

**Name of meeting: Cabinet**

**Date: 21<sup>st</sup> August 2018**

**Title of report: Dewsbury Heritage Action Zone**

**Purpose of report**

Cabinet on the 20<sup>th</sup> March 2018 approved a report on the North Kirklees Growth Zone which included the allocation of £2 Million from the Capital Plan to fund actions within the Dewsbury Heritage Action Zone (HAZ) and gave delegated authority to the approve the HAZ Delivery Plan to officers and the portfolio holder. This report updates on progress and requests approval for a number of items that will assist in the effective, efficient and timely implementation of the Heritage Action Zone and wider regeneration of Dewsbury Town Centre.

<b>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?</b>	<b>Yes</b>
<b>Key Decision</b>	<b>Yes it involves spend of over £250k</b>
<b>The Decision - Is it eligible for "call in" by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by Strategic Director &amp; name</b>	<b>Karl Battersby - 10.08.2018</b>
<b>Is it also signed off by the Acting Service Director - Finance, IT and Transactional Services</b>	<b>Eamonn Croston - 13.08.2018</b>
<b>Is it also signed off by the Service Director - Legal Governance and Commissioning?</b>	<b>Julie Muscroft - 13.08.2018</b>
<b>Cabinet member portfolio</b>	<b>Cllr Peter McBride</b>

**Electoral wards affected: Dewsbury East**

**Ward councillors consulted: Dewsbury East, Dewsbury West, Dewsbury South**

**Public or private: Public**

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# 1 Summary

## Purpose of the report

- 1.1 This report informs Cabinet of progress on the Heritage Action Zone (HAZ) and seeks approval of more detailed arrangements to allow its effective, efficient and timely delivery and the wider regeneration of Dewsbury Town Centre.
- 1.2 The report requests approval to accept a grant offer from Historic England's (HE) Partnership Scheme in Conservation Area (PSiCA) that will provide the £550,000 of HE funding for the HAZ. It also requests that the Council funds allocated for the HAZ (the HAZ fund) can be used for a range of activity that will help delivery of the HAZ objectives. It is proposed that the Council, via the HAZ is able to offer a range of financial support including grants, loans and rental guarantees so that the right type of support is available to enable projects to go ahead while ensuring value for money and managing the Council's interests. In addition it is requested that funds could, where appropriate, be used to acquire property, carry out works to property acquired by the Council and undertake public realm works.
- 1.3 It is proposed that the 'Private Sector Housing – Other' part of the approved capital plan and the HAZ fund can be used to fund acquisition of key properties within the HAZ area, where it contributes to achieving HAZ objectives and the wider objectives of regenerating Dewsbury Town Centre. Acquisition would generally be sought by agreement, including at auction, but it is proposed that the Council approves the principle of using Compulsory Purchase Powers (C.P.O.) to acquire properties should it be unlikely that the Council could acquire the properties by negotiation.
- 1.4 In order to assist in the effective operation of the fund it is proposed that the Service Directors responsible for overseeing the HAZ programme are, in consultation with the portfolio lead, given delegated authority for expenditure of up to £500,000 from the HAZ Fund and the 'Private Sector Housing – Other' part of the approved capital plan. The proposed flexibility in the use of the HAZ fund, delegated powers for the funds and willingness to use C.P.O. powers will help maximise the chances that the HAZ will be successfully delivered over the 5 year timeframe of the initiative

## 2 Information required to take a decision

### Background

- 2.1 On the 17th November 2015 the Council approved the initial report setting out the rationale and next steps for the North Kirklees Growth Zone (NKGZ). The NKGZ is in line with the two strategic drivers for the district, the Kirklees Economic Strategy and the Kirklees Health and Well-being Strategy. A series of recommendations designed to bring about long term sustainable change for North Kirklees were agreed, with a clear vision statement underpinned by 4 broad objectives.

