

Report of Director of City Development

Report to Executive Board

Date: 19th November 2014

Subject: Temple Mill

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

Summary of main issues

1. The regeneration of the South Bank will deliver one of Europe's largest regeneration projects and the proposed High Speed Rail 2 project. This provides major opportunities to achieve Best Council plan objectives of promoting sustainable and inclusive economic growth with particular opportunities to boost the local economy and maximise the impact of our cultural infrastructure.
2. The historic character of parts of the South Bank is both a strong reference to the city's industrial past and an opportunity around which future regeneration and quality development can be promoted. Successful examples of regeneration of this kind that has taken place includes at Marshall Mill and the Round Foundry Media Centre.
3. However, the city faces one of the most substantial and significant heritage challenges in the country: securing the viable and sustainable future of the at-risk Temple Mill (also referred to as Temple Works). Temple Mill is a third party owned Grade I listed building located at the heart of the Holbeck Urban Village district of the South Bank. With an Egyptian style frontage modelled on the Temple of Horus at Edfu, it is a building of national and international importance and heritage value.
4. Parts of the building have been used for a diverse range of cultural activity in recent years. The building has not been fully used for some time and the condition of the main structure has gradually deteriorated. In 2008, there was a major structural failure at the building resulting in the collapse of part of the frontage and roof. It is estimated that an

eight figure financial sum is required to secure the future of the building and fit it out for end use. The building is currently on the English Heritage 'at risk register'.

5. Following engagement with the Council and English Heritage, the current owners implemented a substantial temporary solution to prevent further collapses at the building at the time of the original failure of the structure. Notwithstanding the temporary works that have been implemented, it remains the case that the city is at a risk of losing a significant part of its heritage and, unless the city accepts that risk, a 'do nothing' option is not tenable.
6. Accordingly, whilst the Council does not have an aspiration to own and develop the building itself, in view of its leading role in the city, it is important that it facilitates a timely delivery of proposals that can leverage significant investment into the building in a way that secures its heritage for many years to come and supports the regeneration aspirations for the city.
7. The Council has now been approached by a developer, Citu, which has a proposal for a comprehensive repair and refurbishment of Temple Mill. This would require the Council to consider the inclusion of its own adjoining assets at Bath Road and Leodis Court in a combined development approach.
8. Citu has completed a conditional agreement to acquire Temple Mill from its existing owners within the next 12 months and is seeking, through the establishment of a Charitable Incorporated Organisation, to progress a major Heritage Lottery Fund grant bid by November 30th of this year to support the reuse of Temple Mill as a major arts and cultural venue, together with proposals to acquire and undertake developments of the Council's neighbouring land.
9. The Council assets could act as enabling development for a development at Temple Mill. It is unlikely that a HLF submission would succeed without Council support. The Council has a strong track record in facilitating the renewal of heritage buildings in the city, as seen by the Leeds Townscape Heritage Initiatives, First White Cloth Hall, Leeds City Museum, Grand Theatre and City Varieties. Executive Board also recently agreed for officers to develop proposals for the changes to Leeds Town Hall, including proposals to apply for HLF funding – but that this would be from a different HLF scheme and would not compete with Temple Mill.
10. This paper seeks Executive Board approval to the principles of how the Council can work with Citu to help facilitate regeneration in this location, looking in particular at its support for a Citu HLF bid, providing support in developing a business model for a proposed end use and the best use of Council owned assets.
11. At this stage, the Council recognises that there is a need to develop more detail on this proposed use to ensure that it meets the objectives of all the contributing parties to the proposal and is financially sustainable over the long term, and that further work is required on how the Council's assets can be best used. Notwithstanding this, it is considered that in principle support be provided to Citu's proposals on the basis that these matters and others are explored and worked up in greater detail and a further report is provided for Executive Board at a future date.

