



Report of Director of City Development

Report to Executive Board

Date: 21 October 2015

Subject: The Regeneration of the New Briggate Area

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

Summary of main issues

1. This report outlines the issues and opportunities regarding the regeneration of the area around New Briggate. It identifies how, through a number of regeneration proposals, the Council and other stakeholders could re-energise this area, thereby supporting the competitiveness of the Leeds Grand Theatre and Opera House and other local businesses, improve connectivity to Lovell Park, the prime retail quarter and the Victoria Gate phase 2, while helping to create an urban village feel in this cultural quarter.
2. Some of the proposals for regeneration will be financially challenging, however there is an opportunity to dispose of a nearby vacant Council asset (26-32 Merrion Street) and car park at Cross Belgrave Street in order to generate capital receipts which could be utilised to fund Council priorities and facilitate the lease of vacant units at 34-40 New Briggate.
3. The potential to secure active usage of these currently vacant properties and make improvements to the public realm would help to provide a more fitting environment for The Grand and other local businesses and enhance the overall visitor experience. This regeneration would support the City Council's Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' and our aspiration for Leeds to be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth; it will also help us achieve many of our Best City outcomes.

Recommendations

4. Executive Board is recommended to:
 - a) Declare surplus and market 26-32 Merrion Street and add the property to the capital receipt programme. The approval for the terms for any such disposal to be delegated to the Director of City Development;
 - b) support in principle the invitation of proposals for the potential development of the pay and display car park and the re-ordering of the public open space at Belgrave Gardens for further consideration by the Council to provide an additional capital receipt;
 - c) request officers to undertake an initial 'expressions of interest' marketing exercise for the lease of 34-40 New Briggate (i.e. the vacant shops under The Grand and Howard Assembly Rooms) with a reverse premium payment available (detailed in the Confidential Appendix 3);
 - d) request officers to develop an initial feasibility scheme for improvements to the public realm of New Briggate and the immediate surrounding area;
 - e) request officers to continue partnership working and improvements to the public realm to stimulate the regeneration of this area and develop options above and beyond 'match funding' of any contribution by the Council; and
 - f) request officers to report back on progress in due course; and to note that the Head of Land and Property will be responsible for the implementation of recommendations a), b) and c) above and that the Head of Strategic Projects, City Development, will be responsible for the implementation of recommendations d), e) and f) above.

1.0 Purpose of the report

- 1.1 This report outlines the issues and opportunities regarding the regeneration of the area around New Briggate. It identifies how, through a number of regeneration proposals, the Council and other stakeholders could re-energise this area.
- 1.2 The report highlights the opportunity to dispose of the vacant Council asset (26 – 32 Merrion Street) and the Council owned car park at Cross Belgrave Street in order to generate capital receipts to support Capital Programme priorities and facilitate the lease of 34-40 New Briggate. This would help to provide a more fitting environment for the Grand Theatre and Opera House, thereby supporting the competitiveness of the theatre and other local businesses and enhance the overall visitor experience. This regeneration would support the City Council's Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' and many of our Best City Outcomes including enabling everyone in Leeds to move around a well-planned city easily; be safe and feel safe; enjoy happy, healthy, active lives; earn enough to support themselves and their families, and enjoy greater access to green spaces, leisure and the arts.

2.0 Background and Context

- 2.1 The *'World-class events and a vibrant city centre that all can benefit from'* Breakthrough Project's ambition is that Leeds has an exemplar 21st century city centre that is regarded as inclusive, friendly and cutting edge by residents, visitors, businesses, place-makers and others. A number of workshops have identified the need to make incremental improvements while developing longer term game changing projects and to work differently so that where appropriate, external stakeholders take the lead in galvanising action. A priority agreed by many stakeholders was to improve the setting for our cultural assets such as the Leeds Grand Theatre (See Appendix 1). A report elsewhere on this agenda proposes a new approach to street design and highlights New Briggate in a proposed programme of improvements.
- 2.2 New Briggate presents many challenges to pedestrians and some of the businesses located there both in terms of place-making and how the space functions including relatively narrow pavements with very high levels of footfall particularly during the rush hour and before and after performances at the Grand, a lack of opportunity for street cafes, difficulties in following natural desire lines in crossing the Headrow and New Briggate and the general appearance of many properties including Council owned empty units. There is now an opportunity to address these issues and create a more positive, sustainable future for this neighbourhood by working in partnership and making best use of Council's assets.
- 2.3 Town Centre Securities recently approached the Council offering to establish a group of stakeholders to work together to develop a vision for New Briggate and its environs, working with the Council, Leeds Business Improvement District (BID) and the LEP to explore improving the street design in this area as well as its management and maintenance. The stakeholder group have requested that an Executive Member acts as a Champion for the area.
- 2.4 Redesigning New Briggate and upgrading the public realm in this area to improve the pedestrian experience whilst enabling continued access by bus passengers, taxis, business deliveries etc will be financially challenging and this report sets out an approach to how this might be accomplished.

