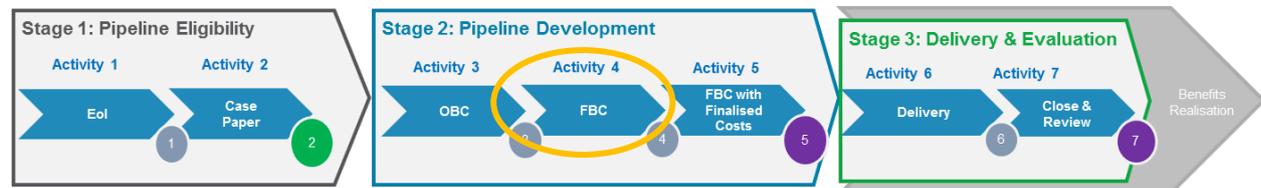


Section A: Scheme Summary

Name of scheme:	George Hotel
PMO scheme code:	
Lead organisation:	Kirklees M.C.
Senior responsible officer:	
Lead promoter contact:	Rob Shipway
Case officer:	Heather Briggs
Applicable funding stream(s) – Grant or Loan:	Getting Building Fund
Growth Fund Priority Area (if applicable):	Priority 4- Infrastructure for Growth
Approvals to date:	Activity 2 – Pipeline Eligibility (Programme level)
Forecasted full approval date (decision point 5):	
Forecasted completion date (decision point 6):	
Total scheme cost (£):	£3,259,500
Combined Authority funding (£):	£1,365,000
Total other public sector investment (£):	£1,894,500
Total other private sector investment (£):	-
Is this a standalone project?	No, this is phase one of a longer term development of the Hotel. Funding for phase two of the project, which will commence April 2022 (on completion of remedial works).
Is this a programme?	No
Is this project part of an agreed programme?	Yes- Getting Building Fund

Current Assurance Process Activity:



Scheme Description:

Grade 2 listed building, synonymous with the fortunes of the town, closed since 2013. The Hotel plays a prominent role in the delivery of the Huddersfield Blueprint, a ten year masterplan to modernise Huddersfield town centre, moving away from traditional retail toward a more family and leisure orientated town centre. George Hotel occupies a strategic location adjacent to the Railway station, a gateway to Huddersfield and will provide a welcome to the town. The Transpennine Upgrade places Huddersfield at the heart of train line improvements between Manchester and Leeds. The George Hotel's location and heritage offer an opportunity to redevelop the Hotel as a mixed-use facility including offices and leisure facilities, demonstrating its capacity to deliver Kirklees Council's regeneration ambitions for both the hotel and the town. Kirklees has secured a new National Museum for Rugby League to be located at the George Hotel, subject to redevelopment. The award recognises the role the George Hotel played in the creation of the sport as well as the Rugby Football League's enthusiasm for playing a role in our wider regeneration of the town. The project will support acquisition of the George Hotel and provide critical funding for essential remedial works internally and externally to ensure the building is safe and watertight, as well as preventing further costly damage to the fabric of the building. Funding is in place for the full redevelopment of the George Hotel through the Council's Capital programme and the Heritage Action Zone, work commencing April 2022 following completion of the Getting Building Fund project. It is expected that the works will be completed in March 2024 with the opening of the new National Rugby League Museum, bar and restaurants, and managed flexible workspace targeting digital, media and sports.

Business Case Summary:

Strategic Case

The George Hotel lies at the heart of Kirklees' plans to revitalise Huddersfield town centre. The Huddersfield Blueprint, a ten year masterplan for the redevelopment of Huddersfield Town Centre, was approved in 2019. The masterplan identified six Opportunity Areas, led by the redevelopment of one such area, 'Station Gateway'. The Station Gateway comprises the Railway Station and surrounding St. George's Square, home to an impressive array of Grade 2 and Grade 2* listed buildings, including the George Hotel. With the planned upgrade to the Transpennine Link, a new platform for Huddersfield places even greater emphasis on the role of the Station Gateway as a catalyst for the regeneration of the town centre. The George Hotel lies at the heart of this strategically vital gateway to the town and the Hotel has a long and illustrious heritage, noteworthy as being the birthplace of Rugby League. The current condition of the Hotel presents a negative perception of the town and a disincentive to invest in the town centre. Through acquisition of the Hotel, and with the support of WYCA, Kirklees will be able to kick start the redevelopment of the Hotel as a mixed use

