

**Report of Director of City Development**

**Report to Executive Board**

**Date: 21 November 2018**

**Subject: design and Cost Report for Temple Works, Holbeck, South Bank**

**Capital scheme number: 33020**

Are specific electoral wards affected? If relevant, name(s) of ward(s): Beeston and Holbeck	<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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number: 1 10.4(3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Summary of main issues**

1. Temple Works is a Grade I listed mill building of international importance in Holbeck within the city's South Bank regeneration area. Securing the future of this exceptionally significant building is crucial for the city and a key facet of the adopted South Bank Regeneration Framework with huge potential to contribute to the Leeds inclusive growth strategy. In particular supporting the 'big ideas' to double the size of the city centre, promoting Leeds and Yorkshire and maximising the economic benefits of culture.
2. Members will recall that Temple Works suffered a structural failure in 2008 resulting in part of the frontage being removed and the section of the building supported by scaffolding. The extent of the repairs required to secure the future of the building is substantial and significant investment is needed to restore the building and bring it back into use. Temple Works and the adjacent Gate Lodge are on Historic England's 'Heritage at Risk Register'.
3. Given the buildings complex structural issues and its highly graded status there is understood to be a significant 'conservation deficit' associated with bringing the building back into use (the cost of the repairs exceeds the market value of the asset once repaired). Because of this a conventional development at the site is unviable and public sector intervention is required if the building is to be saved.

4. Over the past four years there have been two attempts to secure the future of the building. Both attempts however were made by interested parties who did not own Temple Works.
5. For the first time in recent memory, there is an owner of Temple Works with an intention to restore Temple Works and bring the building back into use at the heart of a new mixed-use quarter of Leeds. By working with Commercial Estates Group (the new owners) there is an opportunity to save an exceptionally significant piece of the nation's heritage whilst enhancing its setting and facilitating the comprehensive regeneration of a significant proportion of Holbeck, South Bank.
6. This report sets out policy principles by which the Council intends to support the restoration of Temple Works and save this important building in the public interest and for the benefit of the wider planning of the area. Should Executive Board agree the steps set out in the report, immediate weatherproofing works will complete in the next 8 weeks to protect the building. Following this, an application for listed building consent for further stabilisation works is intended to be submitted in mid 2019, with further works envisaged to take place thereafter to secure the structure of the property. More definitive timescales for the full restoration, and potential end uses, will be developed in parallel to this and will be subject to a further Executive Board paper in the context of the Council's support.

## **Recommendations**

7. Executive Board is requested to agree
  - i) The Council works with CEG to agree proposals for the longer term restoration of Temple Works
  - ii) The policy principles set out at section 5 as a basis by which the Council will support a restoration of Temple Works including if necessary the principle of acquiring adjoining land by way of a Compulsory Purchase Order (subject to an indemnity agreement being entered into)
  - iii) The injection of £100,000 into the Capital Programme 33020 for the provision of grant support for urgent weather proofing works at Temple Works and to delegate authority to spend these sums to the Director of City Development in consultation with the Executive Member for Regeneration, Transport and Planning.
  - iv) That the Director of City Development, in accordance with the terms set out in exempt appendix 1 produces and negotiates
    - a. legal agreements with CEG for the disposal of Council assets at Bath Road, Sweet Street and Leodis Court and where necessary develops a vacant possession strategy for these assets.
    - b. a grant agreement with CEG setting out the terms by which the Council will provide a restoration grant to help to restore Temple Works.
    - c. a contribution of up to £560,000 from existing S106 contributions for public realm enhancements to Marshall Street which could include new public open space at the front of Temple Works.

