

# Appendix F

## Community Proposals for the Kirkstall Mills

### Written By A Kirkstall Ward Member

*A consensus could develop from the External Audit report. Community ambitions for the Kirkstall Mills can be achieved without damage to the Council plans by investing similar sums to those proposed in more suitable vacant buildings. This avoids conversion costs and achieves better value for money. We still lack some details of the Council's present scheme, but a more detailed cost comparison could be included in a revised report.*

#### **Some areas of agreement:**

- 1) **No major call for Council funds.** We are looking for solutions at negligible revenue cost to the Council. Any capital spend must meet "prudential" borrowing requirements.
- 2) We support partnership working with other commercial and public sector organisations, and the local community must be fully engaged in the solution [see note "a"].
- 3) We support sustainable economic development, and the need to protect public safety and the local environment, and maintain our cultural and architectural heritage.
- 4) Evaluation of alternative schemes should be based on option appraisal and discounted cash flow analysis, but should consider a wider range of outcomes [see note "b"].
- 5) We want to see a Kirkstall Valley Park, in the context of a West Leeds Country Park.

#### **Notes**

- a) Partnership working must be based on "open book" relationships. We have no problem with people or organisations working for profit, but it is very difficult to protect the Council's public interests, or properly engage with the local communities, when some of the "partners" are working to agendas that the others cannot see.
- b) Discounted cash flow is a powerful analytical technique, which has already revealed features that could easily have been missed. It should not be the sole criterion: a DCF analysis would probably suggest that the Council sell Roundhay Park for residential development, possibly draining the lake to maximise the area of developable land. It is vital to keep track of the cash, but other considerations may also affect the result.

#### **Some problems that we hope to resolve:**

These are presently listed in no particular order, but it might assist the decision making process if we could try to agree about their relative importance.

- 1) We face a substantial repair bill, even if there is dispute about exactly how big it is.
- 2) There would be serious road safety problems creating a new road access at Abbey Mills, and the recommended safety measures carry a huge environmental cost. This will severely limit the scale of any redevelopment.

- 3) The cash yield from the sale of Abbey Mills will be much less than originally hoped, and everybody involved in the planning process will feel the pressure to relax planning rules to maximise our capital receipt.
- 4) Redevelopment costs at St Ann's Mills are much larger than originally anticipated.
- 5) It will cost more to move some tenants than the yield from selling their accommodation, and they will not be able to afford the rents required for their new workspace.
- 6) A large net subsidy is needed at St Ann's Mills, the units require ongoing support and the total investment would exceed the industrial value of the units that were created.
- 7) Incubator units on other sites would be more economical and convenient for the clients.

### **Some opportunities that we might be able to grasp:**

- 1) There are potential users for Abbey Mills who have little requirement for private cars.
- 2) St Ann's Mills has significant long-term leisure potential, for canoeing, fishing, walking, cycling and natural history pursuits.
- 3) We are about to redevelop the Kirkstall District Centre, BHS and Kirkstall Forge.
- 4) Parts of the Domestic Street complex are not fully utilised and we must identify suitable uses for a new vacant site at Beckett Park School.
- 5) The UK has one of the largest prison populations in Western Europe, each prisoner costs £27,500 per year, the treatment is miserably ineffective, while criminals who deserve punishment are being "let off" because our jails are full.

### **Some possible solutions that should be explored**

These have not been listed in any particular order, and there is some limited opportunity to "mix and match". I hoped to include scaled drawing showing how existing schemes could be fitted into alternative buildings. I still want to do this, but at present I do not as yet have the full set of existing designs to work from, although the gross floor areas look fine. I first list the options, and then consider each one in greater detail.

- 1) Low car uses for vacant space at Abbey Mills, leaving the existing tenants in place.
- 2) Locate the new incubator units either at Beckett Park School, or at Abbey Mills, or within the Domestic Street complex.
- 3) Use St Ann's Mills initially as a Community Punishment Centre for the West Leeds Country Park, gradually vacating the site for leisure uses as redevelopment proceeds. Prefer community punishment for non-violent offenders instead of custodial care.
- 4) Exploit the leisure opportunities created by major local redevelopment schemes.

### **Detailed consideration of the available options:**

- 1) **Low car uses:** There will always be problems getting significant numbers of vehicles into and out of the Abbey Mills site. We do not want a repetition of the Kirkstall Brewery fiasco where the "no car" agreement is widely flouted, to the great inconvenience of

residential neighbours. Abbey Mills already enjoys excellent public transport, shopping and leisure facilities that may improve further, so we should identify inherently low-car uses, where there is absolutely no temptation for the occupants to "keep a vehicle round the back".