Recommendations

Executive Board is requested to:

- i) Agree that a redevelopment of Temple Mill is a city priority for securing Heritage Lottery Fund grant support given its Grade I listed status and at risk condition.
- ii) In addition, on the basis of the above recommendation and that the Council secures further clarity to its satisfaction about the proposals for the building's future use:
 - a. Agree in principle to work with Citu to facilitate the restoration of Temple Mill. This will include agreeing proposals for the use of the enabling value of Council assets at Bath Road, Leodis Court and Sweet Street as a contribution to the restoration of Temple Mill.
 - b. Provide in principle support to Citu's Stage One Heritage Lottery Fund Major Grant funding bid, to be made by a trust established by Citu, for their proposals for Temple Mill as set out in this report.
 - c. Instruct officers to undertake more detailed diligence and joint working with Citu on the matters highlighted in paragraph 3.12 and in accordance with the principles set out in this report.
 - d. Instruct officers to report back to Executive Board with further recommendations regarding the proposals to bring about the restoration of Temple Mill.
- iii) Note that the Chief Officer Culture & Sport will be responsible for the implementation of actions ii) b and ii) c and Head of Regeneration will be responsible for the implementation of actions ii) a and ii) d.

1 Purpose of this report

- 1.1 This report sets out the current status of the Grade 1 listed and at risk Temple Mill and proposals of a private sector led development proposition. In doing so, it seeks Executive Board approval to the principles of how the Council can help facilitate the redevelopment of the building, and support ongoing regeneration efforts in the area.

2 Background information

- 2.2 The South Bank of the city centre is, at 136 ha, one of Europe's largest regeneration projects. This will create a new business and residential district of city region and national significance and support the growth of a diverse range of sectors to boost sustainable and inclusive economic growth.
- 2.3 There is a rich architectural heritage within the South Bank. The Holbeck Urban Village district of the South Bank is home to over 30 listed buildings located in a dedicated conservation area. Redevelopment of the listed buildings has produced exemplary and distinctive place-making and has been a major contributor to economic growth. The historic character of the area is both a strong reference to the city's industrial past and an opportunity around which future regeneration and quality development can be promoted.
- 2.4 Prominent examples of the way in which the historic environment has acted as a catalyst for investment and place-making include the redevelopments of the Round Foundry, Marshall Mill and Phase 1A of Tower Works as a nationally recognised hub for the creative and digital sectors.
- 2.5 In February 2014, Executive Board agreed to collaborative work with the Homes and Communities Agency to dispose of assets at the historic Tower Works site to kick-start further regeneration in Holbeck Urban Village. The competitions for developer partners involve strong interest, and are due to conclude by the end of the year.
- 2.6 Notwithstanding this, the South Bank area, and the city as a whole, faces one of the most substantial and significant heritage challenges in the country: securing the viable and sustainable future of Temple Mill (also referred to as Temple Works).
- 2.7 Temple Mill is a third party owned Grade I located at the heart of the Holbeck Urban Village. It is a building of national and international importance. With an Egyptian style frontage modelled on the Temple of Horus at Edfu, it is home to what was once proclaimed to be world's largest room at circa 2 acres, one of the world's first hydraulic lifts and innovative engineering techniques in its construction. It is a building famed for the sheep that grazed on the building's roof to retain humidity in the flax mill to prevent the lined thread from becoming dried out.
- 2.8 In use as a flax mill in the 19th Century, the building was used in the latter parts of the 20th Century as a factory and warehouse for Kays Catalogue until Kays

closed in 2004. Parts of the building that are safe to use have been used, via a licence agreement, for a diverse range of cultural and arts activities since 2009 which range from the Leeds Model Railway club to music and visual arts events, filmmaking and other activities. This has helped maintain a presence for Temple Mill within the city.

