

Report of Director of City Development

Report to Executive Board

Date: 6th November 2013

Subject: Design & Cost Report for Sovereign Square Green Space

Capital Scheme Number: 16686 / 000 / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City & Hunslet	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: A	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Following the approval of the Sovereign Street Planning Statement by Executive Board in July 2011 and the approval of the injection of funds into the capital programme for the creation of the Sovereign Square Green Space. Design work has now been completed which is based on the scheme approved by planning in December 2012.
2. In line with the Best Council Plan 2013, the scheme, which is to be delivered in a phased manner, will enhance the city centre and form a high quality environment providing a unique green space. Sovereign Square is seen as achieving the council's aspirations for providing additional green space in the city centre as a destination in its own right, acting as a catalyst for the reconnection of the South Bank to the city centre and the surrounding neighbourhoods building on the council objective of becoming a child friendly city. The square, which has a high percentage of green space, utilises trees to accentuate pedestrian linkages and provide shelter, provides opportunities for outdoor seating and includes an innovative simple water feature as a visual and interactive element to attract families, local office workers and day visitors.
3. The proposals now being brought forward for the square, to create this high quality public realm, is proposed to be completed in line with the occupation of the first development plot by KPMG, will be seen as demonstration of the economic recovery of the city and the resurgence in confidence in the office market.

Recommendations

Executive Board is recommended to:

- i) Provide authority to incur expenditure as set out in confidential Appendix A, for the first 2 phases (1&1a) of Sovereign Square, to be funded from the capital programme. Further phases being delivered as the development plots are completed utilising funds from section 106/CIL payments which will be specifically allocated for this purpose.
- iii) and to note:
 - the works as outlined in section 3.1 of this document and as detailed in the drawing contained in Appendix B at the estimated cost set out in the confidential Appendix A.
 - the proposed timescales for implementation as outlined at 3.2
 - that the Chief Asset Management and Regeneration Officer will be responsible for implementation.

1 Purpose of this report

- 1.1 This report is to provide members with an update on the current proposals for the Sovereign Street green space (Sovereign Square) and to seek authority to spend for the creation of the new public square. The estimated cost for the delivery of the green space proposals are set out in the confidential Appendix A.

2 Background information

- 2.1 In July 2010 Executive Board gave approval to the preparation of a revised Planning Statement for Sovereign Street which would be adopted for the new development proposals on the majority council owned site. This was aimed at providing guidance on the consideration of new development proposals for the site, the potential to deliver new high quality green infrastructure in the city centre and identify the individual plot locations. This revised Planning Guidance was approved in July 2011.
- 2.2 As a consequence of this guidance and the agreement to progress negotiations for the development of one of the plots for a new northern HQ building for KPMG, Executive Board in July 2012 approved the injection of capital into the Sovereign Street green space scheme, which would be funded by the first call on any capital receipts generated from the Sovereign Street development plots; subsequently on the 5th September 2012 Executive Board approved the submission of a detailed planning application for the green space.
- 2.3 As set out in the adopted Planning Statement for Leeds South Bank, the overall redevelopment of this vacant land on Sovereign Street forms an important element in the regeneration of the southern part of the city centre, which includes the new Leeds Southern Station Entrance and linkages from the city centre through to the proposed city park in the South Bank,

2.4 Sovereign Square green space will enhance the city centre and form a high quality environment providing for the needs of day visitors, office workers and city centre residents. Planning permission for the square was secured in December 2012 and is seen as achieving the councils aspirations for providing an additional green space in the city centre as a destination in its own right, acting as a catalyst for the reconnection of the South Bank to the city centre and the surrounding neighbourhoods. The square, which has a high percentage of green space, utilises trees to accentuate pedestrian linkages and provide shelter, provides opportunities for outdoor seating and includes an innovative simple water feature as a visual and interactive element to attract families and the local office workers.

3 Main issues

3.1 Design Proposals and Full Scheme Description.

3.1.1 The scheme, seen at Appendix B, for which authority to spend is being sought, now has planning approval and will provide a high quality urban space made up of 3 distinct areas:-

- **The square** – a large fully accessible open grassed area incorporating linear planting beds with small specimen trees and shrubs. This area is surrounded by high quality natural stone walls with integrated seating and paved areas which provide lit pedestrian links through and around the area. This hard surfaced public realm will provide the potential for a street café environment to be created through the development of the ground floor uses of the adjacent plots. An area of this space has been allocated as the location for a 'kiosk' with all necessary services being provided.

A feature of this space is a large mature up-lit specimen tree which sits to the front of the square creating immediate impact adjacent to the new KPMG building.

- **The viaduct plaza** – this section of the scheme provides the area for the main part of the water feature; an area where water will 'bubble and pulse' from under the stone paving providing an exciting and interactive space for both children and adults. Flowing out from this area is the 'rill', a narrow flowing stream of water which flows through the length of the space to the front of the square. The pump room and controls for the water feature will be housed underground in a waterproof container with easy access for regular maintenance requirements.

