

Report of the Directors City Development and Environment & Neighbourhoods

Report to Inner South Area Committee

Date: Wednesday 21st March 2012

Subject: Lower Kirkgate Townscape Heritage Initiative

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City & Holbeck	
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. In April 2010 the Heritage Lottery Fund (HLF) awarded Leeds a Stage 1 approval to support the physical regeneration of Lower Kirkgate through a Townscape Heritage Initiative (THI). To confirm the THI and the funding that comes with it requires a successful Stage 2 bid. A successful THI will help to revitalise a much neglected part of the city centre to the benefit of shoppers, the diversification of retail offer whilst securing the future of Leeds' most important building at risk, the First White Cloth Hall (FWCH). In doing so the THI would also help to attract over £4m in private investment, in addition to opening the possibility of a funding contribution from English Heritage.
2. The reports seeks to inform Members of a proposal to submit a Stage 2 bid to the HLF for the sum of £1.505m which includes £500k to address the physical repair of the grade II* First White Cloth Hall (FWCH). As part of the proposal the City Council would also need to allocate £668k of City Council capital funding to match fund the planned HLF investment. If the bid is successful the initiative would begin in October 2012 and run for a period of 5 years.

Recommendations

3. Area Committee members are asked to note the report and comment as appropriate.

1 Purpose of this report

- 1.1 The report highlights the proposal to submit a Stage 2 bid to the Heritage Lottery Fund (HLF) for the creation of the Lower Kirkgate Townscape Heritage Initiative.

2 Background information

- 2.1 Townscape Heritage Initiatives are designed to promote heritage led economic and physical rejuvenation in areas of historical or architectural importance. Leeds is the only City in England with three THI schemes. Following an earlier Stage 1 bid the Heritage Lottery Fund has awarded Leeds £1.005m to fund a third THI at Lower Kirkgate to add to previous awards in Chapeltown and Armley. This Stage 1 award now needs to be confirmed by a successful Stage 2 bid which has to be submitted by 26th April 2012. Following negotiations with the HLF the Stage 2 bid will now include repairs to the iconic FWCH within the THI – making a total bid amount of £1.505m. Previously the FWCH had been excluded as it was thought that all of the building would have to be demolished making it ineligible for HLF funding. However, following the partial collapse of part of the building in 2010 subsequent surveys have revealed that much of the FWCH is repairable making it eligible for inclusion within the THI.

3 Main issues

- 3.1 Kirkgate is Leeds' first street and there is evidence of an Anglo-Saxon settlement in the area and the buildings that can be seen today showcase the city's 19th century development, making the site one of major historic value. In regeneration terms it is one of the few areas within the city centre not to witness major renovation over the last 20-30 years and its present condition with many properties vacant or underused is in stark contrast with its surroundings.
- 3.2 In recognition of this the THI has aligned its vision for Lower Kirkgate with the City Growth Strategy's aim of creating a distinctive retail offer creating opportunities for independent and small traders and building on the existence of the Kirkgate Market. Although Lower Kirkgate already provides an opportunity for independent retailers to acquire a foothold within the City Centre at affordable prices these opportunities are limited due the state of repair and by other physical constraints posed by the design of the mainly 19th century buildings. The THI is specifically designed to bridge the conservation deficit and make development economically feasible, a situation which has not existed for a generation. In general terms the THI seeks to:
 - Bring vacant floorspace into use to create vitality, viability and new jobs.
 - Improve the appearance of the area to help encourage shoppers, tenants and visitors.
 - Improve the quality of life for all those who live, work and visit the area.

- Raise awareness of Kirkgate as Leeds oldest street.
- Ensure that development is sustainable with a reduction in energy consumption.

3.3 The Lower Kirkgate THI will also provide an opportunity to demonstrate how the public sector can partner private developers to unlock difficult sites and help to facilitate local enterprise whilst contributing to the wider sub-regional economic development agenda. As such, the THI proposal should not be seen in isolation as it will have a key role in helping to revitalise economic activity in the wider Kirkgate area of the city centre. To that end the Council has been in discussions with owners, heritage groups and others about how to promote Kirkgate as an independent retail hub within the city centre by developing joint marketing initiatives.