- 2.9 However, the condition of the building has deteriorated. In 2008, there was a structural failure at the building. This resulted in the collapse of part of the frontage and roof. With scaffolding providing support, the building is, and remains, at severe risk: it is estimated that a substantial eight figure financial investment is required to permanently stabilise the building and secure a long term sustainable future for it. The building is on English Heritage's 'buildings at risk' register. Following engagement with the Council and English Heritage, the current owners implemented a substantial temporary solution to prevent further collapses at the building at the time of the original failure of the structure.
- 2.10 Notwithstanding the temporary works that have been implemented, it remains the case that the city is at a risk of losing a significant part of its heritage and, unless the city accepts that risk, a 'do nothing' option is not tenable. The unique cultural heritage of the building, the need for a specialist and costly structural solution to remedy its condition and the difficulty in establishing a viable refurbishment project with a sustainable end-use all mean that there has been very limited market interest in making the necessary investment to secure the future of the building. There is therefore a major challenge for the city in securing the future of a major heritage landmark, in a way that can further catalyse and support the regeneration of the Holbeck Urban Village area.
- 2.11 It is understood that the current owners do not propose to bring forward an investment and development proposal at this location and has been seeking bids to dispose of the asset in recent times.
- 2.12 Accordingly, whilst the Council does not have an aspiration to own and develop the building itself, in view of its leading role in the city, it is important that it facilitates a timely delivery of proposals that can leverage significant investment into the building in a way that secures the building's heritage for many years to come and supports the regeneration aspirations for the city.

3 Main issues

3.1 Citu's Proposals

- 3.2 Following the Council's acquisition of Leodis Court, the Council has been approached by a developer, Citu, which has proposals for a comprehensive repair and refurbishment of Temple Mill. Citu is seeking the Council's support to a HLF grant bid and also seeks to include the Council's assets at Bath Road and Leodis Court to support the restoration (up to 7 acres of landholding). Citu has completed a conditional agreement to acquire Temple Mill from its existing owners within the next 12 months as basis for bringing this proposition forward.

3.3 Citu's proposal can be broken down into four main areas:

- **Governance and redevelopment of the building** – Citu's intention would be to establish a Trust, as a Charitable Incorporated Organisation, to own and be responsible for the operation of the redeveloped Temple Mill. There would be an agreement with the Trust for Citu to re-develop and secure the future of the building to an agreed specification. Ownership of Temple Mill would transfer to the Trust upon the completion of the works. Members of the Trust/ Board would have expertise in the development and operation of such buildings and could include Council representatives.
- **Cultural and Heritage Venue** – Citu's initial vision is for the development of a mixed use, cultural and learning venue within Temple Mill. The Council recognises that there is a need to develop more detail on this proposed use to ensure that it meets the objectives of all the contributing parties to the proposal and is financially sustainable over the long term.

Citu's initial proposals are that this proposed end use would seek to diversify and add to the current cultural offer in the city and attract international touring modern art exhibitions and events – and attract events that current facilities do not attract. A major part of the proposal is to showcase and promote the heritage of the building and be a major learning centre for heritage. The vision also includes proposals for a public artwork commissioned from an artist of global standing.

- **Masterplan** – Citu proposes to acquire the Council's neighbouring assets at Bath Road and Leodis Court and to bring forward development proposals at these sites in parallel to works being undertaken at Temple Mill. Development would be mixed use, comprising residential, complementary leisure development and the provision of new public open space. The initial proposal is that the value of the sites received from the Council would contribute to the capital costs of re-developing Temple Mill.
- **Heritage Lottery Fund submission.** Citu, via the Trust, proposes to progress a bid to the the Heritage Lottery Fund (HLF) for a major grant for schemes requiring support of over £5m. Citu propose that the values from the Council's sale of its assets would contribute to the match funding required for the HLF bid. Bids of this scale are only accepted by HLF on an annual basis with a November 30th deadline.

3.4 Subject to securing HLF support and agreement in principle on acquiring the Council's assets, Citu propose to complete a transaction to acquire Temple Mill, and then to progress the major repairs and refurbishment of the building and development of the neighbouring assets. Citu has approached the Council to identify whether the Council supports its proposals, and whether the Council supports Citu progressing a major HLF bid this year.

3.5 Principles of Council Support

3.6 Securing the sustainable future of Temple Mill is critical to delivering the vision for Holbeck Urban Village and wider South Bank. It is considered that regenerating

the building and surrounding sites would represent a step-change in unlocking the economic and housing growth of this part of the city and in advance of further major regeneration as the HS2 proposals for the city are finalised.

