

Section A: Scheme Summary

Name of scheme:	Dewsbury Arcade
PMO scheme code:	GBF-WYCA-010
Lead organisation:	Kirklees Council
Senior responsible officer:	Peter Thompson, Kirklees Council
Lead promoter contact:	Chris Hill, Kirklees Council
Case officer:	Heather Briggs

Applicable funding stream(s) – Grant or Loan:	Getting Building Fund Grant
Growth Fund Priority Area (if applicable):	Priority 4 – Infrastructure for Growth

Approvals to date:	Programme Strategic Outline Case (decision point 2), September 2020 Combined Authority
Forecasted full approval date (decision point 5):	30 th September, 2021
Forecasted completion date (decision point 6):	31 st May 2023

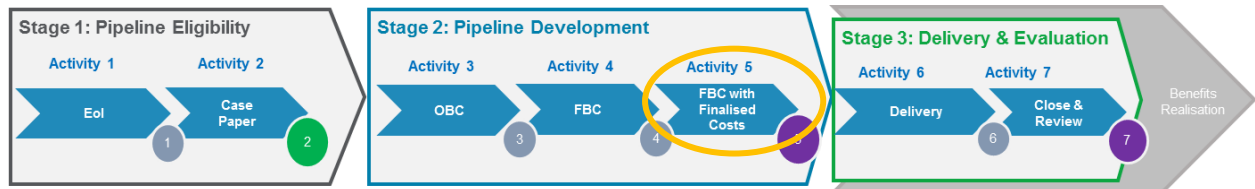
Total scheme cost (£):	£3,245,000
Combined Authority funding (£):	£600,000
Total other public sector investment (£):	£2,645,000
Total other private sector investment (£):	n/a

Is this a standalone project?	Yes
Is this a programme?	No

Is this project part of an agreed programme?

Yes - Getting Building Fund

Current Assurance Process Activity:



Scheme Description:

The project involves reopening the vacant Grade 2 listed Victorian Arcade in the heart of Dewsbury, for small, local, independent businesses. The focus will be on letting to businesses in the creative / retail sector.

The Arcade is in poor condition having been vacant for four years and having little or no maintenance over the last decade. The overall project will involve the repair, refurbishment and reconfiguration of the building, all to high heritage standard, allowing re-occupation and greater flexibility in the use of spaces.

The project will deliver 21 refurbished ground floor business units suitable for a variety of uses within retail and leisure. They will be generally small, of varying sizes (15 - 30 sq m) with a total floor space of approximately 455 sq m (4,897 sq ft). The upper floors also offer opportunities for further business space and the use and configuration of this space will be explored as part of the design process resulting in a total of 997m² being refurbished and brought back into use. The proposal to reopen the Arcade has widespread support from Dewsbury residents.

The 'Getting Building' funding sought in this application is towards design fees, stabilisation, strip out and repair works.

Business Case Summary:

Strategic Case

The full business case highlights that Dewsbury town centre has experienced a significant decline in pedestrian footfall. The number of Saturday visitors has dropped by more than half over the past 20 years and in 2019, 30% of town centre properties were vacant. The Council is committed to arresting and reversing this decline and delivering a vibrant town centre that serves the needs of residents.

The Council has developed the Dewsbury Blueprint, a 10 year plan that "seeks to honour the heritage of this beautiful town and build on recent investments." The Blueprint's vision includes developing "a town centre that is fully utilised through increased housing and leisure provision, with a consolidated retail and commercial core."