Industrial users generate very little traffic. Even when this site was fully occupied it operated with only minor problems. The difficulty with most residential conversions is that occupation levels tend to rise as people try to reduce their rents through informal sharing. We have already seen this process in privately rented properties throughout Headingley, Kirkstall and similar wards. It is very difficult to stop it happening, and it is also difficult to prevent each group of tenants from keeping several cars.

**The central problem is that removal and relocation costs for existing Abbey Mills tenants wipe out almost all of the capital receipt. These tenants wish to remain and it is more economical to leave them in place. Unless the Council are making a small fortune from a residential disposal, then a mixed use development represents a more sustainable solution.**

Part of the site may be suitable for some forms of sheltered accommodation, for frail, elderly or mentally or physically disabled people who do not drive cars. It will need passenger lifts and DDA adaptations whatever use we envisage, so these costs cannot be avoided. On this basis the site might be expected to "wash its own face" but it will not generate any significant profits to subsidise the remainder of the scheme.

Vacant parts of Abbey Mills may also be suitable for some types of incubator units. This would be *slightly* more expensive than St Ann's Mills, but there will not be a big difference, and the scheme would not be saddled with the £1.6 million overhead for accommodating displaced tenants, so it could be better value for money overall. Abbey Mills is closer to the Kirkstall Brewery / Beckett Park axis than St Ann's Mill, and might be marginally more convenient for Leeds Metropolitan University.

In the short term, we should do only **basic repairs** to Abbey Mills that can be contained within the existing revenue budget to protect our asset and meet our legal obligations, while leaving all our existing tenants in place. The key areas are highlighted in grey in the table below, which is taken from the ADS surveyors' report. It is necessary to look in slightly more detail than this because of the convoluted way that these costs were calculated, but total expenditure would be **well within the allocated revenue budget**. There is no point in embarking on major improvements and refurbishments until the future of this complex has been decided, but it is necessary to comply with fire safety regulations, and to mend the leaking roof. It is entirely feasible to operate a mixed use development on this site, and this might be seen as a more sustainable, fine-grained solution. We do not want inactivity, but there is no desperate need to rush.

<b>ABBEY MILLS</b>	<b>Imminent</b>	<b>Essential</b>	<b>Desirable</b>	<b>Long-Term</b>
Wind & Weather Items	£4,000	£80,760	£300	£46,000
Health & Safety Items	£3,150	£40,830	£13,800	£0
DDA Upgrades	£0	£39,200	£20,250	£0
Asbestos Removal	£0	£1,000	£0	£0
Improvements/ Refurbishments	£38,000	£150,580	£71,500	£67,450

Electrical Services	£150	£4,200	£15,236	£0
Mechanical Services	£2,639	£23,890	£4,075	£75
<b>Total £'s</b>	<b>£47,939</b>	<b>£340,460</b>	<b>£124,161</b>	<b>£113,525</b>

2) **Incubator units:** the Domestic Street complex including Barkston House and Croydon House in Beeston and Holbeck is an obvious location for incubator units. These 1960's industrial buildings have good motorway access, site security, and are largely DDA compliant. There is also a huge vacancy factor, and low repair costs (see table). It would be misleading to claim that there are no problems at Domestic Street, but these are substantially smaller problems than those encountered at the Kirkstall Mills.

Another possible location that deserves serious consideration is the soon to be vacant Beckett Park School. This would be very convenient for Leeds Metropolitan University, and rather than trying to do the entire conversion in one go, it would be possible to organise a phased hand-over that maintained a continuous presence on the site. It would also be possible to construct incubator units at Abbey Mills. The present bid to Yorkshire Forward is for £3 million to produce only 16,000 sq ft of incubation space in St Ann's Mills. The Council's contribution would be £2.2 million land and buildings. Comparable injections at Domestic Street or Beckett Park could yield much better value for money in fundamentally more satisfactory locations.

Now that electronic communication is so economical, there is less need to construct all the incubators in one place. While accepting the basic philosophy of "tenant churn" there is no need for all the units to be identical, and it is possible to envisage a system whereby tenants graduate from closely supported small units on or near the University campus to larger, more distant, slightly longer-term leases with better transport links. We should give particularly favourable treatment to new manufacturing start-ups.