- 3.7 There is a major opportunity to raise the profile of the city through a sympathetic and ambitious redevelopment of Temple Mill. As well as physical regeneration benefits, there is a major opportunity to promote and celebrate the heritage of the building and wider Holbeck area, and create a heritage learning space and venue of national importance.
- 3.8 Given the Council's surrounding asset ownerships and role in facilitating regeneration activities in the area, the major challenge of Temple Mill cannot be overcome (or the potential realised) without clear leadership from the Council, or without agreement to the principles of how it could work with Citu to facilitate the anticipated regeneration outcomes and benefits.
- 3.9 Executive Board is therefore asked to agree that the Council supports the proposal to secure Temple Mills' future, the strategic use of its assets and the support to be offered to Citu / the Trust in them making a major HLF bid.
- 3.10 As highlighted above, a 'do nothing' option is not considered tenable due to the extent of the repairs and the risk that the building could face further collapse. This in turn presents a risk of losing a significant part of the city's heritage.
- 3.11 The conservation and viability challenges presented by Temple Mill are unique. Citu has presented initial proposals and it is considered that this is a basis for further dialogue and progression of a scheme at Temple Mill.
- 3.12 Notwithstanding this, before final Council support can be provided in full, matters that will require further investigation, diligence and refinement to satisfy the Council that the proposal can be supported over the coming months will include, amongst other matters:
 - § The sustainability of the business plan for the future operation of the building.
 - § The viability of development proposals at Leodis Court and Bath Road and terms by which a disposal may take place.
 - § The use of, and level of, value from Council owned assets at Leodis Court and Bath Road in any proposals.
 - § The deliverability of the technical proposals to safeguard the structure of Temple Mill.
 - § Integrating proposals into the wider regeneration strategy in this location.
 - § Progression of a major HLF grant bid.
 - § Ensuring suitable and robust governance arrangements.

- § Clarity and further development on the proposed end use which will need to be complementary to the Council's wider aspirations. How the proposals can best complement existing facilities in the city, and how it could add to the city's cultural offer. This will include clarity on the potential role of the existing organisations who have a licence to operate the building.

- 3.13 However, Executive Board in principle support to Citu progressing a HLF bid is important at this moment in time, in order for Citu to progress its HLF bid with confidence that there is in-principle Council support for its initial proposals.
- 3.14 In this context, it is recommended that Executive Board agree at this early stage to the principles of how the Council would work with Citu to help facilitate regeneration of Temple Mill and its support for Citu's HLF submission. This is on the basis that the matters in 3.12 are explored in further detail before the HLF determine the Stage One application and satisfactorily resolved. Proposed principles of the Council helping to facilitate regeneration in this location are set out below.

HLF Submission Support

- 3.15 The HLF will seek assurances from the Council on its support for Citu's emerging bid for grant support. It is very unlikely that a HLF bid of this scale would succeed without the support of the Council.
- 3.16 It is considered that Temple Mill is a major priority for the city in terms of securing major HLF grant support, due to the major significance of the building, the viability challenges, the need to help conserve a major heritage asset, the opportunities for learning that may arise from it and the potential for the re-development to act as a stimulus for major regeneration.
- 3.17 As such, it is recommended to Executive Board that the Council provides in principle support to Citu's HLF bid at this stage, in order for Citu to further progress its submission and develop its scheme.
- 3.18 The decision on the Stage One bid will be determined in April 2015, and as such this provides time for the Council to further work with Citu on the matters highlighted in paragraph 3.12. There has been positive dialogue with the HLF on this approach and the HLF has indicated that there is an opportunity to further develop a Stage One bid after its submission and before its Stage One bid is determined.
- 3.19 Any bid for a national HLF grant is likely to be competing against major schemes from across the Country – success rates are as low as 1 in 4. The Council has a strong track record of securing HLF grants and delivering schemes – examples include the Leeds the Townscape Heritage Initiatives, Leeds City Museum and the City Varieties. It has, however, been some time since the City brought forward a major HLF scheme that received major grant support for a development scheme of this scale.

