

**Report of the Executive Manager (Regeneration)**

**Report to the Chief Asset Management and Regeneration Officer**

**Date: August 2018**

**Subject: 94 Kirkgate – Lower Kirkgate THI target property grant award**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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 type="checkbox"/> Yes	<input checked="" 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 and 4	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Summary of main issues**

1. 94 Kirkgate is the fourth property in the scheme area to attain planning permission and subsequently apply for grant funding from the THI scheme. The scheme is of a conservation specification and thus would complement the existing grant aided works on the street.
2. The property was occupied as a tattooist until recently but has now been vacant for several months. The proposed scheme would enable this vacant historic floorspace to be brought back into use to support and add to the growing vitality on this part of Kirkgate.

**Recommendations**

3. The Chief Asset Management & Regeneration Officer is asked to approve an award of THI grant funding up to £110,000 from the common fund to 94 Kirkgate.

## **1 Purpose of this report**

- 1.1 Rushbond, the owners of 94 Kirkgate, have applied for THI funding for works to their property. These works are of an appropriate conservation specification including repairs to the existing fabric and reinstatement of traditional details. It would contribute to the delivery of the objectives for the Kirkgate THI scheme. The detail of these works are attached at appendix 1.
- 1.2 The purpose of the report is to request that the Chief Asset Management & Regeneration Officer supports a grant offer from the Lower Kirkgate THI common fund up to £110,000 to the owners of the property to cover the conservation deficit of carrying out these higher specification works.
- 1.3 The scheme will see a comprehensive and sympathetic repair and refurbishment of the property to a conservation specification. A summary of the works that are included are:
- Reroofing with traditional natural blue slate
  - Repair/reinstatement of traditional sash windows
  - Reinstatement of a traditional shopfront
  - Repairing and replacing like-for- like traditional rainwater goods
  - Internal alterations including lighting and electrical services to enable the reuse of the vacant building

## **2 Background information**

- 2.1 On 16th April 2013, the Heritage Lottery Fund (HLF) awarded the Council a Stage 2 pass and permission to start its Lower Kirkgate THI scheme. The THI consists of a 5 year programme of capital investment in commercial properties backed by grant aid and private sector match funding. The HLF awarded the council sum of £1.505m. On 11 April 2012, Executive Board agreed to earmark £668k from the capital programme to match fund the planned HLF investment. In addition Historic England are supporting the regeneration of the area with a £500k allocation from their Repair Grants for Heritage at Risk budget, specifically for the purpose of restoring the First White Cloth Hall (FWCH).
- 2.2 One of the main aims of this programme is to deliver conservation led regeneration and seek to tackle social and economic disadvantage through funding the restoration of key historic buildings blighted by disrepair and dereliction and improving the public realm.
- 2.3 On 25<sup>th</sup> June 2012 Executive Board gave authority to spend £1,505,000 of common fund to implement the Lower Kirkgate Townscape Heritage Initiative. This funding will help to draw in private investment for improvement works to this area which has suffered long term market failure.

- 2.4 Funding for this project is made up of contributions from a number of sources. The HLF and Council contribution form the common fund element of the THI. The common fund comprises 56% of the available project scheme costs (500k is ring-fenced to the FWCH).
- 2.5 The HLF have stipulated that the grants for the properties in the project should be calculated using the conservation deficit. The conservation deficit is the cost of repair and conversion minus the increase in market value of the project once the works are completed. In addition to contributing an amount equal to the uplift in the property value, the owner's contribution will also include works that are not grant eligible. Thus, covering the deficit makes the buildings more attractive to owners/investors who contribute funds reflective of any increase in value of the property. The pre and post work valuations agreed as part of this project are included in appendix 4.
- 2.6 The council's vision within the Kirkgate THI scheme is to address the conservation deficit for reuse of buildings within the wider Lower Kirkgate area of Leeds city centre. This will be achieved by utilising grants and other levers to encourage the creation of new businesses within existing historic spaces.
- 2.7 Please note that the whole THI scheme already has an authority to spend (ATS) and this report relates to internal project control purposes only.
- 2.8 Specifically, the THI funds bringing vacant historic floorspace back into use through repair and restoration. This includes the use of traditional materials such as lime mortars and plastering of internal walls with lime plaster. Three properties (90, 92 & 93 Kirkgate) have already received funding from the THI and have carried out repairs and reinstatements which have enabled the buildings to be brought back into use.
- 2.9 The property is owned by Rushbond who now have a significant interest in the lower Kirkgate area. In addition to 94 Kirkgate Rushbond have now acquired New York House, the long term lease on the Corn Exchange and the First White Cloth Hall. They are also owners of the former Majestyk building at City Square, for which a major scheme of refurbishments is now underway; Mount St. Mary's Church at Richmond Hill; Goods Yard (Leeds) at Marsh Lane and Eco Central 3 on East Street. It is a developer with a strong track record of delivery and a significant commitment to the city.

