
Report of Director of City Development

Report to Executive Board

Date: 19 October 2016

Subject: Sustainability and Development of Cultural Organisations on New Briggate

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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. On 21st October 2015 Executive Board approved a report that outlined the issues and opportunities regarding the regeneration of the area around New Briggate. The report identified 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, Opera North and other local businesses, improve connectivity to Lovell Park, the prime retail quarter and Victoria Gate phase 2, while helping to create an urban village feel in this cultural quarter. Executive Board agreed to officers undertaking 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 Room) with a reverse premium payment available. A reverse premium payment is effectively a payment to a new leasee or owner to undertake capital works to make premises economically/commercially viable. If this wasn't paid the Council would probably have to fund improvements to the premises to make sure they were in a fit state to be used prior to leasing or selling the premises. The units on New Briggate couldn't be used for anything in their current condition. Executive Board requested an update on progress on this and other matters including the proposed sale of a nearby vacant Council asset (26-32 Merrion Street). Both sites are identified in the site plan at Appendix 1.
2. 26-32 Merrion Street has now been sold.

3. Following further discussions with both Opera North and the Grand Theatre a scheme for 34-40 New Briggate has been developed by Opera North who are applying for Arts Council funding to help implement the scheme. This report:
 - outlines this scheme in further detail;
 - explains how it would contribute to both the Council's and the city's aspiration to create a fitting setting for one of the city's major cultural gems, regenerate this area and support Opera North's artistic and learning programme;
 - recommends support for Opera North's proposal and funding application; and
 - provides an update on progress on other aspects of the regeneration of this area including the Townscape Heritage bid to the Heritage Lottery Fund.
4. Opera North is England's national opera company based in the North of England. As well as opera the company performs musical theatre such as 'Show Boat', 'Carousel' and 'Sweeney Todd'. Opera North works with children and adults to inspire, educate and inform. Its programme of work reaches out to adults in a variety of circumstances, helping to overcome social problems and challenging circumstances via participation in music and singing workshops. Opera North has worked successfully with young offenders, elderly people who suffer from dementia, adults experiencing challenging social circumstances and community groups who simply wish to come together in an artistic manner. Opera North also collaborates with teachers across the North of England to enrich their pupils' lives and learning. Opera North's family initiatives enable families to discover and enjoy the arts together. They develop programmes designed to strengthen family relationships through creative activities, helping families find new ways to play, learn, understand and express themselves together. For example Opera North's award-winning **In Harmony** community residency works each week with 1,000 children and wider school communities. It delivers an inclusive programme of high quality music education and performance opportunities that encourage young people from all backgrounds to engage with the arts and, through doing so, deliver wider benefits such as increased confidence, aspiration, engagement with formal learning, and an increase in parental engagement. Improving Opera North's premises will help to further this work.
5. The company performs in the main theatre as well as in the Howard Assembly Room, a 300 capacity venue which is one of Yorkshire's most important centres for progressive and diverse musical performances. The venue also plays an important role in fuelling Leeds' cultural scene with a varied programme of events, gigs, films, talks and family workshops.
6. The potential to secure active usage of currently vacant properties, create a front door for the Howard Assembly Room, improve Opera North's education and rehearsal facilities, and make improvements to the public realm would help to provide a more fitting environment for The Grand and Howard Assembly Room 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*' which contributes to the Best Council Plan ambition for Leeds to be a compassionate city that helps all its residents benefit from the effects of the city's economic growth and improved outcomes.

Recommendations

7. Executive Board is recommended to:
- a) approve leasing 34-40 New Briggate to Opera North Ltd at market rent, subject to support for the scheme from The Grand Theatre and Opera House Board, a successful application for Arts Council funding and planning approval;
 - b) approve that detailed terms for the lease be agreed by the Director of City Development under delegated powers and reported back to Executive Board for information;
 - c) note that £750,000 currently in the capital programme to finance a reverse premium will no longer be required to fund landlord improvements at 34-40 New Briggate and instead it is proposed that this funding contributes towards complementary public realm improvements as part of the wider regeneration of the New Briggate area outlined in Section 3.2;
 - d) request officers reporting to the Director City Development to continue partnership working to develop more detailed design of the public realm and funding options to implement public realm improvements.

1.0 Purpose of the report

- 1.1 The report notes the recent disposal of a vacant Council asset (26 – 32 Merrion Street), proposes a change in approach to leasing 34-40 New Briggate and updates the Board on a feasibility study to improve the public realm here, the submission of a Townscape Heritage bid and the disposal of the Council owned car park at Cross Belgrave Street.
- 1.2 All these initiatives are being undertaken to provide a more fitting environment for the Grand Theatre and Howard Assembly Room, thereby supporting their competitiveness, to enhance the overall visitor experience and to support local businesses. This regeneration supports the Best Council Plan through 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.
- 1.3 This report updates Executive Board on the issues and opportunities regarding the regeneration of the area around New Briggate following reports to the Board in October 2016 and June 2016. It identifies how, through a number of regeneration proposals, the Council and other stakeholders are re-energising this area.