- d. a CPO indemnity agreement with CEG.
- v) That the Director of City Development brings a report back to Executive Board providing an update on progress and seeking approval to
  - a. enter into legal agreements once negotiated and finalised,
  - b. make a Compulsory Purchase Order if necessary to facilitate the land assembly required to deliver CEG's scheme on the basis that any land proposed for a CPO would link to a restoration of Temple Works.
- vi) To note the intention that CEG will be able to apply for a further grant contribution of up to £650k to fund stabilisation works at Temple Works. Such application would be funded by future land receipts, be subject to Council approval and further due diligence.
- vii) That the Council's land at Bath Road, Leodis Court and Sweet Street be appropriated for the purposes of the Town and Country Planning Act 1990 as to facilitate CEG's proposals and the proper planning of the area.

## **1 Purpose of this report**

- 1.1 To seek approval to the principles and package of support by which the Council can work with Commercial Estates Group to support restoration proposals to bring the Grade I listed Temple Works in Holbeck, South Bank back into use.
- 1.2 Furthermore to inject £100,000 into the capital programme and Authority to Spend up to that sum to contribute towards urgent interim weather proofing to protect the building from ongoing water ingress before the onset of winter.

## **2 Background information**

- 2.1 Temple Works comprises of a site of approximately 13,000sqm located in Marshall Street, Holbeck, Leeds and includes two separately listed buildings as follows:
  - Temple Mill - a Grade I listed building (listing ref: 1375162)
  - Gate Lodge to Temple Mill – a Grade II\* listed building (listing ref: 1375166)
- 2.2 The exceptional significance of Temple Works is well documented both in previous reports and in academic texts. Its architectural, engineering and social historic importance is recognised by its Grade I listed status which is the highest level of listing and reflects the fact that Temple Works is not only of national but also international importance for the role it played in the development of the textile industry.
- 2.3 The condition of the building has deteriorated significantly and a structural failure in 2008 resulted in part of the frontage being removed and the section of the building supported by scaffolding. Both the Gate Lodge and Temple Mill are identified on Historic England's Heritage at Risk Register. The Gate Lodge is categorised as Priority Category C (slow decay with no solution agreed) and Temple Mill as Priority Category A (immediate risk of further rapid deterioration or loss of fabric with no solution agreed). The extent of the repairs required to secure the future of the building are substantial.
- 2.4 The property sits within the city's South Bank Regeneration area, which will help to double the size of the city centre. Within the adopted and co-produced South Bank Regeneration Framework, the restoration of Temple Works remains a priority intervention for the area.
- 2.5 In November 2015 Burberry announced that they were intending to relocate their UK manufacturing operation to Leeds South Bank for the production of their iconic trench coat and develop new facilities at the 7.45 acre site at Sweet Street West. They also had initial proposals for future phases of development to restore Temple Works and progress comprehensive development of the neighbouring land. Burberry had an exclusive option to acquire Temple Works.
- 2.6 In response, the Executive Board approved the principle of a package of support to help facilitate the proposed investment on 18 November 2015. This included the principle of potential use of the Council's CPO powers within a defined comprehensive zone of development; disposal of Council owned land surrounding Temple Works at Best Market Value, and the principle of, subject to state aid, the

Council providing a two grants: 1) for new public realm at land fronting on to Temple Works to provide a setting for Temple; and 2) grant to support the restoration of Temple Works to shell and core.

- 2.7 However, following Executive Board, owing to market uncertainties and upon completion further diligence, Burberry paused its plans for a new manufacturing facility and decided not to take up their option to acquire Temple Works. No grant funding was provided to Burberry; no land was sold and CPO did not progress. Burberry, however, owns the building which physically adjoins Temple Works – referred to as the 1953 building.
- 2.8 In November of last year, without any prior warning, the owners listed Temple Works for sale at public auction with the asking price of £1 and without reserve. The evening before the auction was due to take place, the building was acquired by CEG Temple Mill Limited a subsidiary company of Commercial Estates Group (CEG).
- 2.9 CEG have offices in London, Leeds, Birmingham and Cornwall and a large development and investment portfolio. They are an established developer with a proven track record of working closely with Council over a number of years including at Kirkstall Forge in Leeds. CEG acquired 5.86 acres of land in Holbeck in 2015 and have gained detailed planning permission for two office buildings and outline planning permission for a mixed use development comprising residential use (including a potential 40 storey tower), business floor space and other complimentary uses with associated landscaping and public spaces.

