and the land at Bradford Road be brought to a future Cabinet meeting for consideration, before a final decision is taken on its future use.

The reasons for the recommendation are that the proposed developments by Kirklees College will not only provide a visible statement on the future of the town but also have a major impact on the transformation of Dewsbury.

The proposed College relocation and consolidation will introduce a significant level of footfall to the town centre with the resultant impact stimulating further investment.

The creation of the Dewsbury Learning Village will yield significant regeneration benefits. As a consequence, the land at Bradford Road should be withdrawn from the open market and reserved for redevelopment by Kirklees College.

7. Cabinet portfolio holder recommendation

The portfolio holders, Cllrs Peter McBride and Cathy Scott, agree with the officer proposals and recommendations and would ask Cabinet to do the same.

Cllr McBride – “the creation of a new educational village in Dewsbury meets the Council’s commitment to regenerate North Kirklees in partnership with key stakeholders including Kirklees College.”

Cllr Scott – “Pioneer House is an iconic building that defines the town. The investment in the building is a statement of the Council’s transformational plans for Dewsbury town centre.”

8. Contact officer and relevant papers

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Papers: Appendix 1 (private)

9. Assistant director responsible

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