### **3 Main issues**

- 3.1 The scheme will see a comprehensive and sympathetic repair and refurbishment of the property to a conservation specification. An appropriate planning consent (17/02396/FU) has already been secured. As the property was in use until fairly recently, the interior is in relatively good condition, however the existing street level entrance to the property is recessed and inconsistent with the other shopfronts on Kirkgate. An opportunity exists to remove this and reinstate a traditional shopfront and the original building line of Kirkgate. The windows on the first and second floor are also in need of replacement and the paintwork on the front elevation is inappropriate and requires removal. The interior will be repaired to a high standard using a traditional lime plaster on the walls.

- 3.2 The property, 94 Kirkgate is eligible as an identified Target Property within the Lower Kirkgate THI grant programme. The property has a recently empty retail unit at ground floor and empty first and second floors. The basement is not currently useable.
- 3.3 Following a tender procedure three tenders were returned. The selected contractor is Wetheralds Ltd, who returned the lowest tender. They have appropriate experience of working with traditional buildings and evidence of this is included in the completed proforma in appendix 2.
- 3.4 As required for conservation deficit type grants valuations both of the property in its current condition and once the work has been completed have been provided by RICS accredited valuer. These valuations and the methodology used have been assessed by a Leeds City Council RICS accredited valuer who considers them sound. This valuation is included in separate confidential Appendix 3.
- 3.5 The grant for target properties in the THI is capped at a maximum of £110,000 per property. In this instance the conservation deficit is less than the maximum grant available and thus the grant to be awarded is lower than this amount.
- 3.6 Following a conservation deficit calculation utilising the approved valuations and eligible costs, the conservation deficit (and thus potential grant) stands at £77,578. This is based on currently submitted eligible costs, however the potential for the reinstatement of a chimney is being explored. Should this be feasible it is proposed that the remainder of the grant or a proportion of (up to £32,422) will be added to the grant total for this purpose. Therefore this report seeks approval to award grant up to the capped figure of £110,000 should this opportunity arise. It is anticipated that the cost for installation of a chimney would fall within this remaining grant amount and as this work would not impact on the approved valuation, any increase in scheme costs would be borne by the grant scheme alone.
- 3.7 The property owner has appointed an architect to supervise the works on site and to prepare certificates of completion. This process will ensure that the grant funding is utilised on works of appropriate quality and in an efficient manner.

### **Internal works**

- 3.8 The property has an empty retail unit at ground floor and empty first and second floors. The basement is not currently useable. The scheme will see a retail use on the first and second floors and the basement and roofspace used for storage.
- 3.9 Works to the roofspace will enable additional insulation of this space and also mitigate the risk of fire spread. It will also enable utilisation for storage.
- 3.10 As per the guidance set out by the Heritage Lottery Fund, basic provision of lighting to the basement is to be provided in order to allow this space to be used by a future occupier.