- 2.2 The vision recognised the role Dewsbury and its hinterland could play within the wider Northern region - "To have a thriving living town, tapping into the potential of its people, and maximising its role as a key transport and economic location".
- 2.3 The 4 broad objectives at the heart of the vision are:-
- The area could be a focus for housing and economic growth;
  - The area could be seen as a key strategic employment location within the Leeds City Region;
  - A key transport node for both road and rail (connecting to HS2, Leeds and the wider north of England); and
  - Dewsbury as the primary economic and service centre, with a town centre that is fully occupied through increased housing and leisure provision, with a consolidated retail and commercial core.
- 2.4 The opportunity arose in late 2017 to submit a bid for Heritage Action Zone status and following a positive decision by Historic England (HE) in December 2017, Cabinet agreed on 20th March 2018 to support a Heritage Action Zone for Dewsbury.
- 2.5 There are 5 key objectives of the HAZ:
- To improve the condition, appearance and sustainability of key buildings and sites within the Dewsbury Town Centre Conservation Area
  - Support the living town concept introducing new activity through the reuse of vacant buildings and sites
  - To develop a new heritage home ownership model with Historic England
  - To improve public spaces within the town centre and connectivity between them
  - To deliver a programme of engagement with participation from all communities to recognise and celebrate the areas heritage
- 2.6 The Cabinet on the 20<sup>th</sup> March approved match funding of £2m towards a total sum of £2.55 Million for the HAZ. It also agreed that the Service Director Housing and Service Director for Economy, Regeneration & Culture, be authorised to finalise the detail of the HAZ Delivery Plan with Historic England and to negotiate a Memorandum of Understanding with Historic England for delivery of the HAZ Programme, that final acceptance of the Delivery Plan and MoU be delegated to the Service Director Housing and the Service Director for Economy, Regeneration & Culture Service in consultation with relevant portfolio holder(s).

### **Progress to date**

- 2.7 Following the Cabinet decision on the 20<sup>th</sup> March officers have proceeded to finalise the Delivery Plan with Historic England and the associated application for funds from the Partnership Scheme in Conservation Areas (PSiCA) scheme. The HE HAZ approval was in effect a gateway to accessing the funds and the PSiCA application was required in order to finally approve the Historic England contribution of

£550,000 towards the HAZ. The Memorandum of Understanding and the Delivery Plan are now agreed by the HE and the Council. At the time of writing the decision on the approval of the PSiCA application is awaited. The proposals contained in this report will assist in achieving the aims and objectives of the HAZ Delivery Plan, the associated PSiCA grant and the Memorandum of Understanding.

- 2.8 The HAZ Project Team and HAZ Partnership Team have been established and the first meetings held. Work has started on progressing a number of the individual projects within the HAZ programme. These include a Historic Area Assessment (HAA) and community engagement. Officers are in contact with 2 property owners about progressing potential refurbishment schemes.
- 2.9 Having more people to live in Dewsbury Town Centre is a key objective for the Council and one of the ways it is going to deliver this is through the Heritage Action Zone. Project 7 (Repurposing Historic Buildings) of the HAZ programme is specifically focussed on getting vacant and underused buildings back into beneficial use by providing financial support. Because of the size of the fund relative to the scale of the issues in the town, it will be necessary to target resources in a part of the HAZ area.

#### Flexibility in use of the fund.

- 2.10 Officers have considered how best to deploy the HAZ Fund to maximise the chances of successfully delivering a substantive and visible impact within the HAZ area over the next 5 years. In the March Cabinet report the objectives that would be applicable to the public funding were described as :-
- To preserve and enhance the area's heritage through the re-use of buildings for housing;
  - To support the final living town strategy which would be published post Local Plan adoption;
  - To use public funding as a catalyst to maximise private sector investment through adoption of a "gap funding model";
  - To only support schemes that positively contribute to the Living Town concept, primarily focused in the Daisy Hill area and
  - To consider, as a reserve scheme and subject to additional funding being secured, at risk buildings of merit as part of the programme within the town centre area.
- 2.11 Having considered the delivery of the HAZ in more detail it is considered that having a more flexible HAZ fund would be advantageous in supporting implementation. It is therefore proposed that the Council has the flexibility to offer grant, loans, rental guarantees, enter into development/partnership agreements or other related variants or combinations of support that will enable projects to proceed. This flexibility will allow bespoke solutions to be created for each of the potential schemes and make it easier for the Council to manage its risk and achieve value for money. There also may be occasions where it would be beneficial to carry out public realm works to support private sector investment within the HAZ and it is therefore proposed that the