### **3 Main issues**

- 3.1 There is understood to be a significant ‘conservation deficit’ associated with bringing Temple Works back into use (the cost of the repairs exceeds the market value of the asset once repaired). Because of this, a conventional development at the site is unviable and public sector intervention is required if the building is to be saved.
- 3.2 Over the past four years, there have been two attempts to secure the future of the building – both attempts however were made by interested parties who did not own Temple Works. Now, for the first time in recent memory, there is an owner of Temple Works who has an intention to restore the property and tackle the serious issues that the property faces.
- 3.3 With a new owner committed to securing the future of Temple Works and bringing the building back into use as the heart of a new quarter of Leeds there is an opportunity to save an exceptionally significant piece of the nation’s heritage whilst enhancing its setting and facilitating the comprehensive regeneration of a significant proportion of Holbeck, South Bank. This report therefore sets out how the Council can help to facilitate a restoration of Temple Works.

#### **Urgent works**

- 3.4 Upon acquiring Temple Works, CEG have undertaken a series of interventions within the property, agreed with Historic England and the Council. This includes scaffold recertification; new external propping, clearance of contaminated materials; new lighting; installation of welfare facilities; installation of fire signage and equipment and

a series of propping measures to alleviate structural pressures. Specialist monitoring equipment is now installed to provide continuous and real time analysis as to the movement taking place within the property.

- 3.5 A team of consultants have been undertaking diligence including detailed analysis of the building to understand and inform the options for repair. The research has significantly advanced the understanding of the history of the building, the building's condition and the structural issues which need to be overcome in order to bring the building back into use.
- 3.6 Intensive investigation has indicated a more robust analysis as to why there was a structural failure at the property in 2008. The structure was compromised in the 20<sup>th</sup> century by the addition of a concrete slab and other materials to the roof. As well as adding additional load it also undermined the drainage into the property, with water pooling on the roof and 'leaking' within the structure. It is believed that the structural failure in December 2008 was caused by water ingress and freezing of water causing contractions within the property and ultimately causing a failure. In the last few years, the water ingress has got gradually worse due to the failure of the asphalt, with substantial pooling of water on the roof and major water penetration into the main space.

### **The way forward**

- 3.7 CEG intend to bring forward work to secure a sustainable end use for Temple Works. The intention is for urgent weatherproofing works to take and complete imminently, followed by a package of further stabilisation works to arrest the decline in Temple Works' structure – it is envisaged that a listed building works application will follow in mid 2019; followed by a comprehensive repair and restoration scheme.
- 3.8 The owners are exploring options for end use in parallel to this in accordance with the Holbeck, South Bank Supplementary Planning Document and relevant planning policies.
- 3.9 Because of the significant costs associated with repairing the structure and given the status of Temple Works as a complex listed building 'at risk', a conventional development at this site is not considered to be viable. Without public sector support, the long term future of Temple Works is very uncertain. As with previous propositions for Temple Works, CEG propose to undertake a comprehensive redevelopment of Council owned and third party land surrounding the building in order to generate sufficient value to restore Temple Works and deliver comprehensive regeneration. They have also sought the provision of grant support from the Council.
- 3.10 There is clear rationale for the Council to provide support to proposals that seek to secure the sustainable end use of Temple Works. Temple Works is an integral part of the South Bank and city's regeneration vision and is a heritage icon of international significance. Restoration of it and development of surrounding sites can bring substantial social, environmental and economic benefits.
- 3.11 For the first time, there is a road map whereby works will take place to secure the future of the property. Accordingly, it is proposed that the Council supports the

restoration of Temple Works and comprehensive redevelopment of sites around the building through the use of:

- its assets in and around Temple Works.
- grant support for immediate, short term and medium term restoration works given the scale of the conservation deficit associated.
- a contribution to support public realm enhancements at Marshall Street which could include a new public space to the front of Temple Works.
- utilisation of its compulsory purchase powers to facilitate future phases of development and in the interests of the proper planning of the area.