- 3.11 On the first floor the flooring is in a particularly poor condition which meant that was not able to be used to its full extent by previous tenants. In order to facilitate reuse the floor joist and boards will be replaced where necessary.
- 3.12 The internal wall finishes are currently a mix of modern plaster and poor quality traditional lime plaster in need of repair. Replacement and repair with an appropriate lime plaster will be funded by the scheme.

### **External works**

- 3.12 The roof of the property is currently in a poor condition and it will be repaired using good quality natural welsh blue slate. The existing rainwater goods are of an inappropriate specification and will be replaced with a traditional timber gutter and cast iron downpipes.
- 3.13 The existing poor quality shopfront will be removed and a new shopfront of traditional design installed (appendix 1). This is of a similar style and quality of those shopfronts grand aided at 90, 92 and 93 Kirkgate thus adding to the gradual improvement of the townscape. In addition traditional sash windows will either be repaired or replaced like for like.
- 3.14 The modern paint covering on the façade will be removed and brickwork will be repointed with an appropriate lime mortar. This will allow the structure to 'breathe' thus reducing the likelihood of damage to the building fabric and potential for damp.
- 3.14 The scheme includes a boundary treatment (appendix 2) in keeping with the rear aspects of the repaired properties at 92 and 93 Kirkgate. It is important that a continuous treatment is maintained to the rear of the properties to ensure that this outcome of the THI is delivered.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Conservation team have been consulted on the scheme. The HLF are not required to be consulted but a copy of this report will be provided to the THI monitor for information.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2. Grants are available to all owners of Target Properties within the Lower Kirkgate THI area and as such there are no implications for equality and diversity or cohesion and integration arising from this report. The implications for equality and diversity of the wider scheme were considered prior to inception of the scheme and a screening report for this is available.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 The Best Council Plan 2017/18 is focused on reducing poverty and tackling inequality and sets out a clear ambition for Leeds to be a 'strong economy and compassionate city'. One of the seven plan priorities is for Good Growth growing the economy, creating jobs, improving skills and promoting a vibrant city. The plan also sets out a range of Breakthrough Projects that will deliver the plan, including the World class events and a vibrant city centre that all can benefit from.
- 4.3.2 The Leeds Inclusive Growth Strategy seeks to create better jobs, improve productivity and support places and communities to respond to economic change, amongst others.
- 4.3.3 The Kirkgate THI scheme is located within the city centre and aims to deliver a heritage-lead regeneration of this prominent thoroughfare, that will support re-use of derelict and under-used properties, support the creation and growth of businesses and ensure the street becomes a vibrant part of the wider city-centre offer. As such awarding of the grant for 94 Kirkgate is very firmly aligned with the Best Council plans and the Inclusive Growth Strategy.

#### **4.4 Resources and value for money**

- 4.4.1 The council's contribution to the Common Fund has previously been agreed as part of the bid to secure the £1.505m THI funding from the Heritage Lottery Fund. The Council match funded this with £668,000 to form the common fund for the project. This funding will help to draw in private investment for improvement works to this area which has suffered long term market failure.

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

- 4.5.1 The decision to approve this award of grant is not eligible for Call-In as it is not a Key Decision.
- 4.5.2 The information contained in Appendices 3 and 4 are 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 4 and 5 as exempt outweighs the public interest in disclosing the information. This report relates to financial information of a private business applying for grant funding and as such release of information at this time would prejudice the council's position.
- 4.5.3 There are no specific legal implications of deciding to award the grant.

#### **4.6 Risk Management**

- 4.6.1 The Lower Kirkgate THI has a risk log which identifies risk to the project and seeks to reduce and remove them.
- 4.6.2 Not awarding grant to identified target properties would not meet the objectives of the scheme and is therefore identified as a specific risk.
- 4.6.3 The works undertaken form part of a Health and Safety Plan as required by the Construction Design and Management regulation 10.

## **5 Conclusions**

- 5.1 The owners of 94 Kirkgate have submitted an appropriate scheme for THI funding.
- 5.2 The awarding of THI grant to 94 Kirkgate would help to bring about substantial economic and regeneration benefits to this part of the city centre, in keeping with the aims of the Kirkgate THI scheme. This is particularly important given the long term market failure evident in the area and the location of the building in the city centre conservation area.
- 5.3 Once a grant offer has been received the applicants intend to begin the eligible works immediately.