First White Cloth Hall

3.4 In 2010 the grade II* listed FWCH located on Lower Kirkgate suffered a structural failure resulting in an enforced demolition of parts of the building (see **Appendix 1: Photo 1**). The FWCH is an iconic building and in historical terms is arguably the most important building in Leeds as the trade in cloth was largely responsible for Leeds gaining pre-eminence over other commercial centres in the region. The FWCH appraisal has identified a full restoration of the FWCH as the preferred option with a rebuilt west wing in keeping with what remains of the east and south wings (see **Appendix 1: Photo 2**). The current assessment is that almost 2/3 of the FWCH remains meaning that much of this building fabric can be restored rather than being completely rebuilt. With the demolished wing rebuilt, it would form a three-sided arcaded court with an open end to Kirkgate, affording a natural gateway to a potential new-build scheme on the existing car park to the rear.

Masterplan

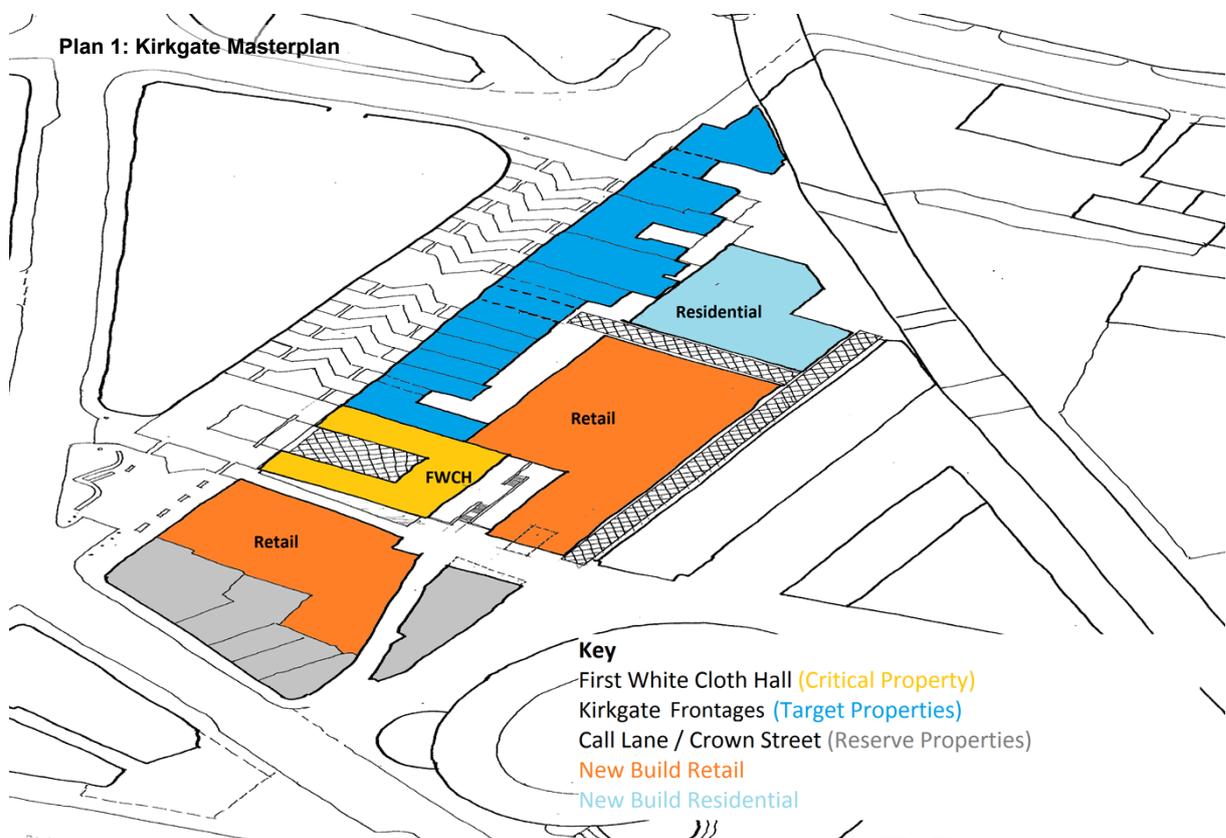
3.5 However, a fully restored FWCH is also the most expensive option and all parties have acknowledged that in the value engineering phases some compromises may have to be made. In effect the FWCH cannot be seen in isolation as funding from the HLF combined with other possible grant sources will not be sufficient and the majority of the initial capital outlay will have to be met by borrowing and cross subsidy from the development gain arising from the owner's other landholdings in the vicinity. To this end the majority landowner has commissioned a development masterplan for the area (see Plan 1 below). The proposal is at a draft stage at the moment but incorporates the following elements:

- a. A fully restored FWCH with limited servicing reflecting the potential to accommodate a basic retail operation similar to its initial purpose.
- b. Several new build elements comprising a building fronting onto Kirkgate to replace 101 Kirkgate (which has been demolished) and 103 Kirkgate (currently Hill's Furnishings) and a larger two-storey retail development to the

south west of the FWCH occupying 2/3 of the site of the current car park to the rear of the Kirkgate frontages. A residential block is also proposed adjacent to the railway.

- c. A narrow ginnel has been proposed west of the FWCH to allow pedestrian footfall through the site exploiting desire lines between Kirkgate Market, the Corn Exchange, Call Lane and the Vicar Lane bus station.

3.6 The general massing of the buildings within the THI is guided by the adopted planning statement and further advice has been provided on the basis of the draft masterplan. As a result a development appraisal has been commissioned to re-assess the funding position of the commercial option for the refurbishment of the FWCH. A commercial solution remains the primary option but others including a building preservation trust are being explored.



Implementation

3.7 In terms of physical changes the THI would involve the refurbishment and re-use of vacant floorspace and it is believed that a fully occupied Lower Kirkgate could accommodate as many as 100 jobs (see **Appendix 3**). In addition historic and architectural features will be re-instated and enhancement work in the form of Yorkstone flags are planned for the pedestrian areas.

Training

- 3.8 Training and education is central to the achievement of the THI scheme's aims and objectives. A training plan is being prepared in partnership with Construction Yorkshire and Employment Leeds that seeks to improve the skills and knowledge of individuals employed in the local construction sector including contractors/subcontractors. In addition training will be provided focussing primarily on NEETS (persons not in education, employment or training) interested in developing a career in heritage construction. Finally property owners will be encouraged to use of sustainable products and services and to introduce energy efficient building methods.

Management and Timescales

- 3.9 The Stage 2 Bid must be submitted by 26th April otherwise the Stage 1 approval will lapse. If successful, it is proposed to launch the THI to coincide with the Leeds Loves Shopping festival in October 2012. The next critical milestones are outlined below.

Executive Board	11 April 2012
Submit Bid	26 April 2012
HLF decision on Stage 2	26 July 2012
Scheme Delivery Starts	October 2012
Scheme Ends	October 2017

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Since April 2011 there have been extensive consultations with stakeholders which are outlined below.
- 4.1.2 Ward Members and City Centre Plans Panel have been consulted on the proposals, along with a range of heritage organisations including English Heritage, Leeds Civic Trust and the West Yorkshire Archaeological Advisory Service (WYAAS). In May 2011 a wider consultation exercise was undertaken to find out what the public thought about the Lower Kirkgate and wider the Kirkgate area and what improvements they would like to see. Over 260 people responded and there was strong support for heritage-led regeneration and training focussed on young people. Parallel consultations were also undertaken on the following documents:
- Lower Kirkgate Planning Statement
 - Kirkgate Character Area Management Plan
 - Kirkgate Conservation Area Appraisal

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The choice of THI area has been primarily governed by the historical importance of Lower Kirkgate given its status as Leeds' first street. As a result the selection of the potential grant applicants, i.e. owners and tenants is preset. The grant application process will mirror that of the existing THI schemes where the Council's monitoring standards are used to retrospectively evaluate the performance of applications from different groups. However, given due regard to equality, the proposed THI was subject to an Equality Screening and this concluded that they will potentially give rise to equality impacts in terms of the selection of candidates to receive training and as a result the need to be seen to be ensuring that the Council equality, diversity and cohesion commitments is needed. Therefore, if the proposals are agreed, a full EIA on the training proposals will consider impacts on potential recipients.