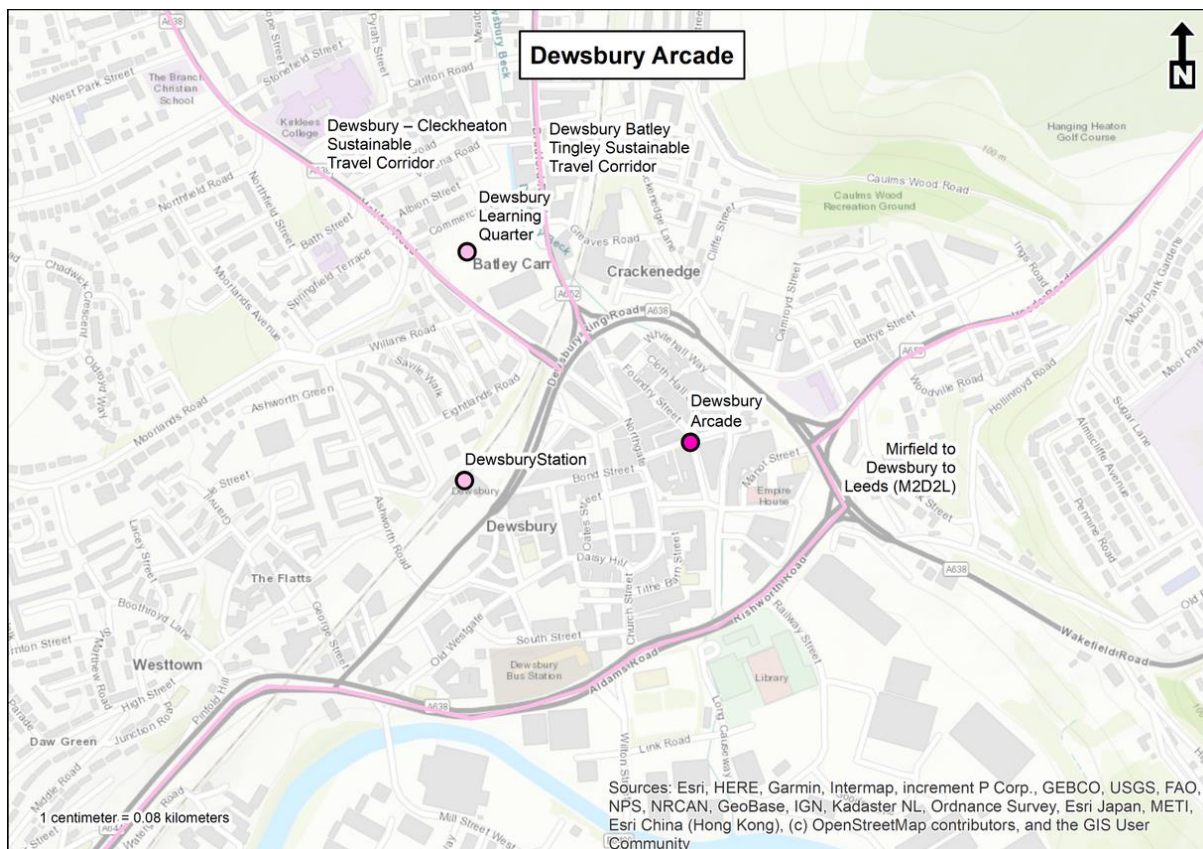
	<p>The refurbishment and re-opening of the Arcade is one of the major projects highlighted in the Blueprint – <i>“we will reconnect the retail areas by reopening The Arcade between Market Place and Corporation Street. By seeking greater control of this beautiful space, we will be able to attract and retain an eclectic mix of retail, leisure and community facilities.”</i></p> <p>The re-development of the Arcade also reflects the ambition articulated in the Dewsbury Strategic Development Framework to focus retail on a small number of streets, including the Arcade. The Framework highlights that the consolidated retail offer <i>“would need to change if it is to remain vibrant and sustainable in the future.”</i></p> <p>The project contributes to the achievement of the Leeds City Region’s Strategic Economic Plan (SEP). Specifically, the re-development and re-opening of the Arcade will contribute to three of the four SEP Priorities: Priority 1, Growing Businesses; Priority 2, Skilled People, Better Jobs – and Priority 4, Infrastructure for Growth.</p>
Commercial Case	<p>The proposition is that the uniquely small size of the units compared to the rest of the property offer in Dewsbury combined with affordable rents and no rates, will allow a new generation of internet-savvy entrepreneurs to test their ideas at no great financial risk.</p> <p>Both the property report done by Aspinall Verdi and the research undertaken into Victorian arcades in other parts of Britain showed the background problems and potential for the arcade. In relation to retail the report highlights the national trend that was evident before the Covid-19 pandemic of falling footfall on high streets and rising online purchases. In 2000 online retailing accounted for less than 1% of total retail sales but this grew to almost 20% by 2018. Dewsbury has seen falling footfall and the report highlights that <i>“high streets with a wide choice of retail services alongside well-designed and planned residential and office space are more resilient to these changes.”</i></p> <p>In relation to office space the report highlights that at national level prior to the pandemic <i>“demand was being driven by flexible workspace providers who increased their take up by 25% in 2018; a similar rate to the preceding year.”</i> Property consultants JLL expect that four factors will shape demand for office space in the future:</p> <ul style="list-style-type: none"> ▪ Remote working – lifestyle flexibility versus appropriateness of working environment at home. ▪ Office design – suitable occupational densities and safe workspaces. ▪ Technology – smart office buildings which support companies’ social and wellness initiatives. ▪ Commuting patterns – current concerns with public transport are preventing office re-entry for many. <p>AspinallVerdi find that Dewsbury has <i>“a typical sub-regional office market which is centred towards small local businesses and the quality of accommodation is relatively poor.”</i> Furthermore, <i>“rental values being</i></p>