## **6 Recommendation**

- 6.1 The Chief Asset Management & Regeneration Officer is asked to approve an award of THI grant funding up to £110,000 from the common fund to 94 Kirkgate.

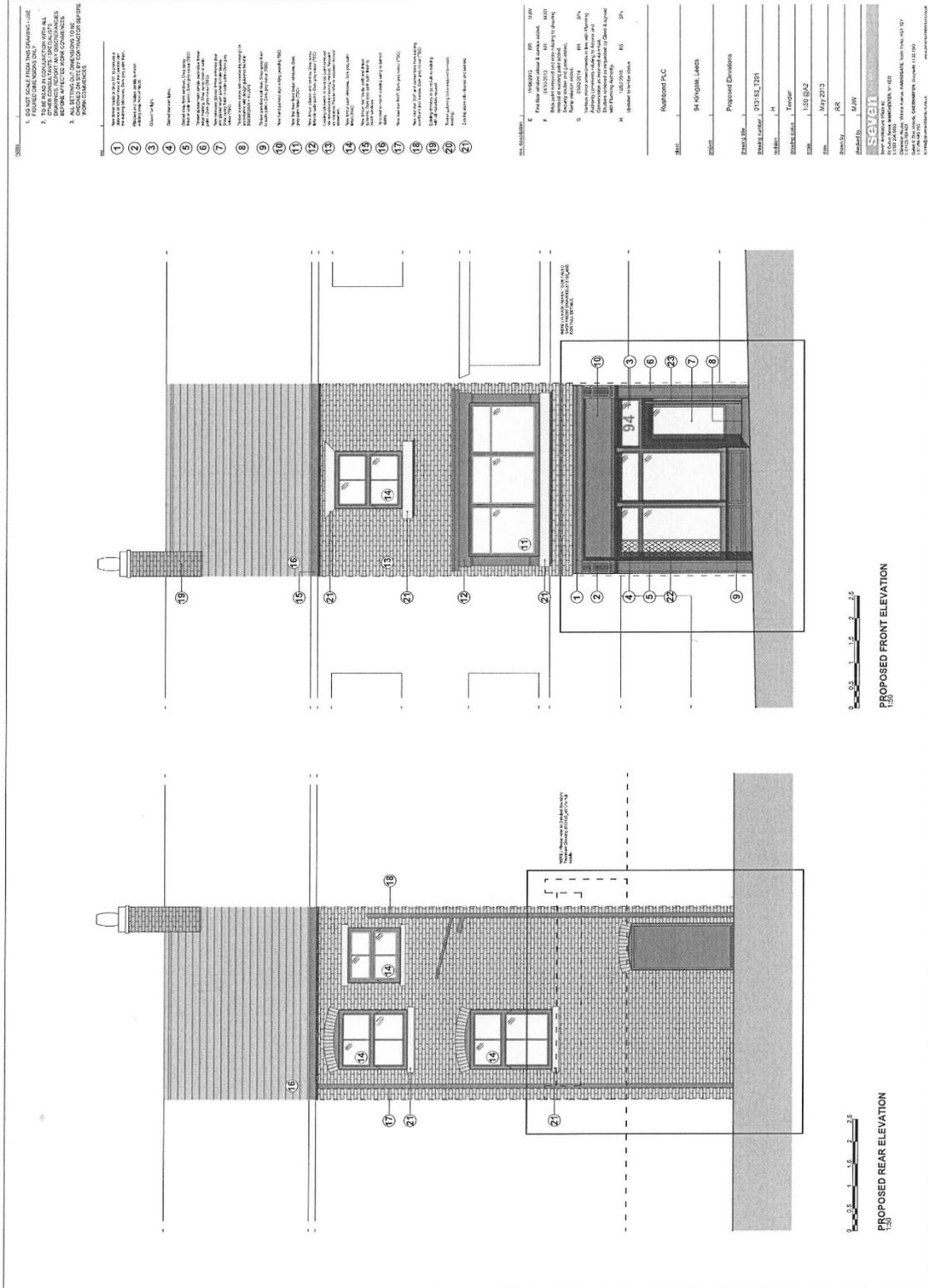
## **6 Background documents**

- 6.1 Appendices.