4.3 Council Policies and City Priorities

4.3.1 In addition to complimenting the Growth Strategy, development within the THI will be shaped by the planning policy encapsulated within the recently approved Lower Kirkgate Planning Statement. The Planning Statement identifies basic objectives for the sensitive regeneration and restoration of Lower Kirkgate in accordance with local, regional and national planning, heritage and regeneration policies.

4.4 Resources and Value for Money

4.4.1 The £668k City Council funding required to match fund the bid was identified from the existing Town & District Centres Scheme as part of the capital programme review in the autumn/winter of 2010/11. If successful the bid will lever in £1.505m from the HLF with up to a further £4.3m from the private sector. Without the THI it is highly unlikely that this additional inward investment to Leeds would materialise.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The City Council has legal authority to bid for and implement the provisions of the Lower Kirkgate THI under its well-being powers within the Local Government Act 2000 (the '2000 Act'). Section 2 of the 2000 Act allows principal local authorities in England and Wales to do anything they consider likely to promote the economic, social and environmental well-being of their area unless explicitly prohibited elsewhere in legislation.

Approval of this report does not commit the City Council to a legally binding agreement to proceed with the THI, a separate legal agreement with the HLF would be considered should the HLF approve the bid at their meeting on 26th July 2012. This report contains no confidential information and is not subject to call in.

4.6 Risk Management

- 4.6.1 A separate risk log has been prepared and has been updated throughout the bidding process and a summary of the main tenets is provided below.
- 4.6.2 **Asymmetrical patterns of ownership:** One company owns about 75% of the properties which whilst making the delivery process more cohesive it also emphasises the need to represent the interests of the smaller landowners and tenants to ensure that fairness is maintained and is perceived as such. As such owners and tenants have been kept abreast of developments and have expressed their support for the initiative.
- 4.6.3 **Financial constraints:** In addition to the capital constraints facing the Council the private sector is also facing challenging times as the economy reemerges from recession. However, given the focus on distinctive and independent retailers in contrast with much of the City Centre offer together with the availability of THI support it is thought, following discussions with owners and traders, that this will be sufficient to stimulate private investment in Lower Kirkgate.
- 4.6.4 **Clawback:** All THI projects carry the risk that should the critical properties fail to be delivered then HLF could clawback all or some of the funding. This action can be mitigated by demonstrating that all reasonable steps have been taken to secure development and participation by owners and occupiers. In practice there are no known instances of where the HLF has clawed back monies.

5 Conclusions

- 5.1 Securing the successful rejuvenation of an area which has suffered market failure is complex. However, the funding opportunities available at present may not be repeated for another 10 years. During that time the fabric of Leeds' first street is likely to have deteriorated further even with the use of the Council's planning and building regulations powers. Commercially the opportunity to help create a critical mass of independent retailing and to revitalise vacant floorspace for the benefit of local employment and enterprise at a time of austerity would send a positive message about the commitment and determination of the Council and its partners to support economic prosperity despite the challenges posed.

6 Recommendations

- 6.1 Area Committee members are asked to note the report and comment as appropriate.