3.0 Main Issues

3.1 The New Briggate Public Realm

- 3.1.1 The theatre and independent businesses are key economic drivers in this area, however there is a discrepancy between the prominence of the theatre and its resident companies, and the condition of New Briggate. Although the Grand Arcade and surrounding streets are slowly improving and becoming more popular destinations, this area is still a place in which few people choose to linger. New Briggate and the surrounding streets also act as a barrier between inner city residential areas and the economic opportunities that the city centre presents, between the Arena Quarter and other city centre leisure offers and phase 2 of the Victoria Gate development.
- 3.1.2 However this area could provide a 'village centre' for surrounding residents as well as an attractive lunchtime and evening leisure offer to workers, visitors

and residents. It could facilitate access to Lovell Park and to Merrion Street Gardens and St John's churchyard. Improving the quality of the public realm and bringing some of the Council's assets forward for development could create a 'tipping point' to realise the regeneration of this area in time for Leeds' bid for European Capital of Culture. The proposed improvements will build on the positive momentum in the area, helping to secure the continued reinvigoration of Grand Arcade and surrounding streets, growing the area's reputation as location for high quality independents and facilitating Leeds Indie Food and the Leeds Indie initiative. Regenerating New Briggate and improving the pedestrian crossings at the Headrow/Briggate junction will also help to make empty units at the top of the pedestrianised area of Briggate more attractive to occupiers, counterbalancing the retail and leisure shift towards Trinity and Victoria Gate.

- 3.1.3 There is a report elsewhere on this agenda proposing a new approach to street design from which this neighbourhood and its businesses would greatly benefit. New Briggate has been identified as a priority area for public realm improvements to give greater priority to pedestrians, support quality independent businesses and animate the street, to make this area a place to linger and enjoy. There is an opportunity now to realise opportunities to better utilise Council assets to facilitate this regeneration and to work with businesses and other stakeholders in the area, including Leeds BID, to improve the design and maintenance of the public realm.
- 3.1.4 In order to make step changes in the quality of the environment and the public realm in the New Briggate area, the Council needs to consider how it can work in partnership with stakeholders to bring forwards a coherent programme of improvements. Members are asked to note that work is being commissioned to look at options to enhance public realm in the area which could include re-routing of bus services in order to offer up further opportunities for enhancements in New Briggate. In addition, as part of a holistic approach, bringing Council assets forward for redevelopment to provide finance to support Capital Programme priorities will be necessary. Accordingly, key assets are outlined below.

3.2 26 – 32 Merrion Street (Site A on Plan A at Appendix 1)

- 3.2.1 This was formerly licensed premises that is now vacant. Planning officers have indicated that a range of City Centre uses could be acceptable, subject to any required planning application.
- 3.2.2 There is no operational reason to retain this property and as such members are requested to declare it surplus to Council requirements and that it be placed on the open market. This will ascertain the level of interest and potential receipt.
- 3.2.3 It is recommended that the terms for any such disposal be delegated to the Director of City Development for approval.

3.2.2 34 – 40 New Briggate (Site B on Plan A at Appendix 1)

- 3.2.3 Currently, the units at 34-40 New Briggate are vacant therefore, as part of the lease arrangements with Opera North, the Council has to pay a proportion of

the Service Charge costs for the maintenance of the structure. Whilst the current condition of the units impacts on their viability, it is considered that with the upturn in the property market the timing is now right to bring the units forward for re-development.

- 3.2.4 Historically there has been interest in 34-40 New Briggate from Leeds Grand Theatre and Opera House Ltd, from Opera North and from local entrepreneurs for restaurant /licensed premises uses. Given the range of interest and with the objective of bringing forward the best scheme, it is proposed that this is best achieved by running a competitive process which will incentivise bidders to be competitive.
- 3.2.5 In view of the poor condition of the 4 units, members are advised that a reverse premium is likely to be required from the Council to make occupation viable. Members may recall that this approach was successfully used for The Roundhay Mansion House and Engine House at the Tower Works site in Holbeck.
- 3.2.6 Given these issues and the range of interest in the properties it is recommended that officers undertake an initial 'expressions of interest' marketing exercise with the opportunity to discuss a reverse premium on the properties given that this project is in the early phases.