HAZ Fund could be used, if deemed to be beneficial, to fund such works. The money from Historic England will remain subject to its own specific guidance and eligibility criteria, which limit it to grant assistance for a specific range of works.

- 2.12 Due to the relatively limited amount of HAZ funding available relative to the issues to be addressed across the whole HAZ area (the Dewsbury Town Centre Conservation Area), both the Council and Historic England resources will be geographically focussed on the Daisy Hill/Bond Street area, to be known as the HAZ Priority Area, as shown in Appendix One.

#### Potential Acquisition of Properties

- 2.13 In addition to providing financial support to property owners to refurbish their properties and bring them back into use it may, in some circumstances, be more beneficial to acquire specific key properties, throughout the HAZ area. These properties could either be sites and/or buildings where public ownership would help achieve the objectives of the HAZ and/or wider objectives to regenerate Dewsbury Town Centre. For example sometimes owners are either unwilling, or do not have the capacity, to undertake refurbishment of properties for the desired types of use, to the required standard or in the timescale required. In these sort of cases acquisition may be a more effective means of delivering the HAZ programme and achieving the general objective of regenerating Dewsbury Town Centre.
- 2.14 Following purchase the Council would, in the case of buildings, where relevant, carry out works to de-risk them, using the funds available and seek an investor/developer to refurbish and/carry out new build for the uses, standards and timescales desired. In addition to the HAZ Fund it is proposed to use the 'Private Sector Housing – Other' part of the approved Capital Plan to fund acquisition and related works.

#### Key Properties

- 2.15 Key properties, either buildings and/or sites, that may be acquired, would all be within the Dewsbury Town Centre Conservation Area (coterminous with the HAZ boundary) and would have at least three of the following characteristics :-
1. 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
  2. Acquisition supports the objectives of the HAZ in 2.5 above
  3. Is within the HAZ priority Area
  4. Is a 'heritage asset'
  5. Is vacant, partially vacant, underused
  6. Is of poor condition
  7. Is part of a potentially larger site that would meet the objectives immediately above
- 2.16 Any decision to acquire would be undertaken in light of the factors outlined in 2.15 above; the buildings relative priority and the resources available.

## Compulsory Purchase

- 2.17 It would be the intention to acquire key properties by negotiation; or through auctions should this be the method of sale. However it is proposed that the Cabinet approve the principle of acquiring key properties within the HAZ area by Compulsory Purchase Order should it be considered that the Council would be unlikely to be able to acquire such properties by negotiation.
- 2.18 The decision to agree 'in principle' to use compulsory purchase powers to acquire a property does in itself not necessarily mean that the Council will formally make an order for that property, as it may be possible to subsequently agree terms to acquire. However, given the amount of time required to complete the compulsory purchase process, it is sensible for the Council to indicate its willingness to use C.P.O. procedures and initiate formal procedures whilst negotiations are still in progress.
- 2.19 Cabinet should note that the use of compulsory purchase powers is intended as a last resort and ministerial policy requires that a Compulsory Purchase Order may only be made if there is a 'compelling case in the public interest'. If the Town and Country Planning Act Powers are to be used then the Council would need to demonstrate that exercise of the power would be likely to contribute to achieving the promotion or the improvement of the economic, social, environmental improvement of the area.
- 2.20 An 'in principle' agreement to use C.P.O. powers is the first stage in the process. If it should be necessary to make a compulsory purchase order for an individual or group of properties then a report would be brought to Cabinet for approval, describing the legal powers to be used the rationale for using the powers