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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.

# Appendix 1: Approved Scheme Plans





## Appendix 2: Skills and experience proforma

### Lower Kirkgate Townscape Heritage Initiative

#### Experience, Skills & Qualifications Proforma

It is a requirement of Heritage Lottery Fund and Leeds City Council funding that appointed contractors can demonstrate a relevant standard of quality of work. This form is intended to allow you to demonstrate the necessary skills and experience for this purpose. This information will be used for assessing the grant application only. This form is to be completed by the main contractor, who is proposed for the grant scheme, and should be submitted to the project architect or surveyor.

#### Experience

Please outline your involvement in works to buildings of traditional construction in previous projects

Date	Project	Brief description of your role in the project
Aug '17	<u>72 Goodramgate York, Built in 1317</u>	<u>Grade 1 listed building, removal of external walls and internal flooring, re place external woollen wall, lime plaster and oak structural wall repairs, brick repairs and leadwork, Working as the Main Contractor</u>
July '17	<u>The Old Parsonage Hampsthwaite Harrogate</u>	<u>Grade 2 Listed residential hose, re-furbishment work, roof strengthening, and Timber Orangery extension. Work as the Main Contractor</u>
May'17	<u>St Michael Church New Farnley Leeds, now St Makarios the Great</u>	<u>Grade 2 listed building. Strengthening to main church gable including re-pointing stone replacement and stone course strengthening, re-roofing, timber replacement and leadwork, gutter repairs, and bell replacement including bell tower timber strengthening works.</u>

#### Skills

Describe the experience you have of the methods and skills necessary for this particular grant scheme.

We have experience in testing mortars and existing bricks to replace/insert new bricks and/or rebuild using handmade bricks.

Building cleaning on Grade 2 listed Ex-Libra building in Leeds

Timber re-placement on the above church, and timber repairs and roofing works on Grade 2 listed building Leeds Road Harrogate.

Cornice and plastering works to Riverhouse York.

Roofing, Leadwork, timber and stone repair works to St Michaels Church, and Dennison Hall Leeds.

Timber, leadwork repairs and roof works as above.

Roof replacement and timber repairs to Grade 2 listed building, Toll Gavel Beverley, including window replacement and window repairs.

**Training, qualifications and memberships**

Outline any relevant training, qualifications and membership of organisations

All operatives' and asbestos aware, PASMA approved and IPAF approved.

Operatives are training in lime mortar mixes, and hot lime rendering.

Operatives are trained in building cleaning using chemical sand blasting and calcium blasting.

Commercial NICEIC approved.

**Subcontractors**

<b>Name of subcontractor</b>	<b>Proposed Role</b>	<b>Previous Projects</b>
<u>PAR Masonry</u>	<u>Brick cleaning</u>	<u>See attached</u>
<u>Ornate Interiors</u>	<u>Lime plastering</u>	<u>See attached</u>
<u>Brenmores</u>	<u>Commercial electricals</u>	<u>Dennison Hall Grade 2 listed building,</u> <u>Willow tree Primary school,</u> <u>Cawood primary school,</u> <u>Newton Aycliffe business Park,</u> <u>Hartlepool Business Park,</u> <u>Roaseland Business Park</u> <u>Newark, plus numerous</u> <u>commercial and domestic</u> <u>Contracts.</u>

**Declaration**

I confirm that the information provided is accurate to the best of my knowledge.

Signed  .....

Print name P. BROTSON .....

Representing WETHERFELDS PAINTERS & BUILDING SERVICES .....

Date 11/12/17 .....