3.3 Belgrave Gardens

- 3.3.1 The Council owns the freehold of a site in Belgrave Gardens which comprises an area of Public Open Space (POS) and a public pay and display car park (see Plan 10386/D at Appendix 2). Part of the POS is affected by a restrictive covenant — the extent of this is shown by stippling on the attached plan. The covenant prevents any building to take place on the stippled area. Further details on the nature of this covenant are contained in Appendix 3.
- 3.3.2 Local Ward Members were originally consulted on a proposed scheme for student accommodation on this site, Cllr Davey and Cllr Nash stated that they were not supportive of the proposal, firstly as they did not want to see any reduction in greenspace in the city centre as this is already in short supply and secondly that purpose built student accommodation is in over-supply.
- 3.3.3 Ward members were consulted again on the principle of development (no use prescribed at this time) in July 2015 and Cllr Nash reconfirmed opposition to the loss of public open space.
- 3.3.4 The site is designated as greenspace and this designation is continued in the Site Allocation process. However, the greenspace could be re-ordered and improved to facilitate development and provide a receipt to re-cycle into the wider New Briggate improvement scheme.
- 3.3.5 A development at this site and the associated receipt could bring the benefits of improved and re-ordered greenspace, CRIS monies for the Ward and, depending on the final development, linkages to the Arena; the Council may be able to request the re-instatement of some car parking.

- 3.3.6 A development on the site will have the potential for the loss of a proportion of the existing amount of greenspace but if it could be re-ordered and improved it could have benefits.
- 3.3.7 Given the potential benefits to the regeneration of the wider area, it is proposed that scheme ideas are invited from the developer identified in Confidential Appendix 3 and that mitigation of the concerns of Ward Members are explored.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward Members have been consulted and their views are outlined above. The Grand Theatre and Opera North have also been consulted. A wide range of stakeholders have been consulted on the principles of letting the vacant shops under the Grand and they have been very supportive as their active and complementary usage is seen as critical to the regeneration of this area.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality and Diversity / Cohesion and Integration screening document has separately been prepared for these proposals and is attached as Appendix 4.
- 4.2.2 The regeneration of New Briggate will benefit the local business and residential communities and will not have any detrimental effects on equality and diversity.

4.3 Council policies and Best Council Plan

- 4.3.1 Transforming vacant units into active leisure/retail units, stimulating the regeneration of this area and supporting the continued success of the Grand Theatre would contribute to Council's Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' and our aspiration for Leeds to be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth; it will also help us achieve many of our Best City Outcomes.

4.4 Resources and value for money

- 4.4.1 The recommended steps will bring Council assets forward for redevelopment and provide revenue to support Capital Programme priorities. The regeneration of this area may lever in additional funding from other sources and should result in increased business tax revenue. While the costs of the initial feasibility scheme for the public realm improvements referred to in the recommendations will be met primarily through existing City Development resources, officers will also seek contributions for a more enhanced feasibility study from external sources.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The information contained in Appendix 3 is exempt under Access to Information Rule 10.4(3) as they contain information relating to the financial or

business affairs of a particular organisation and of the Council. It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information due to the impact that disclosing the information would have on the Council and third parties.

4.5.2 The decision is eligible for call-in.

4.6 Risk Management

4.6.1 There is a risk that by not maximising the Council's assets in New Briggate and surrounding streets in line with a co-ordinated strategy for the regeneration of this area, the city will not make the most of both opportunities to support cultural and wider leisure economy in this relatively marginal area of the city centre. Furthermore there is an increasing risk to the Council's reputation if it is perceived as hampering, rather than facilitating the regeneration of this area which contains one of the city's most prized cultural assets. By endorsing the recommendations contained within this report, these risks are mitigated.

5.0 Conclusions

5.1 The regeneration of New Briggate and its surrounding streets will be greatly facilitated by the occupation of vacant units currently in the Council's ownership. The sale of 26-32 Merrion Street, of part of an area of Council owned public open space and the Council owned pay and display car park at Belgrave Gardens will generate significant capital receipts. These capital receipts will contribute to the Council's wider priorities.

6.0 Recommendations

6.1 Executive Board is recommended to:

- a) Declare surplus and market 26-32 Merrion Street and add the property to the capital receipt programme. The approval for the terms for any such disposal to be delegated to the Director of City Development;
- b) support in principle the invitation of proposals for the potential development of the pay and display car park and the re-ordering of the public open space at Belgrave Gardens for further consideration by the Council to provide an additional capital receipt;
- c) request officers to undertake an initial 'expressions of interest' marketing exercise for the lease of 34-40 New Briggate (i.e. the vacant shops under The Grand and Howard Assembly Rooms) with a reverse premium payment available (detailed in the Confidential Appendix 3);
- d) request officers to develop an initial feasibility scheme for improvements to the public realm of New Briggate and the immediate surrounding area;

- e) request officers to continue partnership working and improvements to the public realm to stimulate the regeneration of this area and develop options above and beyond 'match funding' of any contribution by the Council; and
- f) request officers to report back on progress in due course; and to note that the Head of Land and Property will be responsible for the implementation of recommendations a), b) and c) above and that the Head of Strategic Projects, City Development, will be responsible for the implementation of recommendations d), e) and f) above.

7.0 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.