2.0 Background and Context

- 2.1 The aim of the Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' 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. Consultation 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 cultural assets such as the Leeds Grand Theatre & Opera House and the Howard Assembly Room.

- 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 and the Howard Assembly Room; 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.
- 2.3 Executive Board on 21st October 2015 agreed to start 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. This included disposing of the vacant property at 26-32 Merrion Street, to seek expressions of interest for the vacant units at 34-40 New Briggate (ie under the Howard Assembly Room and Grand Theatre) and to invite proposals for the potential development of the pay and display car park and the re-ordering of the public open space at Belgrave Gardens to provide an additional capital receipt.
- 2.4 Key stakeholders in the area established a group to work together to develop a vision for New Briggate and its environs, working with the Council, Leeds Business Improvement District (BID) and the Property Forum's Quality Places and Spaces Group, to explore improving the street design as well as the area's management and maintenance.
- 2.5 A Townscape Heritage bid to the Heritage Lottery Fund for this area was submitted to English Heritage on 1st September 2016. Members will recall that details of this submission was part of a separate report to the Board entitled 'The Grand Quarter' on 22nd June 2016.

3.0 Main Issues

3.1 34 – 40 New Briggate (Site B on Plan A at Appendix 1)

- 3.1.1 The units at 34-40 New Briggate are vacant; 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 overall building. The condition of the units has previously impacted on their viability and is detrimental to the overall ambience of the street.
- 3.1.2 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, Executive Board agreed to run a competitive 'expressions of interest' marketing exercise to identify a potential leaseholder to bring the vacant units back into active use in a manner that would support the competitiveness of the Theatre and Assembly Room as well as increasing footfall

throughout the day and evening to help support the viability of neighbouring independent businesses.

- 3.1.3 In view of the poor condition of the 4 units, members were advised that a reverse premium of up to £750,000 was 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 is being used for the Engine House at the Tower Works site in Holbeck. Accordingly, Members approved the insertion of £750,000 in the capital programme.
- 3.1.4 However during the last year Opera North has been developing a proposal for the vacant units that would fulfil the Council's and many stakeholders' aspirations for these properties, bringing them back into use to create a well curated and designed destination bar/restaurant, provide a front door for the 300 capacity Howard Assembly Room and support Opera North's vision to open this successful venue up for more public performances events, gigs, films, talks and family workshops. corporate and private hire.
- 3.1.5 The Howard Assembly Room hosts Opera North's rich and varied performance programming. In the last three years alone, it has welcomed thousands of guests to hundreds of ticketed events, and has firmly established itself as one of Yorkshire's most important centres for progressive and diverse musical performances. The venue also serves as vital rehearsal space for Opera North's award winning Orchestra, and was recently launched as a venue for corporate hire.
- 3.1.6 Opera North is making a multi-million pound bid to the Arts Council England for a capital grant by 20th October 2016 and is seeking the Council's support in leasing the vacant units to them in order to facilitate a significant development across a number of floors which will be beneficial to the economic and cultural sustainability of Opera North. Images of the proposed scheme are in Appendix 2. The potential project is of a scale much larger and more significant than would be envisaged through the formerly proposed expression of interest process.
- 3.1.7 Opera North, and its home in the Grand, is a vital part of the city's overall cultural offer. It will undoubtedly play a significant role in our bid to be European Capital of Culture 2023. Should the application to the Arts Council succeed it would enable the company to become more resilient, to increase artistic programming in the Howard Assembly Room, and to enhance its substantial education provision. For example Opera North's award-winning 'In Harmony' community residency works each week with 1,000 children and wider school communities in Belle Isle and Beeston. It delivers an inclusive programme of high quality music education and performance opportunities that encourage young people from all backgrounds to engage with the arts and, through doing so, deliver wider benefits such as increased confidence, aspiration, engagement with formal learning, and an increase in parental engagement. Improving Opera North's premises will help to further this work. All Year 1-6 pupils play in an orchestra and receive their own instrument, in addition to singing activities, which develop musicianship skills. In Harmony was created with the aim of enriching lives, improving social well-being and engaging the next generation through community-based music-making and professional instrumental

tuition. Improving their premises and rehearsal space will enable Opera North to build on this important educational work.

- 3.1.8 The proposal is therefore to lease 34-40 New Briggate to Opera North at their market value taking account of the significant capital investment that Opera North would be making into the premises by way of a rent free period. The rent free period will be determined against the landlord's improvements that Opera North make relative to the rental value of the premises once the scheme has been further developed.
- 3.1.9 This proposal could help meet the Council's aspirations not only for this building but for the sustained regeneration of this area and help to support the future of the Grand and Opera North, organisations the Council already supports through grant funding. Furthermore, no other interested party is likely to be able to lever in such external funds.