The plaza will also provide access and paved open space for the future potential redevelopment of the railway arches into cafés, restaurants and a pedestrian link through to the city centre. Feasibility assessments are currently being undertaken with Network Rail on the redevelopment of their arches.

- **The green boulevard-** containing the rain garden, an area of planting with trees and shrubs which uses the water run-off from the site; and an area

of up-lit mature trees set within the paved area forms a pleasant boulevard with many places for seating.

- 3.1.2 Provision within the scheme design has been made, under the railway viaduct, for the movement of vehicles from Pitt Row through to City House; these vehicles will have no access into the green space.
- 3.1.3 The on-going maintenance of the component features of the square have been taken into consideration, ensuring that high quality materials are used throughout. A detailed maintenance document, developed in conjunction with all the various council service areas, has been drawn up for the new lighting, the water feature, the planting areas and the paving. It is proposed that full daily checks will be undertaken so as to ensure that the square remains a clean and pleasant new facility within the city centre, and which takes into account the potential high use that will be made of the area.

3.2 Programme

- 3.2.1 Detailed proposals to RIBA stage E have now been completed for the scheme to be delivered in the 2014/15 & 2015/16 capital programme; this takes into account the availability of the land presently being used as a site compound for the KPMG building. The delivery of the scheme will move forward as follows:-

Planning permission	December 2012
Design & cost report	November 2013
Tender process	March 2014
Tender return	May 2014
Start on site	September 2014
Completion	June 2015

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As reported to Executive Board previously a significant amount of consultation has already been undertaken, in relation to the development of the revised Planning Statement through Talking Point and consultation events, including local residents, Ward Members and key stakeholders. As part of the on-going development of the KPMG and green space schemes, consultation has taken place including:-

- a pre-application presentation to plans panel in July 2012 and presentation to the Civic Trust prior to determination in December 2012.
- a presentation and workshop with the Quality Places and Spaces group (QPS) a sub-group of the property forum;

- meetings with the council's in-house access officer, representatives of guide dogs for the blind and the Access Forum.
- on-going regular liaison with KPMG;

4.1.2 Executive Member and ward member consultation has taken place and will continue throughout the development of the site.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The key decision for the proposals of this report was included in the draft planning statement report which was screened for an Equality Impact Assessment (EIA) before being approved by Executive Board on 27th July 2011. The outcome of the screening document was that the redevelopment, as promoted by the planning statement, would be unlikely to impact on any of the protected equality groups. Furthermore any consideration to impacts on the wider community would be reviewed as part of the planning process. This outcome did not require a full EIA to be carried out.

4.2.2 A further Equality Impact assessment screening was also undertaken as part of the key decision for the green space proposals report (also forming the key decisions within this report) which went to Executive Board on the 5th September 2012. The outcome of this screening led to a full EIA being required. The findings of this stated that:

- The earlier planning statement for the site was developed with consideration given to equality, diversity, cohesion and integration through consultation undertaken at the time.
- Concept proposals explored issues around usability, access, level changes, access routes and connections.
- Access officers were to be involved throughout the design process to ensure all access issues are considered.
- Disability groups were to be consulted as part of the planning submission to ensure the design mitigated any issues raised.

4.2.3 Screening has also been undertaken for this DCR report (see Appendix C), for the approval to spend the previously approved capital injection of £2.5million. The findings of this screening report did not require a full EIA to be carried out as the approval of funding for the scheme was not deemed to have an impact on equality, diversity, cohesion and integration.

The earlier reports referred to above are available on the Council's website.

4.3 Council policies and City Priorities

4.3.1 The development proposals including the creation of a new green space for the high quality development at Sovereign Street will assist the Council in achieving several of its objectives, most notably through :-

- **The Best Council Plan 2013.**

Where in line with the plans ambition for Leeds to become the best city, with an economy that is both prosperous and sustainable; the Sovereign Square project delivers against the objectives of building a child friendly city and promoting sustainable and inclusive economic growth. This is achieved through the provision of a green space which considers children as part of its design as well as enhancing the environment for the local business community.

- **The Council's new Vision 2010-2030**

By 2030, Leeds will be internationally recognised as the best city in Britain – a city that is fair, open and welcoming with a prosperous and sustainable economy, a place where everyone can lead safe, healthy and successful lives.

- **Leeds: Becoming the Best City Centre**

The creation of Sovereign Square is seen as a major step in achieving the vision which identifies that good quality public realm is key to the economic growth and sustainability of Leeds city centre; creating an attractive environment that encourages businesses to locate in the city and draws in extra private sector investment.

4.4 Resources and value for money

4.4.1 Executive Board in July 2011 agreed that the capital receipt received from the sale of Plot A for the delivery of the KPMG building would provide an injection of £2.5 million into the capital programme; this is to be added to the previously approved capital allocation of £100,000 for feasibility and early design work. It is the intention that these funds will be supplemented with section 106 money received from the developers of plots A, B & C to cover the total cost of delivering all of the various phases of the green space.