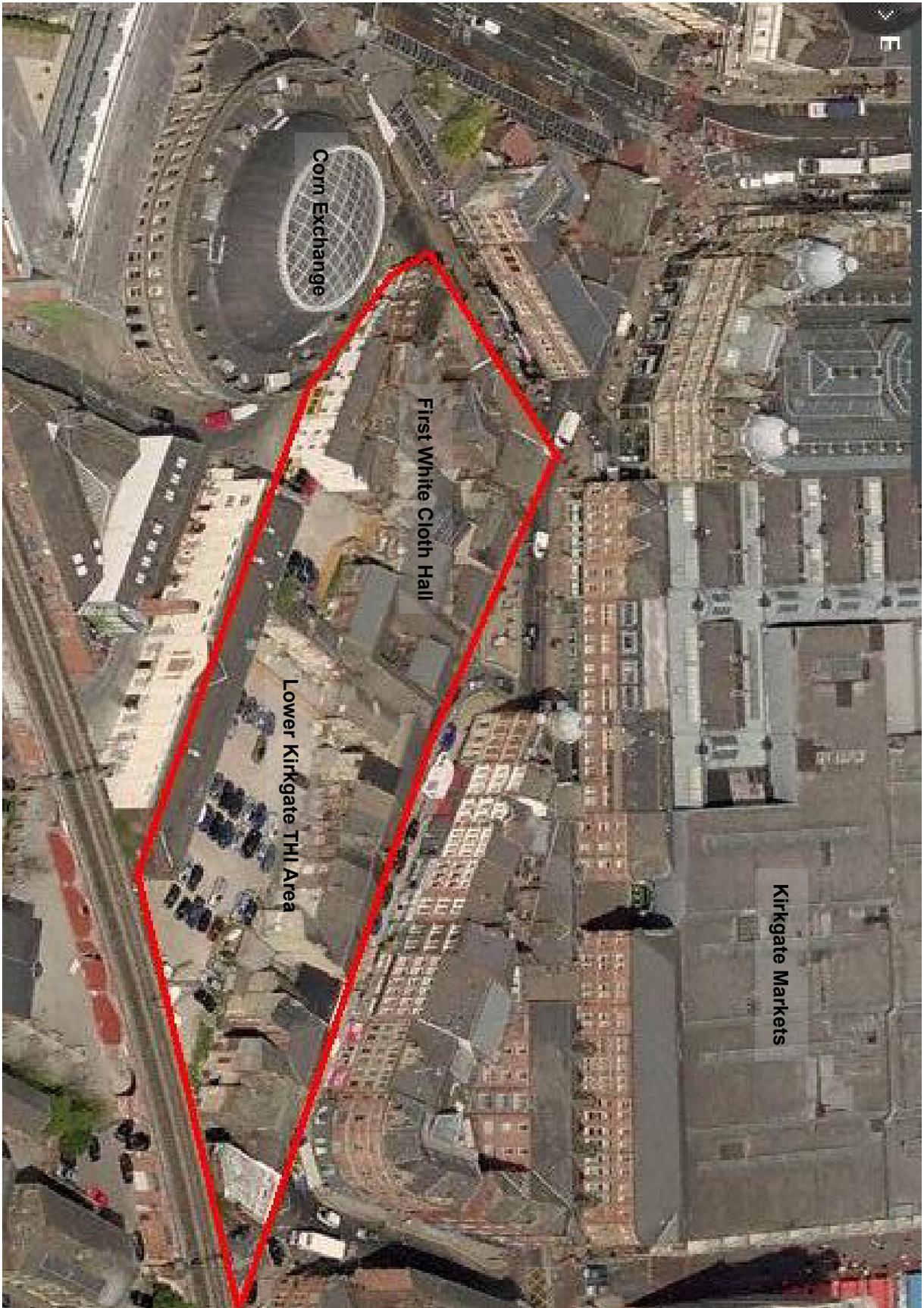
Background documents¹

The following background documents are available for reference:

Kirkgate Character Area Appraisal (Draft)
Kirkgate Conservation Management Plan (Draft)
Lower Kirkgate Planning Statement (adopted 2011)

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

Appendix 1: Ariel Photograph of Lower Kirkgate



Appendix 2: First White Cloth Hall (existing and as proposed)



Photo 1: FWCH as existing



Photo 2: FWCH as proposed