3.2 The New Briggate Public Realm

- 3.2.1 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 company, 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.
- 3.2.2 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, 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 would 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.
- 3.2.3 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, making this area a place to linger and enjoy.
- 3.2.4 In order to make step changes in the quality of the environment and the public realm in the New Briggate area, the Council and Leeds Bid commissioned a feasibility study to look at options for making New Briggate more pedestrian friendly and enhance public realm in the area whilst maintaining bus services and taxi ranks.

3.2.5 Three options have been identified and further consultation with stakeholders is planned for the autumn to consider which option, or combination of options, should be worked up and costed. This work will complement both the Townscape Heritage bid and restaurant/bar operations by potentially enabling more street cafes in this area.

3.3 26 – 32 Merrion Street (Site A on Plan A at Appendix 1)

3.3.1 Executive Board on 21st October 2015 declared this vacant licensed building surplus to Council requirements; it was placed on the open market and following considerable interest from a number of operators it was sold for £875,000; this figure exceeded expectations. The buyer anticipates spending approximately £1m on refurbishing the premises.

3.3.2 Planning officers have indicated that a range of City Centre uses could be acceptable, subject to any planning application.

3.4 Belgrave Gardens

2.1 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. Executive Board on 22 June 2016 approved exchanging an option agreement with Wade Lane Developments Limited for the sale of land at Belgrave Gardens. This will result in the creation of high quality student accommodation for approximately 400 overseas students and redesigned and improved public open space, providing an additional capital receipt for the Council. The value of the revised car park revenue will be considered against the capital receipt the Council can realise from the land sale and regeneration benefits of the wider area.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Discussions regarding the proposal for the New Briggate vacant units have taken place between Opera North and the (outgoing) Chair of the Grand Theatre, and also with its Chief Executive. These discussions have identified a number of areas of shared interest in the details of the scheme as well as some areas where the Grand Theatre Board would require further discussions before offering its full support. Discussions are set to continue in the next few weeks, including with the new chair of the Grand, with a view to the scheme developing further in its detail in order to meet the needs of both organisations going forwards.

4.1.2 Councillor Davey, a local ward member, has expressed support for the public realm improvements and obtaining a commercial return for the premises at 34-40 New Briggate. A wide range of other stakeholders, including the Business Improvement District, the Property Forum's Quality Places and Spaces Group, the Civic Trust, neighbouring businesses and building owners, have been consulted on the principles of letting the vacant shops under The Grand and they have been very supportive as the units' active and complementary usage is seen as critical to the regeneration of this area. Further consultation on proposed changes to the public realm was being

planned at the time of writing and Members will be updated on the outcome at the meeting.

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 3.
- 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. Opportunities to enhance the public realm would benefit many disabled users, older people and those with pushchairs.

4.3 Council policies and Best Council Plan

- 4.3.1 Transforming vacant units into a restaurant/bar, stimulating the regeneration of this area and supporting the continued success of the Howard Assembly Rooms. This regeneration would support the City Council's Breakthrough project, '*World class events and a vibrant city centre that all can benefit from*' which contributes to the Best Council Plan ambition for Leeds to be a compassionate city that helps all its residents benefit from the effects of the city's economic growth and improved outcomes.

4.4 Resources and value for money

- 4.4.1 Bringing Council assets forward for redevelopment is providing 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. Funding is being inserted into the capital programme 2017/18 towards the costs of the public realm improvements.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision is eligible for call-in.

4.6 Risk Management

- 4.6.1 There is a risk that Opera North's application to the Arts Council is unsuccessful. However any lease and payment of a reverse premium will be made dependent on a successful bid. There is a greater 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 the 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. Should Opera North fail to obtain sufficient Arts Council funding then it is proposed that Executive Board agree that officers revert to undertaking 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 Room) with a reverse premium payment available as agreed at Executive Board on 21st October 2015.

5.0 Conclusions

5.1 The regeneration of New Briggate and its surrounding streets will be facilitated by the transformation of vacant units at 34-40 New Briggate into a restaurant/bar, provide a front door for the Howard Assembly Room and support Opera North's vision to open this successful venue up for more public performances. The sale of 26-32 Merrion Street, and land at Belgrave Gardens are generating significant capital receipts. These capital receipts will contribute to the Council's priorities.

6.0 Recommendations

6.1 Executive Board is recommended to:

- a) approve leasing 34-40 New Briggate to Opera North Ltd at market rent subject to the support for the scheme from The Grand Theatre and Opera House Board, a successful application for Arts Council funding and planning approval ;
- b) approve that detailed terms for the disposal be agreed by the Director of City Development under delegated powers and reported back to Executive Board
- c) note that £750,000 currently in the capital programme to finance a reverse premium will no longer be required to fund landlord improvements at 34-40 New Briggate and instead it is proposed that this funding contributes towards complementary public realm improvements as part of the wider regeneration of the New Briggate area outlined in Section 3.2;
- d) request officers reporting to the Director City Development to continue partnership working to develop more detailed design of the public realm and funding options to implement public realm improvements.

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.