- 3.20 It is considered that the Council can provide ‘in-kind’ expertise and advice to Citu and the Trust they from as they develop their proposals for a HLF bid, including the sharing of lessons learned and work with Citu to develop a compelling and sustainable HLF submission to help maximise the chance of a successful bid.

End Use and Operation

- 3.21 The Council recognises that there is a need to develop more detail on this proposed use to ensure that it meets the objectives of all the contributing parties to the proposal and is financially sustainable over the long term without further public subsidy for revenue costs.
- 3.22 Although there will always be an element of risk and assumptions made in bringing an iconic cultural venue to fruition, the Council will need confidence that the long term business case and vision is robust in order to justify the value from any Council assets contributing to the capital costs of restoring Temple Mill.
- 3.23 On the basis of Citu’s initial vision of a mixed use, cultural and learning venue, it is proposed that the Council offers support in helping Citu and their partners in developing in greater detail a robust business model and vision for the proposed uses at Temple Mill. This could include using any revenue that flows from commercial uses on the Council’s land to cross subsidise core activities of the Mill.
- 3.24 Such support from the Council will also explore in greater detail how a venue at Temple Mill might best fit into the city’s long term vision for cultural and learning facilities, and how it achieves broader strategic outcomes and objectives for the city. As the venue is located in the South Bank, it will be in close proximity to the Leeds City College and College of Building campuses. How the proposed learning elements of the proposed operation at Temple Mill interacts with other learning initiatives and operations in the area and city will also be explored.
- 3.25 A key component of this will be dialogue with existing cultural organisations and partners from across the city to ensure that views of a broad range of stakeholders are considered as proposals venue in this location evolve in greater detail. Furthermore dialogue would be required to better understand the views of existing organisations and communities who operate cultural activities from the building at present and how they could be involved in the proposals and maintain a presence in the city. It is proposed that the Council can help facilitate this dialogue with Citu and the established Trust.
- 3.26 There will be further dialogue with Citu on the proposed governance and operation of Temple Mill to identify the role of the Council and it is proposed to seek to minimise the Council’s risks in the development of Temple Mill.

Council Assets

- 3.27 The Council’s adjoining land and assets present an opportunity to help support viability, facilitate regeneration and sympathetic place-making associated with a re-development of Temple Mill.

- 3.28 In principle, it is considered the Council's assets could act as an enabling development for Temple Mill and could be a potentially beneficial way to secure regeneration in this location. There are a number of options that could be explored for the assets, and the use of the value arising from them, to support the aims of unlocking the potential from a development at Temple Mill.
- 3.29 Appendix 1 highlights some of the Council's ownerships surrounding Temple Mill. In principle, the assets could be used to support regeneration as follows:
- Sites 1 and 2 – site 1 is Leodis Court and site 2 comprises of three plots on Bath Road. In principle these sites could be brought forward for development by Citu through a one to one disposal at market value, with the receipts of the disposal transferred to the Trust to contribute to the capital costs of restoring Temple Mill.
 - Site 3 is a longer term development proposition that may be best brought forward for development alongside adjacent landownerships, but value arising from a disposal or development at this site could potentially be hypothesised and contribute to the costs to restore or operate Temple Mill.
- 3.30 As such, on the basis that Executive Board is comfortable with this principle, it is recommended that officers undertake further diligence on the proposals for the Council's assets as set out above. This diligence will explore how the Council's assets can be best utilised to help secure Temple Mill's future and offer best value for the city. This will include due consideration to supporting a one to one disposal to Citu without competition. Given the extent of the landownerships it is considered important to establish confidence that any development proposals are deliverable and an agreement for disposal would likely be conditional on certain milestones being achieved.
- 3.31 Alongside this, it is proposed that an updated Planning Statement is produced for sites 1 and 2 and Temple Mill as shown in appendix 1 to provide further clarity and guidance on the form and uses that may be permissible as part of a comprehensive redevelopment in this location. This would build upon the principles set out within Holbeck Urban Village revised planning framework, but to take into account updated policy considerations such the Core Strategy, the Leeds Design Standard and the emerging vision and master-plan for the South Bank associated with HS2 regeneration.
- 3.32 Further, it is proposed that further discussions commence with the Leeds City Region Enterprise Partnership on the feasibility of securing Local Growth Funding (LGF) to help de-risk the Council's assets as development propositions to help accelerate the delivery of development of these sites. There are proactive discussions taking place on support for Bath Road, and a project to remediate the sites is included as a 'pipeline' project for future LGF support. The Council's assets are known to have some barriers that may affect the potential development of these sites, such as contamination, and external support to accelerate the development would be beneficial to address market failures.