### **Council Assets**

- 3.12 The Council owns 7 acres of land surrounding Temple Works at Bath Road, Leodis Court and Sweet Street. Bath Road has recently been remediated and is now 'development ready', whilst Sweet Street property has been vacated and will be shortly demolished (see plan included at appendix 2).
- 3.13 It is proposed that these land holdings are sold to CEG at open market value. The freehold of sites will not be transferred until Temple Works is restored. This is in accordance with previous Executive Board approvals establishing the principle of the Council's land being used to facilitate the restoration of Temple Works, subject to the terms set out in the exempt appendix 1.
- 3.14 The proposals are likely to have a significant impact on the economic, social and environmental well-being of the area, and it is recommended that Executive Board should agree to the Council's land being appropriated at the relevant phase for the purposes of the Town and Country Planning Act 1990 (in so far as it is not already held for such purposes) on the basis that the land in question is no longer required for the purposes which it is currently held and that the development is likely to promote and/or improve the economic, social and environmental well-being of the area.

### **Grant support**

- 3.15 Alongside selling its land, it is also proposed that the Council provides CEG with a grant for the restoration of Temple Works to help meet the conservation deficit associated with repairing the building and bringing it back into use. This is understood to be compatible with the European Commission's rules as to the provision of State aid under Article 53 2(b) and 3(c) of the General Block Exemption Regulation (GBER) which allows State aid to be granted for eligible costs associated with safeguarding, preserving and restoring historical sites and buildings (amongst other things). The indicative receipt from the Council's landholdings is not anticipated to be sufficient meet the scale of the conservation deficit.
- 3.16 The proposed terms by which a restoration grant would be provided and recommendations on next steps are proposed for approval in exempt appendix 1. It is proposed that the Council will provide

- a phased grant to help meet the conservation deficit associated with repairing Temple Works and bringing the building back into use, and also
- a contribution to public realm improvements at Marshall Street which could include the creation of a new public space to the front of Temple Works.

3.17 Firstly, it is proposed that the Council uses the receipt it receives from a sale of its land as the maximum sum it provides to fund restoration works for Temple. It is proposed that this would be split across three phases – 1) immediate weatherproofing works, 2) short term stabilisation works and 3) restoration works to shell and core finish. The first two phases of grant would be paid against agreed expenditure but would be paid in advance of the sale of the Councils land. Clawback provisions would apply and if Temple Works is not fully restored, or milestones not achieved, the Council would take back its grant contribution. Through the grant agreement, there will be an obligation on CEG to develop and implement employment and skills plans to secure educational , training and employment opportunities for local residents – which can build upon successful initiatives CEG have ran at Kirkstall Forge.

3.18 Surveys have shown that one of the prime causes of decay at Temple Works is water ingress. There is a concern recognised by the owner, Leeds City Council and Historic England that the building needs to be weatherproofed prior to the onset of winter weather to minimise the continued impact of salt migration and freeze-thaw effects and the possibility of frost expansion promoting further collapse. A lightweight membrane overlaid on the roof is the quickest and most efficient way to meet the objective of preventing further water ingress until a permanent solution can be put in place.

3.19 CEG have undertaken a tender process to procure the temporary weatherproofing works which is costing in the region of £400,000. Given the urgency of the work, the benefits to the building, the conservation deficit and the risks to the building if the work is not carried out it is proposed that the Council contributes 25% or no more than £100,000 towards the cost of this work. Historic England are also intending to contribute up to 25% of the cost of this work and have provided their grant application forms to CEG to apply for a grant. Given the urgency of these works and the worsening weather conditions and pending winter, CEG propose to progress without delay. As with the Historic England grant, it is proposed that the Council's grant can be payable retrospectively for works already undertaken for the weatherproofing works

3.20 With regards to grant funding for stabilisation works (the second phase of grants), the costs for these are not known. However, it is proposed that the maximum grant that the Council would provide for this stage, would be up to £650,000 as a basis of match funding by CEG and a potential contribution from third parties. It is proposed that Executive Board approval is sought to agree this funding once a stabilisation package of works has been agreed. The majority of funding for this stage would be funded by CEG/ third parties.