## Timescales

- 2.21 The process for developing schemes and gaining the necessary approvals takes time and money for investors and developers. In the case of schemes in the HAZ, the timescales and risks can be greater, creating uncertainty and leading to delay in the implementation of projects. The Council should aim to make the processes as efficient and timely as possible, while ensuring that due process is undertaken.
- 2.22 The governance arrangements for the HAZ include a Partnership Team including representatives from Kirklees Council and Historic England, Chaired by the Service Director Economy, Regeneration & Culture or Service Director Housing. Its decisions are limited by individual officer's delegated authority which currently is a maximum of £250,000. Given that a number of individual items could be above this limit, then in order to create an efficient system for approving expenditure it is proposed that the Service Director – Economy, Regeneration and Culture or Service Director Housing, in consultation with the Portfolio lead for the Economy is given delegated authority to approve individual items of expenditure of up to £500,000 from both the HAZ fund and the 'Private Sector Housing

– Other’ element of the approved Capital plan. A business case will be produced for each of proposed items of expenditure.

### **3 Implications for the Council**

#### **Early Intervention and Prevention (EIP)**

- 3.1 There are no direct implications from this report, but the wider strategy will incorporate a series of indirect positive contributions towards this theme.

#### **Economic Resilience (ER)**

- 3.2 The HAZ initiative forms a key element of the Dewsbury Town Centre programme which in turn is part of the North Kirklees Growth Zone which is aligned to the Kirklees Economic Strategy and the Health and Well-being Strategy. The NKGZ is a key plank of the ER theme, with outcomes designed to increase growth, provide local employment, training and business opportunities and raising the area’s spending power.

#### **Improving Outcomes for Children**

- 3.3 Work is ongoing with Kirklees College to deliver the new Dewsbury Learning Quarter and opportunities for linking training and apprenticeships into the NKGZ programme are continuing.

#### **Reducing demand for services**

- 3.4 Whilst the early stages of work on the NKGZ and the HAZ programme have been driven by the Public Sector we envisage the significant investment will come via partners and the private sector. Integral into the programme are support for key Council themes, such as a stronger more prosperous and vibrant locality. The HAZ is part more of a long term NKGZ plan to help make communities more resilient, whilst increasing the opportunities for strengthening income streams for the Council.

#### **Other Implications (e.g. Financial, Legal, HR, IT, planning)**

##### **Financial**

- 3.5 It is proposed that the £2 Million Council element of the HAZ fund is funded from the allocation ‘Regeneration of Strategic Town Centres – Dewsbury’ in the approved Capital Plan. The acquisitions will predominately be funded from the allocation for ‘Housing Private Sector – Other’ in the approved Capital Plan, unless it is more beneficial to use the HAZ fund or the allocation for Regeneration of Strategic Town Centre – Dewsbury in the approved capital plan. As part of the providing financial support to third parties the Council will enter into appropriate legal agreements. There is a requirement within the HAZ Delivery Plan that the Council will fund a HAZ Project Officer and it is anticipated that this will come from within the Council’s existing staff resources.

### **4 Consultees and their opinions**

- 4.1 Finance – comments from Finance are reflected in paragraph 3.5 above.
- 4.2 Legal – comments from the Service Director – Legal Governance and Monitoring are reflected in this report.

## **5 Next steps**

- 5.1 The HAZ is made up of a variety of individual projects and the anticipated next steps is outlined below:-

### Project 1: Baseline Data and Evaluation

Work has commenced on this and will be drawn together during 2018.

### Project 2: Daisy Hill/Bond Street Historic Area Appraisal

To be commissioned by Historic England in summer 2018.

### Project 3: Review and Enrichment of Historic Listings

Historic England to review historic buildings listings across the HAZ area, throughout the life of the HAZ. .

### Project 4: Daisy Hill/Bond Street – Development Framework

This will consider options about how the area can be developed and will be completed by the autumn.

### Project 5: Heritage Home Ownership Model

This will follow on from the projects 2, 3 & 4.