3.33 Next Steps

- 3.34 Should Executive Board support the proposals in this report, officers will progress more detailed work with Citu and report back with more specific recommendations to Executive Board by April 2015.
- 3.35 If the scheme does not secure HLF support or detailed investigation demonstrates that the current proposals unsustainable, the Council will need to consider how it can help to facilitate the regeneration at this location, and resolve this longstanding challenge for the city. The work highlighted in this report is an opportunity to establish a robust evidence base and detailed intelligence that will put it in a good position to explore further opportunities.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposals have been subject to consultation with the Executive Member for Transport & the Economy and the Executive Member for Creative & Digital Technologies, Culture and Skills. Executive Members are supportive of the principles set out in this report. Proposals set out in this paper have been shared with Ward Members for City and Hunslet.
- 4.1.2 There has been an initial discussion with the HLF on the Council's proposed approach and there has been proactive dialogue between the HLF and Citu as Citu develop a HLF grant bid.
- 4.1.3 There has been an initial discussion on the recommendations set out in this report with a representative from Cornerstone Strategies, the organisation who has a licence agreement to operate the cultural programme Temple.Works.Leeds at the building presently. Cornerstone has articulated to the Council that they are keen that existing users and communities who have had an involvement in the existing cultural operation are involved in the business planning during the transitional period before a restoration project commences, and also to ensure that the existing knowledge and expertise of the current users can play a role in the longer term vision for the building. In particular, Cornerstone is keen that there is engagement and involvement of existing users as further work develops on Citu's proposal. As highlighted above, there will be further dialogue and engagement on these matters but will be predominately led by Citu and the established Trust, who will bring forward a business plan and operational proposals for the building.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality and Diversity, Cohesion and Integration screening has taken place and is attached as an appendix. This has demonstrated that there would be no negative equality and diversity impacts arising from approving the recommendations set out in this report, and an Equality, Diversity, Cohesion and Integration assessment is not required. As further work takes place with Citu on the more specific proposals there will be further exploration on the equality and diversity impacts.

4.3 **Council policies and City Priorities**

- 4.3.1 Achieving a re-development at Temple Mill and securing regeneration at surrounding sites will support the objective of promoting sustainable and inclusive economic growth with particular opportunities to achieve ambitions to boost the local economy and maximise the impact of our cultural infrastructure.
- 4.3.2 By helping facilitate private sector led regeneration at this location, the Council would achieve principles set out in the Civic Enterprise proposition and help achieve Best Council objectives of 'becoming a more efficient and enterprising council' by making the best use of our assets and becoming more enterprising in its activities.

4.4 **Resources and value for money**

- 4.4.1 Agreeing to the recommendations in this paper will not see the Council incur expenditure. At this stage, the focus is about agreeing the principles of how the Council can help facilitate the regeneration of and around Temple Mill. The next few months work with Citu will include more detailed work on the financial implications of the proposals for the Council's assets. Officers from Asset Management and Regeneration will oversee, working in close partnership across Council services, the work with Citu.

4.5 **Legal Implications, Access to Information and Call In**

- 4.5.1 There are no legal implications at this stage to Executive Board agreeing to the recommendations. Providing in principle support does not commit the Council to any course of action. As with equality and financial matters, the legal implications of the Council's involvement or disposal of assets will be considered in greater detail over the coming months.
- 4.5.2 Under the City Council's Constitution, a decision may be declared as being exempt from Call In if it is considered that any delay would seriously prejudice the Council's or the public interest. This report is exempt from call in as any delay in the Council agreeing the recommendations would prejudice Citu's ability to submit a HLF bid by the 30th November.