## Public Realm Grant

- 3.21 It is also proposed that the Council contributes £560,000 from existing S106 contributions for the provision of public realm improvements at Marshall Street which could include new public open space at the front of Temple Works to provide an appropriate setting for the building. This can be a key space for residents and businesses across the area and act as a central arrival space for South Bank. Within the South Bank Regeneration Framework, this space would link to HS2 and ultimately to Leeds Dock via a new pedestrian route conceptually entitled 'the arbour'
- 3.22 In terms of State aid, the contribution is permissible under EU legislation, subject to there being no commercial exploitation of the space and access to it being available to all on a non-discriminatory basis. It is proposed that funding agreements for this are agreed as per the terms set out in exempt appendix 1.

## Comprehensive Development

- 3.23 Delivering comprehensive regeneration to achieve the social, economic and environmental benefits for the city and to restore Temple Works will require assembly of land owned by third parties over and above the land owned by the Council and CEG. There are a number of landowners in the vicinity of Temple Works – some of which adjoin the building – and CEG is seeking to acquire relevant land interests. Given the scale of land necessarily involved for the comprehensive scheme and interests and rights potentially affected by this proposal, CEG is seeking the support of the Council in terms of land assembly including the potential use of compulsory purchase powers should this prove necessary. An indicative boundary of the land that CEG is seeking to assemble is set out in appendix 3.
- 3.24 The Council has in recent times used its CPO powers to assemble land to facilitate the delivery of both Trinity Leeds and the Victoria Gate development.
- 3.25 The Holbeck, South Bank SPD has a strategic objective to

*Secure the future of Temple Works and enhance its setting whilst comprehensively completing the regeneration of the area and developing the vacant sites which detract from the heritage assets and separate the population of Holbeck from the city centre.*

- 3.26 The SPD goes on to state that

*The council will encourage a private sector-led scheme but recognises, and will use if necessary, the powers the council has to acquire property compulsorily if necessary to progress comprehensive development.*

- 3.27 Section 5.2 of the SPD highlights the aim to:

*Utilise powers to compulsorily purchase land to secure comprehensive development in the area where this is linked to proposals to restore Temple Works.*

- 3.28 Given the benefits outlined of this report, it is clear that the proposals could substantially improve the economic, social and environmental well-being of the area

which is underpinned by the Holbeck, South Bank Supplementary Planning Document.

- 3.29 It would be the intention to provide further information to Executive Board prior to seeking a formal resolution to make a CPO. At this stage it is requested that Executive Board approve the principle of the Council using CPO powers within the zone shown in appendix 3, should it be required to assemble land as per the terms set out in exempt appendix 1. As per the SPD, key to this will be demonstrating this is a tool of last resort, and how use of CPO is in the public interest and linked to a proposals to restore Temple Works.

## **4 Corporate consideration**

### **4.1 Consultation and engagement**

- 4.1.1 These proposals have been subject to consultation with Historic England and the Executive Member for Regeneration, Transport and Planning. Local Ward Members have also been consulted. There will be ongoing consultation with key stakeholders as proposals are developed.
- 4.1.2 Both the Holbeck, South Bank SPD, and South Bank Regeneration Framework SPD were subject to comprehensive public consultation exercises.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 A screening document has been prepared and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the equality team to be approved and published.