3) **Home office:** A community punishment scheme has operated in Kirkstall for many years on the Burley Mills Allotments, and since 2002 we have wanted to expand this onto the wider Kirkstall Valley site. Essential requirements include toilets, hand-washing, eating, record-keeping, the sort of basic service that a good employer would provide. At present most community service orders are relatively short, but there are encouraging signs from the recent Parliamentary select committee report (1) that the Home Office will move towards a longer term strategy, which includes much larger social, educational and training components. Many offenders lead disordered lives and lack a variety of skills.

We hope to teach basic literacy and numeracy as well as specific employment skills. Some of this training could be done on site, particularly during the winter months, when it would be useful to have some dry workshops indoors for when the weather is really bad. It is important that the project does not "steal" work from law-abiding citizens. In this respect the valley park is almost ideal: it is a genuinely new project that generates a very wide spectrum of tasks, and it would not happen any other way. St Ann's Mill is almost the ideal location: it is in the middle of the target area, it does not need converting, it is a very simple, vandal-resistant building, relatively easy to maintain and improve using reluctant, unskilled labour. The building is fireproof brick arch construction. The only fire in the last 170 years was the wooden roof in 1975, and that has gone. The building is far enough away from the nearest houses, but not so remote as to make it inaccessible.

St Ann's Mills could provide continuity, which is lacking in current punishment schemes. For some offenders it is important to get used to the idea of getting up in the morning and going to work for a substantial part of each day. Our intention is that much of the repair and maintenance would eventually be done by the trainees themselves. Clearly there are skilled, safety critical tasks that require qualified staff, but even here some of the unskilled preparatory work could be done by trainees.

## Refurbishment of the Council's small industrial units

industrial estate	budget costs				site totals	floor areas (square metres)						price per sqm
	imminent	essential	desirable	long-term		vacant area	% total	net area	% total	gross area	% total	
Abbey Mills	£47,939	£340,460	£124,161	£113,525	£626,085	1503	21	2505	9	2661	8	£250
Ashton Road	£10,400	£5,790	£7,821	£0	£24,011	83	1	495	2	541	2	£48
Barkston House	£1,175	£93,635	£13,150	£15,000	£122,960	1673	24	6804	25	8879	28	£18
Cross Lane	£2,185	£787	£19,310	£0	£22,282	99	1	462	2	513	2	£48
Croydon House	£11,700	£89,050	£24,372	£35,000	£160,122	1652	23	2636	10	3066	10	£61
Domestic Street	£0	£14,110	£105,160	£0	£119,270	501	7	2891	10	3035	10	£41
Kildare Terrace	£3,600	£14,232	£101,049	£0	£118,881	92	1	876	3	961	3	£136
Ledston Luck	£0	£14,710	£184,068	£0	£198,778	255	4	1503	5	1555	5	£132
Moorside Maltings	£2,560	£7,520	£31,465	£0	£41,545	167	2	1210	4	1345	4	£34
Penraevons	£1,985	£46,082	£151,652	£1,900	£201,619	525	7	3782	14	3947	13	£53
Seacroft	£0	£36,281	£226,572	£0	£262,853	0	0	1839	7	2061	7	£143
St Ann's Mills	£28,800	£277,967	£87,688	£39,200	£433,655	343	5	1820	7	1933	6	£238
The Idas	£660	£6,840	£27,079	£0	£34,579	213	3	870	3	995	3	£40
<b>TOTALS</b>	<b>£111,004</b>	<b>£947,464</b>	<b>£1,103,547</b>	<b>£204,625</b>	<b>£2,366,640</b>	<b>7106</b>	<b>100</b>	<b>27,693</b>	<b>100</b>	<b>31,493</b>	<b>100</b>	<b>£85</b>

The table above shows the original surveyors' estimates, although DDA and long term maintenance costs were not apportioned on a consistent basis. The December 2004 proposal at St Ann's Mills was to spend £1.2 million on the main mill building, £200,000 on the outbuildings and £420,000 restoring the pitched roof and the fire-damaged fourth floor, plus £255,000 fees, which equates to about £917 per sqm. The net floor area would be increased to 2263 sqm by the new works. The price per square metre is almost the same if the new floor and pitched roof were omitted, but the building would be smaller. This does not include landscaping (£500,000) and relocation costs for our existing tenants (£200,000). The total cost was estimated as £2.85 million.

**These are the base figures, just for ongoing repairs, and do NOT include the conversion costs to create incubator units.**

The economics of this enterprise are almost the reverse of normal working: capital is scarce but labour is virtually free. The Home Office normally pays for supervision and consumables on community punishment schemes, but they do not have a capital pot. This is why we need a partnership where each participant brings to the table those ingredients that the others are unable to supply: NOMS can provide labour and supervision, the FE colleges can provide training, the Council has land and buildings in need of improvement, while the voluntary / charitable sector can provide community involvement, and qualifies for grants that no other partner can tap.