	<p><i>achieved are relatively low around £5.00-£9.00 per square foot and are indicative of a weak market.”</i></p> <p>The Property Market Report does conclude that there is demand for the arcade development and recommends a focus on small independents in the creative sector.</p> <p><i>Procurement</i></p> <p>The in-house team began Combined Authority funded works on strip out and making safe in Jan '21. The design team has been tendered and contractor appointed. Survey and design work started in Jan '21. The main contract works will be tendered in Aug '21 with a view to starting work at the start of '22</p>
Economic Case	<p>The three short list options for the scope of work are as follows:</p> <ul style="list-style-type: none"> ▪ Do nothing – the arcade would remain in Council ownership following its purchase in May 2020, but no work would be undertaken and the building would continue to decline. ▪ Do something (less ambitious) – in this option the Council completes essential repairs and completes the refurbishment of just the 21 ground floor units excluding all units on the other three floors. ▪ Do something (preferred option) – in this option the Council complete a full programme of repairs and refurbishment at the total forecast cost of £3.245 million. <p>The third option presents the highest benefits. Only refurbishing the ground floor (though in fact having to repair the entire building structure), was likely to save 20% on the building contract, but leave over 50% of the space unusable.</p>
Financial Case	<p>Total scheme costs: £3.245 million Combined Authority Getting Building Fund amount sought: £600,000 Other public sector investment: £2.645 million</p> <p>Kirklees Council will contribute £1.771 million to the overall cost, which consists of a further £826,000 on top of the cost of purchasing the Arcade of £945,000. The Council will meet any overruns.</p> <p>£874,000 of match-funding is from the Town Fund and included in the project plan submitted to government. This represents 27% of the total project cost.</p> <p>Management options are to be finalised. Whoever takes the long lease (private, community business or the Council itself), will control rents and maintenance.</p>
Management Case	<p>Project Management Team and supervisory management systems are in place.</p> <p>A full Works Project Programme has been produced and will be updated by the design team on a monthly basis.</p> <p>Few alterations to listed elements of the building are envisaged, so planning approval should be achievable. Work has begun on obtaining Party Wall Agreements with 21 neighbouring properties.</p>

Risk of insufficient budget is mitigated by having the Town Fund and Heritage Lottery funding as anticipated contributions. Risk of low demand for units is mitigated by having a business development officer in post and the community engagement programme underway.

Location Map

The following map shows the location of the Dewsbury Arcade scheme:



Please note, depending on the level of scheme development, the location and scope of the schemes indicated here are indicative only.

For further information on Combined Authority schemes across the Leeds City Region please refer to: <https://www.westyorks-ca.gov.uk/growing-the-economy/leeds-city-regioninfrastructure-map/>