4.6 **Risk Management**

- 4.6.1 In agreeing to the recommendations, Executive Board is advised of the following risks.
 - **Building at Risk** – Temple Mill is classified as a building 'at-risk' and has been since 2008. Should there not be a scheme progressing here, the building is likely to remain at risk for the foreseeable future. This will continue to have an adverse effect on regeneration efforts in the area.
 - **HLF Support** – Having the support of the HLF is a key component of Citu's proposal. Should the stage one bid for Temple Mill be unsuccessful, it is unlikely that Citu's scheme could progress unless other major funding opportunities became available.

- **End Use** – There are risks that proposals for the use of Temple Mill as a cultural venue may not be viable or sustainable.
- **Viability** – There is a risk that proposals may not be financially viable; both for the redevelopment and operation of the building.
- **Building condition** –while the building is currently stable, a structural solution is required to enable the building to be re-used. The condition of Temple Mill is such that it may not be possible to design a solution, or the solution is such that it would preclude re-use and adaptation.

4.6.2 Executive Board agreeing to the recommendations set out in this report can help to mitigate these risks and the further dialogue with Citu over the coming months will consider specific risks, and their mitigation, in greater detail.

5 Conclusions

- 5.1 Temple Mill presents one of the biggest heritage challenges in the city. Following the structural failure in 2008, there has yet to be a viable and sustainable proposition to ensure the long-term future of the building owing to the unique challenges it faces. This has stymied regeneration efforts of surrounding sites and left a heritage icon at risk of collapse.
- 5.2 There is now the potential of a new owner progressing a major development scheme at this location, and with this comes an opportunity to help overcome these challenges and unlock the major potential and benefits that a re-developed Temple Mill would bring.
- 5.3 By agreeing to the principles and actions proposed in this paper, the Council has an opportunity to help facilitate the delivery of regeneration benefits in this location to achieve major benefits for the city. At this stage the Council can provide effective support by providing in principle support to a major HLF grant bid from Citu, whilst working closely with Citu to advice and offer expertise on the HLF submission.
- 5.4 As the HLF submission progresses to determination in April 2015, there is an opportunity to further develop the details underpinning Citu's proposals. As such, there is further work that will be progressed and refined before final Council support can be provided to the propositions – in particular on the sustainability and viability of the proposed use, and the proposals for use of Council assets. Once this work is concluded, a further report will be prepared for Executive Board with specific recommendations on how the Council will facilitate regeneration at this location.

6 Recommendations

- 6.1 Executive Board is requested to:
- Agree that a redevelopment of Temple Mill is a city priority for securing Heritage Lottery Fund grant support given its Grade I listed status and at risk condition.

- ii) In addition, on the basis of the above recommendation and that the Council secures further clarity to its satisfaction about the proposals for the building's future use:
 - a. Agree in principle to work with Citu to facilitate the restoration of Temple Mill. This will include agreeing the proposals for the use of the enabling value of Council assets at Bath Road, Leodis Court and Sweet Street as a contribution to the restoration of Temple Mill.
 - b. Provide in principle support to Citu's Stage One Heritage Lottery Fund Major Grant funding bid, to be made by a trust established by Citu, for their proposals for Temple Mill as set out in this report.
 - c. Instruct officers to undertake more detailed diligence and joint working with Citu on the matters highlighted in paragraph 3.12 and in accordance with the principles set out in this report.
 - d. Instruct officers to report back to Executive Board with further recommendations regarding the proposals to bring about the restoration of Temple Mill.
- iii) Note that the Chief Officer Culture & Sport will be responsible for the implementation of actions ii) b and ii) c and Head of Regeneration will be responsible for the implementation of actions ii) a and ii) d.

7 Background documents¹

7.1 None

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