

FRESHNEY PLACE CABINET SUBCOMITTEE

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| DATE | 16 th July 2025 |
| REPORT OF | Councillor Philip Jackson, Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills |
| RESPONSIBLE OFFICER | Sharon Wroot, Interim Chief Executive and Executive Director Place and Resources |
| SUBJECT | Former House of Fraser new letting |
| STATUS | Open Report |
| | Appendix NOT FOR PUBLICATION Exempt information within paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) |
| FORWARD PLAN REF NO. | CBSC 07/05/03 |

CONTRIBUTION TO OUR AIMS

Securing a new letting for the majority of the ground floor of the former House of Fraser will directly contribute to the Council's key objectives of Stronger Economy and Stronger Communities by bringing a vacant building with substantial frontages to both Victoria St and Freshney Place back into use.

EXECUTIVE SUMMARY

This report provides detail and recommendations around a new letting for the majority of the ground floor of the former House of Fraser building. The Council acquired the property in 2023 due to its relationship with the Freshney Place leisure scheme and the substantial frontages to both the existing mall and Victoria St. The ground floor is the key aspect of the building which the Council has been seeking to lease and this letting will enhance a hitherto unoccupied building with a nationally recognisable brand. The letting will also improve confidence in the wider town centre and complement ongoing projects.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the principle of the new letting as set out in the report.
2. Delegates authority to the Interim S151 Officer and Assistant Directors for Law and Governance and Regeneration, in consultation with the Leader of the Council, to agree the final terms of the letting, including associated landlords works and/or capital contributions, provided they are within the sums referred to in the closed appendix plus any grants.
3. Authorises the Assistant Director Law and Governance to formalise the agreements and to deal with all ancillary matters reasonably arising.

REASONS FOR DECISION

The decision will allow the Council to secure a letting of the former House of Fraser building and contribute to the wider regeneration of the town centre.

1. BACKGROUND

- 1.1 At its meeting of 30 November 2023, Cabinet approved the acquisition of 19/21 Victoria Street, also known as the former House of Fraser building (HoF).
- 1.2 That report outlined the wider town centre vision, how the property was now detrimental to the street scene due to the substantial 'dead' frontages and set out potential ground floor uses that could align with Freshney Place and the wider town centre. On this basis, the property was to be included within the management and oversight of Freshney Place.
- 1.3 Since acquisition the Council's Asset Manager and retained agents have undertaken investigatory surveys and works on the building whilst also exploring potential occupiers. Both frontages have also been through the application of high-quality vinyl's as an interim measure to improve the street scene.
- 1.4 The Freshney Place Business Plan 2025 was considered by Economy Scrutiny on 23 January 2025 and approved by Freshney Place Sub-Committee on 12 February 2025. The Business Plan included the former HoF as a capital project requiring commencement within 12-24 months to facilitate a new letting. The document also referenced anticipated expenditure of £3.8m as included within the wider financial information received by Cabinet / Full Council as part of the Freshney Place Leisure Scheme report.
- 1.5 Principal negotiations have now been concluded with a well-known retail tenant for the majority of the ground floor of the former HoF. This includes for the Council to undertake works to the property in advance of 15 July 2027 in readiness for handover to the tenant.
- 1.6 The rental levels support forecasts previously presented. Work is continuing on the finer details of proposed landlords works but advice from cost consultants indicates the total outlay will be within the £3.8m referred to above.

2. NEXT STEPS

- 2.1 Should the recommendations in this report be approved, the detailed landlords works will be designed, costed and tendered. Provided both the lease terms and the tender plus landlords capital contribution are within the forecasts contained in the closed appendix plus any grants secured, an Agreement for Lease will be signed and the works contract let.

3. RISKS, OPPORTUNITES AND EQUALITY ISSUES

- 3.1 There are limited risks associated with entering into a pre-let in advance of completion of works, which is commonplace in developments. The Council's

retained solicitors will ensure the documentation protects our interests so far as is reasonably practicable.

3.2 The key opportunities are to build further confidence with existing and future tenants of Freshney Place as a whole and the wider town centre.

3.3 The tenant will comply with relevant legislation and its own policies and procedures in relation to equality and inclusion.

4. OTHER OPTIONS CONSIDERED

The Council could decide not to progress this deal. However, it has always been anticipated that new occupiers would be sought and the Council's retained agents and Asset Manager have recommended the nature of the occupier and the main terms, advising that this is an important letting to enhance this area of the town.

5. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The securing of a recognisable tenant of the majority of the ground floor ought to be positive in terms of building confidence with both current and future occupiers of Freshney Place and the wider town centre. Suitable communications and marketing will be undertaken once agreements are formalised.

6. FINANCIAL CONSIDERATIONS

The anticipated income and capital expenditure are in line with expectations.

7. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The proposed letting will, once open, provide further facilities for the enjoyment of all the community, including children and young people.

8. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The wider scheme accords with building regulations which have a strong focus on environmental factors. Also, there is the opportunity for further tenant led initiatives around green energy such as photovoltaic cells.

9. CONSULTATION WITH SCRUTINY

Scrutiny has been consulted in the development of the Grimsby Masterplan and also, considered the Freshney Place Business Plan on 23 January 2025.

10. FINANCIAL IMPLICATIONS

A decision to enter into a new letting within the former House of Fraser building will have both income and capital expenditure implications for the Council. The financial aspects of the proposed deal are outlined within the attached appendix. Based upon the deal proposed, the rental income and service charge generated from the letting (on a cash basis) offset the capital

investment over the full term of the lease. The capital investment in the site will also open up further opportunities within the wider building. The proposed financial impacts are in line with the current business plan.

11. LEGAL IMPLICATIONS

- 11.1 Implications will arise out of the proposed lease arrangements. The Council is accustomed to dealing with such matters and Legal Service colleagues will ensure that the interests of the Council are protected to the greatest extent reasonably and commercially possible.
- 11.2 The delegations sought are appropriate and are in accordance with the published Scheme of Officer Delegations.

12. HUMAN RESOURCES IMPLICATIONS

There are no human resource implications for the Council arising from the report.

13. WARD IMPLICATIONS

Freshney Place is located in the West Marsh ward, although the impact of the pre-lets are likely to benefit all wards in the borough.

14. BACKGROUND PAPERS

The background papers are listed below:

- Town Centre Acquisition Cabinet report 30 November 2023
- Freshney Place Leisure Scheme Cabinet Report – 11th December 2024 (<https://www.nelincs.gov.uk/assets/uploads/2024/06/7.-Freshney-Place-Leisure-Scheme-Cabinet-Report.pdf>)
- Freshney Place Business Plan and Report Freshney Place Cabinet Sub Committee 12 February 2025

15. CONTACT OFFICER(S)

Damien Jaines-White, Assistant Director Regeneration
Simon Jones, Assistant Director Law and Governance (Monitoring Officer)
Guy Lonsdale, Assistant Director Finance (Interim 151 Officer)

COUNCILLOR PHILIP JACKSON
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