	<p>facility. The commitment of the Council for the longer term redevelopment of the Hotel has helped secure the new National Rugby League Museum to be located in the George. Studies by Cushman and Wakefield highlighted the lack of modern, flexible grade A workspace in the town centre, although with Covid the Council has taken a flexible approach to longer term development for uses which complement the new Museum. The project delivers the ambitions of places and good growth (SEP Page 40), by promoting a more diverse economy. The project promotes a visitor economy, attracted to new leisure and tourism opportunities including a national sport museum. The growth of the digital media economy in Huddersfield will be promoted, with interactive curatorial collections attracting visitors and small / micro business to a new hub at the heart of the town and at the midpoint of the Transpennine upgrade.</p>
<p>Commercial Case</p>	<p>The new National Rugby League Museum provides the George with a key anchor tenant at the ground and basement floors of the building along with some ancillary food and beverage space. This will add significantly to the cultural offer of the Town and Yorkshire, this alone will have significant economic benefits. If investment is not made, the Museum would be delivered elsewhere and this could be outside of West Yorkshire meaning there are no benefits to the region.</p> <p>The demand question is therefore focused on the upper floors of the building where there are no end users currently identified. The options being considered, for the upper floors, are a form of overnight accommodation (i.e. a hotel or serviced apartment model) or managed workspace. An options appraisal conducted by Aspinall Verdi to inform the FBC clearly identifies the lack of overnight accommodation in the town centre (in particular a quality 4 star+ offering) and a lack of Grade-A office space. The issue for the private sector is that the cost / value ratio of delivering these end uses because the value obtainable is insufficient to fund the development cost. The property market evidence indicates that the revenue per available room (RevPAR for overnight accommodation) and rental value per square metre / foot is too low to incentivise private sector investment. The Council therefore has an opportunity to intervene and fund either a form of overnight accommodation or flexible workspace to set a precedent that may encourage future private sector investment in Huddersfield.</p>
<p>Economic Case</p>	<p>The SEP provides an economic framework for growth. The scheme would make a real contribution to the SEPs priorities especially:</p> <ul style="list-style-type: none"> • Priority 1, Growing Businesses – the project will facilitate business growth by creating spaces for new businesses or expanding businesses in terms of the museum, ancillary food / beverage and flexible workspace or overnight accommodation. The completed project will also be a footfall driver that will have an indirect benefit on local business.

	<ul style="list-style-type: none"> • Priority 2, Skilled People and Better Jobs – the project will create both construction and operational jobs for the city region. Kirklees Council will ensure through the procurement process (social value) for these works that the selected contractor will contribute towards developing skills and apprenticeships. • Priority 3, Clean Energy and Environmental Resilience – the project involves restoring and bringing back into use a Grade II listed building • Priority 4: Infrastructure for Growth – the project will maximise GVA benefits from redundant and vacant property in an urban location. <p>The scheme will contribute to the wider ‘Good Growth’ objectives of higher productivity and output, quality places, environmental connections and income. The SEP sets out a number of headline indicator targets to be achieved by 2036:</p> <ul style="list-style-type: none"> • The scheme could deliver 148 jobs • £100bn economy: By 2036 the scheme could have contributed over £25.5m of GVA once it is fully operational and adding to this target <p>This includes:</p> <ul style="list-style-type: none"> • Business created / assisted • Commercial floorspace • Learning floorspace – we have assumed the museum is ‘learning floorspace’ but this could equally be classified as commercial space dependent upon what constitutes ‘learning’. • New tourism figures 66,000 per annum and annual spend £3.6 million
<p>Financial Case</p>	<p>Outline project costs for the George phase one are £1,895,000 for acquisition (now completed) and essential remedial works, the subject of our Getting Building Fund project, total £1,365,000. Costs for remedial works are based on a Building Conditions Survey conducted by external consultants in May 2020. Funding for the acquisition of the building came from the Council’s Capital Programme for Huddersfield Town Centre.</p> <p>Looking ahead, we have noted that this element of works (remedials) is phase one of the overall project. Phase two, commencing April 2022, will deliver the refurbishment of the building for end user(s), including the Museum for Rugby League. Phase two of the project is forecast to cost an additional £6,010,000. This will be funded by a further £5,000,000 from the Council’s Capital Programme (approved) and £1,010,000 from Kirklees’ Heritage Action Zone (approved).</p> <p>Financial projections include 10% for risk and contingency. The project will also benefit from funding from the National Lottery Heritage Fund for the Museum for Rugby League. The National Lottery Heritage Fund has provided funding for the project sponsor, Rugby League Cares, to develop a marketing and business case to support the application.</p> <p>The Council has sought advice which confirms State Aid (subsidy) rules do not apply to this project.</p>

Management Case

The management and delivery of the project conforms with the Local Authority's approach to effective programme management. Using PRINCE 2 principles and led by a qualified project manager, the project incorporates and has a dedicated project owner and project manager. The project reports to a Project Team led by the project manager with inputs from the Council's Conservation team and Capital Delivery team. Other council functions are invited to the monthly progress meetings when appropriate.

The project team reports to the Huddersfield Blueprint Board on a monthly basis, which provides a coordinated assessment of progress of projects in George Square. The Project Board is chaired by the Service Director for Regeneration.

The Project Board reports to the quarterly Town Centres Programme Board, which is the Executive team of the Local Authority. A risk register is managed by the project manager and updated monthly.