The skill in managing this project is to exploit the abundant (albeit reluctant) labour and devise new ways of working that reduce the capital cost. This should be constantly in mind, but at the end of this appendix I describe one unique opportunity to achieve this that may not be repeated for a very long time.

The most attractive feature of St Ann's Mills is its need for improvement. In its present condition it is valued at only £75,000 and it is generating no income for the Council. We seek a long-term full repairing lease, for the lowest possible rent, especially in the early stages. The worst that can happen is that the scheme fails so the land and building reverts to the Council. We would be no worse off than we are at present. Money should be less of a problem in the longer term, because every offender who can be treated in this way saves the government £27,500 per year for custodial care.

In the longer term, as the park is completed, Community Punishment would undertake a phased withdrawal from St Ann's Mills to leave the refurbished building predominantly for leisure uses. This site is in the flood plain and was originally purchased by the Council for public open space. We do not want to be excessively prescriptive because we want to consult the public about this. The mill could provide canoe storage and repair (see section 4 below), changing accommodation, refreshment, garaging for maintenance vehicles and a wildlife visitor / interpretation centre for the Kirkstall Valley Park. [This is not a new idea. The concept was previously agreed between the Council and the Leeds Development Corporation in 1993.] There could be some space for community groups. The model developed at St Ann's Mills could be repeated at other locations in Leeds. It may be possible for some offenders (depending on the individuals and the nature of their offences) to continue to perform maintenance work after the construction phase of the park has finished.

This would be a pilot scheme that would explore new methods for treating offenders. The Criminology section from Leeds University Law Department would be involved, as would local magistrates and councillors. There is an opportunity here to do something original that could put Leeds on the map, instead of using a run-down 170-year old industrial building to perform an incubation function it was never designed to do.

- 4) **Redevelopment:** A new public park has an almost limitless capacity to absorb surplus unskilled labour: clearing, planting, and laying out paths and cycle tracks. Labour costs would be modest if this formed part of a community punishment scheme. Funds to meet the capital costs could come from planning agreements with local developers who need to demonstrate off-site greenspace and / or implement green travel plans. It will also need park furniture of various kinds that could be constructed and assembled indoors at St Ann's Mills during the winter months. The nature of this work is almost ideally suited to an offender training program. However, there is *one specific project* that we want to run that is very directly linked to local redevelopment schemes:

The Kirkstall Valley is the site of a former glacial moraine, and the River Aire falls about 10 metres through Kirkstall ward. For this reason it was the obvious place to construct a series of goits, weirs and water mills during the industrial revolution. The same topography creates the possibility for a **"white water" canoe training course** close to the city centre. In the next few years there will be a unique opportunity for an extraordinary project that might otherwise slip away from us. The developer of the Kirkstall District Centre is about to excavate an underground car park about 300 metres away, and it would not require tremendous organisation to obtain large blocks of matching strata that could be used to build such a canoe course, for a tiny fraction of the normal construction costs. The stones could be craned into position, and the Council owns the overlooking site.

It happens that the River Aire at St Ann's Mills, *and nowhere else*, already has a bypass channel that enormously simplifies the flooding issues that would otherwise arise. It is difficult to imagine any other location, among the major UK cities, that is so uniquely favourable. The site has already been visited by the Environment Agency and the British Canoe Union, and pronounced basically suitable, subject of course to a professional flood modelling exercise, and a full environmental assessment. Instead of getting on with this, which could put Leeds in the top flight for this type of activity, we are enmeshed in a sterile debate about small industrial units for which there is a better alternative solution.

Leeds Canoe Club has already fostered a long series of leading international competitors. It also has a good track record for work with very ordinary kids. It is hardly necessary to point out the opportunities for engaging large numbers of young people from very modest backgrounds to a canoe training course within the urban area, with excellent facilities, based at St Ann's Mills.

If we delay much longer, the car park excavation will have taken place and our best opportunity to create a unique sporting facility in Leeds will have gone for good.

## **Recommendation**

That the Executive Board, as a matter of urgency, explores a fuller range of options for incubators and small industrial units, and investigates a variety of alternative uses for the Kirkstall Mills.

Councillor John Illingworth

1) Parliamentary report on prison overcrowding:

<http://www.publications.parliament.uk/pa/cm200506/cmselect/cmpubacc/788/78802.htm>