### Project 6: Community Engagement Programme

This is being scoped out and it is anticipated will commence in autumn 2018 and run until the end of the HAZ programme in March 2023.

### Project 7: Repurposing Historic Buildings

Officers are in contact with two owners about potential schemes.

### Other Activity in Dewsbury Town Centre

- 5.2 The HAZ is one element of a wider programme of activity within central Dewsbury that will help improve the heart of the town. The Dewsbury Learning Quarter, phase 1 (Springfield Centre) opens in September this year. Work on the Townscape Heritage Initiative (THI) is continuing, with implementation of a number of schemes expected over the next six months, including the former Black Bull Pub and Baileys Café building. Work on the Station Gateway scheme started in July 2018 and is due to complete by the end of this year. The enveloping works on the Pioneer building are due to complete by December 2018, with public realm improvements on Halifax Road outside the Pioneer building programmed to commence in April 2019.

## **6 Officer recommendations and reasons**

- 6.1 That Cabinet:-

- 6.2 Approve that the Council funded part of the HAZ can be used to support a variety of interventions that support delivery of the HAZ objectives as outlined in paragraphs 2.10 -2.16 of this report.

Reason: to enable the effective delivery of the HAZ programme.

- 6.3 Authorise the Service Director for Economy, Regeneration & Culture, or the Service Director Housing, in consultation with relevant portfolio holder(s) to approve individual items of expenditure of up to £500,000 from within the HAZ fund, the 'Private Sector Housing – Other' and 'Regeneration of Strategic Town Centre – Dewsbury' elements of the approved Capital Plan

Reason: to enable the effective delivery of the HAZ programme.

- 6.4 Approve that the Council accept the offer of grant from Historic England

Reason: to enable the effective delivery of the HAZ programme.

- 6.5 Authorise the Service Director for Economy, Regeneration & Culture, or Service Director Housing to negotiate and agree the terms of the grant offer from Historic England

Reason: to enable the effective delivery of the HAZ programme.

- 6.6 Authorise the Service Director - Legal Governance and Commissioning to enter into any related funding or ancillary agreement(s) with Historic England

Reason: to enable the effective delivery of the HAZ programme.

- 6.7 Approve the principle of acquiring key properties within the HAZ as described in the report and that the Service Director Economy, Regeneration & Culture, or Service Director Housing, in consultation with relevant portfolio holder(s) agrees individual purchases.

Reason: To achieve the objectives of the Heritage Action Zone and the wider aim to regenerate Dewsbury Town Centre.

- 6.8 Approves that property acquisitions and any related works described in the report, can be funded from the capital plan allocations described in paragraph 3.5 of this report.

Reason: To enable acquisitions to be funded.

- 6.9 Approve the principle of acquiring key properties within the HAZ by using Compulsory Purchase Order powers and that Service Director Economy, Regeneration & Culture, or Service Director Housing, in consultation with relevant portfolio holder, agrees the individual properties

Reason: To achieve the objectives of the Heritage Action Zone and the wider aim to regenerate Dewsbury Town Centre.

- 6.10 Note the intention, that where it appears unlikely that it will be possible to acquire by agreement, to bring back more detailed reports on individual or groups of properties with proposals to make a Compulsory Purchase order for that property(s).

Reason: Acquisition is likely to contribute to achieving the promotion or the improvement of the economic, social, environmental improvement of the area.

## **7 Cabinet portfolio holder recommendation**

- 7.1 The Portfolio Holder, Cllr Peter McBride, supports the proposals in this report and for the report to proceed to Cabinet.

## **8. Contact officer**

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

North Kirklees Growth Zone Next Steps Report cab - October 2016  
North Kirklees Growth Zone – 20<sup>th</sup> March 2018  
Heritage Action Zone Guidance 2017 -  
<https://historicengland.org.uk/services-skills/heritage-action-zones/breathe-new-life-into-old-places-through-heritage-action-zones>

## **10. Service Director responsible**

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