4.4.2 **Full scheme Estimate** – the green space is split into a series of phases (4) which relate directly to the various building plots and the delivery of future buildings surrounding the site; (see drawing at Appendix B) these are:-

- Phase 1 – the main element of the Sovereign Square green space including the boulevard, grassed area, water feature and rain garden.
- Phase 1a – the public realm to the rear of the existing BT building.
- Phase 2 – the area between plot C and the multi-storey car park, which is being held for a future site working area until the completion of development on plot C.
- Phase 3 – the area to the rear of plot B and the multi-storey car park, which is being held for a future site working area until the completion of the development on plot B.

By delivering the scheme in the phases detailed above it provides the ability to create the main green space for the opening of the KPMG building on plot A and in advance of the development of plots B & C. By completing the work in this manner it allows working space to enable the delivery of the buildings without compromising the new square. A detailed breakdown of these costs is set out in the confidential Appendix A.

4.4.3 Revenue Effects

4.4.4 Consideration has been taken of the varying maintenance requirements for the scheme, which covers the planting, hard landscape and the water feature, it is envisaged that the maintenance of the green space will be at a quality which reflects the high quality of the buildings surrounding the square.

4.4.5 Maintenance costs are highlighted in the table below. The intention is to maximise income from the site through the allocation of street café licences, charging for the use of the area for one off events and the issue of a licence for a kiosk which will be operational in the square; all of this income will be specifically ring-fenced for the maintenance of this area. It is also proposed that a service charge will be made on the occupiers of the surrounding buildings for the on-going high quality upkeep of the square that they will gain specific benefit from.

4.4.6 It is to be noted that there will be a larger shortfall in earlier years until the establishment of the area and the generation of a higher budget from the licences. It is the intention that this shortfall will be met within the City Development budgets.

4.4.7 The following table illustrates the effects on City Development department's revenue budget.

REVENUE EFFECTS	2015/16 £000's	2016/17 and SUBSEQUENT YEARS £000'S
EMPLOYEES	60.0	60.0
PREMISES COSTS		
SUPPLIES & SERVICES		
EXTERNAL INCOME GENERATED	10.0	30-40

4.5 Legal Implications, Access to Information and Call In

4.5.1 The delivery of the green space relates directly to the redevelopment of the development of plot A, the location of the new KPMG building, where the council has given an undertaking that the green space will be complete by June 2015 and prior to occupation of the new building by KPMG.

4.5.2 The information contained in Appendix A is exempt under Access to Information Rule 10.4 (3) 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 the public interest in maintaining the exemption in relation to this confidential appendix outweighs the public interest in disclosing the information by reason of the fact that it contains information and financial details which, if disclosed would adversely affect the business of the Council and may also adversely affect

the business affairs of the other parties concerned. The purpose of this confidential appendix is to set out the details of the budget requirements for the scheme as a whole, identifying the various phases of the works and financial implications (capital and revenue) to deliver the Sovereign Square green space'.

4.5.3 In line with current regulations it is a requirement to publish a notice on the Council's website 28 clear days before the related meeting, providing details of any items where a report to be considered by the Executive has an exempt section/appendix. At that time it was not envisaged a confidential appendix was required therefore agreement of the Chair of the relevant Scrutiny Board that the matter is urgent and cannot be deferred to another meeting was requested. Officers have confirmed that it is necessary for the report to be presented to the November Executive Board to ensure the design and programme can start on site in Summer 2014 and complete coterminous with the occupation of No1 Sovereign Square. The Chair of the Sustainable Economy and Culture Scrutiny Board has confirmed that he is agreeable to the reasons for urgency supplied for the exempt appendix to this report.

4.5.4 The report is subject to call in.

4.6 Risk Management

4.6.1 The project has been subject to the on-going assessment of risks which relate to the delivery of the green space and this will continue throughout the life of the project until completion.

4.6.2 The risk of not creating the new green space will impact directly on the successful redevelopment of the Sovereign Street plots and the potential subsequent reduction in the capital receipts received. There is also the contractual requirement with the developers of plot A which requires the green space to be delivered within a specific time frame.

4.6.3 Members are asked to note that project contingency levels have been set to make a risk allowance for site abnormalities on the site.

5 Conclusions

5.1 The vision is to transform the Sovereign Street site into a high quality mixed use development centred round a quality green space, which will make a significant contribution to the quality and vibrancy of the city centre. The KPMG office scheme will be the first new office scheme in the city centre since 2007. With Sovereign Square alongside these new offices, the attractiveness of the site and surrounding areas to future investors will increase, establishing the area as a prime location for business and making a contribution to the economic growth of the city.

6 Recommendations

Executive Board is recommended to:

- ii) Provide authority to incur expenditure as set out in confidential Appendix A for the first 2 phases (1&1a) of Sovereign Square, to be funded from the

capital programme. Further phases being delivered as the development plots are completed utilising funds from section 106/CIL payments which will be specifically allocated for this purpose.

iii) and to note:

- the works as outlined in section 3.1 of this document and as detailed in the drawing contained in Appendix B at the estimated cost set out at in the confidential appendix A.
- the proposed timescales for implementation as outlined at 3.2
- that the Chief Asset Management and Regeneration Officer will be responsible for implementation.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.