### **4.3 Council policies and the best council plan**

- 4.3.1 Doubling the size and economic impact of Leeds City Centre by transforming the South Bank is a critical part of the city's ambition to have a strong economy and be a compassionate city.
- 4.3.2 The South Bank Leeds Regeneration Framework was adopted in July 2018 and securing the future of Temple Works is a central objective and key move within the regeneration strategy for the South Bank.
- 4.3.3 The Leeds Inclusive Growth Strategy sets out how Leeds City Council, the private sector, universities, colleges and schools, the third sector and social enterprises in the city will work together to grow the Leeds economy ensuring that everyone in the city contributes to, and benefits from, growth to their full potential. Temple Works has the potential to be at the fore of efforts to promote Leeds on the global stage to increase inward investment, exports and tourism. Meanwhile, the proposals will support a range of Best Council Plan priorities including 'supporting growth and investment, helping everyone benefit from the economy to their full potential'.

#### 4.4 Resources and value for money

4.4.1 The full costs of bringing Temple Works back into use is not yet known. The intended contribution from the council is based on the value of the land holdings identified.

#### 4.4.2 Capital funding and cash flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	100.0				100.0		
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LCC Supported Borrowing	100.0				100.0		
Total Funding	100.0	0.0	0.0	0.0	0.0	100.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent scheme number: 33020

Title: Temple Works

4.4.3 The £100,000 grant is an advance against anticipated land sales receipts and is to be financed through supported borrowing.

4.4.4 At this stage there are not anticipated to be any alterations to the department's revenue budget.

#### 4.5 Legal implications, access to information and call-in

4.5.1 By agreeing to the recommendations in this report, the Council will commit to working with CEG to finalise legal agreements and undertake detailed work to help secure the inward investment. It will provide certainty to proposals but it is proposed that future Executive Board approval will provide final approvals to legal agreements, a CPO order if required and LCC's financial commitments for the medium term works. There will also be further diligence into any potential State Aid implications.

- 4.5.2 Executive Board is advised that the relevant land assets are currently held either for general purposes pursuant to the Local Government Act 1972 (Leodis Court and Sweet Street) or for housing purposes pursuant to the Housing Act 1985 (Bath Road) or for planning purposes pursuant to the Town and Country Planning Act 1990.
- 4.5.3 As regards the Council's land at Bath Road it should be noted that as there are no houses on the land the restriction contained in Section 19 of the Housing Act 1985 (that land held for the purposes of the Act and consisting of a house or part of a house may only be appropriated with the consent of the Secretary of State) will not apply.
- 4.5.4 In order to facilitate future phases of development and in the interests of the proper planning of the area, it is proposed that, in so far as it is not already held for such purposes, all of the Council's land should be appropriated for the purposes of the Town and Country Planning Act 1990 (such land as is not already held for those purposes no longer being required for the purposes for which it is currently held). If appropriated for this purpose, this means that any disposal of the land must then comply with the provisions of Section 233 of the Act. This means that the land must be disposed of in such manner and subject to such conditions as are expedient to secure the best use of the land or the proper planning of the area.
- 4.5.5 Executive Board is advised that appropriating the Council's land for planning purposes will mean that certain interests and rights that might otherwise hamper the development of the land will, subject to compensation being paid to the affected party, effectively be extinguished pursuant to Section 237 of the Town and Country Planning Act 1990 (though it should be noted that this will not extend to the rights of the Council's tenants). Further diligence will take place to establish where compensation may be required.
- 4.5.6 The Council has powers under Section 226 of the Town and Country Planning Act 1990 to acquire land compulsorily if they think that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement of the land and that this is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area. The Council must be satisfied that there is a compelling case in the public interest and that the purpose for which it is making a CPO sufficiently justifies interfering with the human rights of those with an interest in the land affected.
- 4.5.7 The information contained in appendix 1 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 content of appendices as exempt outweighs the public interest in disclosing the information.

## **4.6 Risk management**

- 4.6.1 Temple Works remains at significant risk. Its condition continues to be a cause for concern. The continued deterioration of the building fabric and ongoing structural issues means that unless investment is made in the short term there is a major risk of a loss of a significant part of the region's heritage.

4.6.2 The Council making grants of up to £100,000 for urgent weather proofing works is done so before a land receipt is received for the sale of its assets. The Council will fund this and future grants from a land receipt by selling its sites surrounding Temple Works, and the value of its assets far exceeds the sum of the current grant. It is considered to be a low risk that the Council would not recoup this sum, and in any instance the Council can clawback the grant if CEG does not go on to restore Temple Works.

## 5 Conclusions

5.1 The proposals of CEG have the potential to have a transformational impact for the city. It is proposed that the following policy principles are the basis of the Council providing support for the proposition to secure the investment and the full restoration of Temple Works:

- a) The Council will dispose of its land at Sweet Street, Bath Road and Leodis Court to CEG at open market value for Planning Purposes under the Town and Country Planning Act 1990, and develop a vacant possession plan for these assets. The Council will sell its assets as a means by which to support the full restoration of Temple Works.
- b) The Council will provide a grant for restoration works to Temple Works under 'Culture and heritage conservation' (Article 53 General Block Exemption Regulation 2014-20). This will be a grant made in three phases – immediate work, short term stabilisation work and then works for the restoration of Temple Works. The first two phases of the grant will be paid in advance of disposal of the Councils landholdings. Any grant will be repayable back to the Council should Temple Works not be restored.
- c) The Council will contribute up to £100,000 match funded by both Historic England and CEG to fund urgent weatherproofing works, funded from future land receipts.
- d) Subject to further diligence and Executive Board approval, a further grant contribution funded by future land receipts of up to £650,000 is made to fund stabilisation works at Temple Works, on the basis that this is matched by CEG and third parties and milestones are agreed for these works and subsequent works for a full restoration of Temple Works.
- e) The Council will promote a Compulsory Purchase, should it be required, to facilitate the delivery of the proposed scheme and where use of our CPO powers is subject to an indemnity agreement, in the public interest and linked to the restoration of Temple Works.
- f) The Council utilise existing S106 contributions to support and contribute up to £560,000 to help fund public realm enhancements on Marshall Street which could include the creation of a new public open space for the South Bank in front of Temple Works.

## 6 Recommendations

6.1 Executive Board is requested to agree:

- i) The Council works with CEG to agree proposals for the longer term restoration of Temple Works
- ii) The policy principles set out at section 5 as a basis by which the Council will support a restoration of Temple Works including if necessary the principle of acquiring adjoining land by way of a Compulsory Purchase Order (subject to an indemnity agreement being entered into)
- iii) The injection of £100,000 into the Capital Programme 33020 for the provision of grant support for urgent weather proofing works at Temple Works and to delegate authority to spend these sums to the Director of City Development in consultation with the Executive Member for Regeneration, Transport and Planning.
- iv) That the Director of City Development, in accordance with the terms set out in exempt appendix 1 produces and negotiates
  - a. legal agreements with CEG for the disposal of Council assets at Bath Road, Sweet Street and Leodis Court and where necessary develops a vacant possession strategy for these assets.
  - b. a grant agreement with CEG setting out the terms by which the Council will provide a restoration grant to help to restore Temple Works.
  - c. a contribution of up to £560,000 from existing S106 contributions for public realm enhancements to Marshall Street which could include new public open space at the front of Temple Works.
  - d. a CPO indemnity agreement with CEG.
- v) That the Director of City Development brings a report back to Executive Board providing an update on progress and seeking approval to
  - a. enter into legal agreements once negotiated and finalised,
  - b. make a Compulsory Purchase Order if necessary to facilitate the land assembly required to deliver CEG's scheme on the basis that any land proposed for a CPO would link to a restoration of Temple Works.
- vi) To note the intention that CEG will be able to apply for a further grant contribution of up to £650k to fund stabilisation works at Temple Works. Such application would be funded by future land receipts, be subject to Council approval and further due diligence.
- vii) That the Council's land at Bath Road, Leodis Court and Sweet Street be appropriated for the purposes of the Town and Country Planning Act 1990 as to facilitate CEG's proposals and the proper planning of the area.

## **7 Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> 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.