

PLACE, REGENERATION AND HOUSING COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 1 SEPTEMBER
2022, WELLINGTON HOUSE, WELLINGTON STREET, LEEDS LS1 2DE**

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. Generally, the public seating areas will not be filmed; however by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting. If you have any queries regarding this, please contact Governance Services on 0113 251 7220

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATION OF DISPOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXEMPTION OF THE
PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON 7 JULY 2022**
(Pages 1 - 4)
- 5. EVIDENCE REPORT**
(Pages 5 - 20)
- 6. PROJECT APPROVALS**
(Pages 21 - 56)

Signed:



**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
PLACE, REGENERATION AND HOUSING COMMITTEE
HELD ON THURSDAY, 7 JULY 2022 AT WELLINGTON HOUSE,
WELLINGTON STREET, LEEDS LS1 2DE**

Present:

Councillor Denise Jeffery (Chair)
Councillor Darren Byford
Councillor Helen Hayden
Councillor Alex Ross-Shaw
Councillor Jane Scullion
Lisa Littlefair
Stephen Moore
Sam Keighley

Wakefield Council
Wakefield Council
Leeds City Council
Bradford Council
Calderdale Council
Private Sector Representative
Private Sector Representative
Advisory Representative

In attendance:

Melanie Corcoran
Patricia Davey
Helen Forman
Liz Hunter
Thomas Purvis
Justin Wilson
Janette Woodcock

West Yorkshire Combined Authority
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1. Apologies for Absence

Apologies received from Councillor Denise Craghill, Amir Hussain and Ben Aspinall.

2. Declaration of Disposable Pecuniary Interests

There were no items of disclosable pecuniary interest declared.

3. Exempt Information - Possible Exclusion of the Press and Public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices 1 of Agenda item 9 and Appendix 1 of Agenda item 10 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption

outweighs the public interest in disclosing the information.

4. Minutes of the meeting held on 20 April 2022

Resolved: That the minutes of the meeting held on 30 April 2002 be approved.

5. Governance Arrangements

The Committee considered a report to advise of the governance arrangements approved by the West Yorkshire Combined Authority) at the Annual Meeting on 23 June 2022 in respect of the Place, Regeneration and Housing Committee.

Resolved: That the contents of the report advising of the Governance Arrangements of the Place, Regeneration and Housing Committee be noted.

6. Programme Development Creating Great Places and Accelerated Infrastructure

The Committee considered a report and verbal update to engage the Committee as part of early-stage pipeline and programme development work and to inform thinking around the future role of the Combined Authority in delivering place and infrastructure pipelines and programmes.

The Committee discussed and gave their views on the themes - Housing, Digital Infrastructure, Flood Risk, Design Quality, Safer and Stronger Communities, Employment Opportunities and Greener Infrastructure and provided their comment and feedback on what they felt were the key areas that programme development should target.

The Committee discussed where they felt there were gaps in place making landscapes and where the Combined Authority could provide added value and what principles should be used to support prioritisation of investments

Resolved:

- (i) That the contents of the report and update be noted.
- (ii) That the feedback from the Committee on the approach to prioritisation and the principles to be applied be noted.

7. Housing Pipeline Revenue Fund Update

The Committee considered a report and verbal update on the Housing Revenue Pipeline Fund programme.

The Combined Authority secured £3.2 million of revenue funding through the West Yorkshire Devolution Deal. The funding is to develop projects on the strategic housing pipeline from concept to feasibility, creating delivery ready schemes.

Since the announcement of the devolved funding the programme has been taken through the Combined Authority Assurance Process. This involved a review to ensure it aligned to the Combined Authority's strategic objectives and subsequently with the mayor's pledge to deliver 5000 affordable and sustainable homes.

Resolved: That the contents of the report and verbal update be noted.

8. Safer Parks

The Committee considered a report and verbal update to brief members on the Safer Parks research project, with the intention of a further paper at the September meeting to discuss the findings.

In October 2021, the Combined Authority won £383k of Home Office 'Safer Streets' funding to support the safety of women and girls in parks. The bid was a collaboration between the policy team and the policing and crime team and included proposals for the following:

- £100k to make physical changes to 10 local parks (2 per district)
- £130k for 'reclaim the space' community activities in these parks for women and girls (such as yoga, running, boxercise)
- £98k for research with the University of Leeds on women and girls' perception of safety in parks

Governance of the bid and project is through the Policing and Crime Executive chaired by DMPC Alison Lowe and due to the joint working/cross-cutting themes it was thought appropriate to update the Place, Regeneration and Housing Committee on responses to questions asked during research.

Members discussed and provided feedback on the research so far, thanked Helen for her work and involvement and looked forward to receiving a further paper.

Resolved:

- (i) That the contents of the report be noted
- (ii) That feedback from the Committee members be noted.

9. Digital Infrastructure

The Committee considered a report and verbal update on the Combined Authority's work on digital infrastructure, and to provide an update on the Department for Culture, Media and Sport's (DCMS) national Project Gigabit initiative and the implications for West Yorkshire.

The Committee was asked to endorse proposals to utilise West Yorkshire and York Superfast Broadband Gainshare and the creation of a new officer role (Grade L) utilising Broadband Gainshare

Resolved:

- (i) That the contents of the report and verbal update be noted.
- (ii) That proposals to commence project development work on a new digital infrastructure project utilising Broadband Gainshare be endorsed.
- (iii) That proposals to support delivery of Project Gigabit by creating a new officer role (Grade L) utilising Broadband Gainshare be endorsed.

10. Brownfield Housing Programme

The Committee considered a report and verbal update on delivery of the Brownfield Housing Fund (BHF) and changes to the pipeline of projects.

Resolved:

- (i) That the contents of the report be noted.
 - (i) That the work undertaken so far on the Brownfield Housing Fund programme and the updated pipeline of projects be endorsed.
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Report to: Place, Regeneration and Housing Committee

Date: 01 September 2022

Subject: **Evidence Report**

Director: Alan Reiss, Director of Strategy, Communications and Policing

Author: Thomas Newton, Economic Analysis Team Leader

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To provide an update on the relevant monitoring indicators and report on their performance to support the work of the Committee.

2. Information

Indicators

- 2.1. At the Place, Regeneration and Housing Committee meeting on 20 April 2022, it was agreed that the Research and Intelligence team would provide ongoing updates to the Committee on the relevant indicators from the State of the Region report.
- 2.2. State of the Region 2022, due to be published in September 2022, will examine the full range of equality, diversity and inclusion implications, building on the Women and Girls report published in 2021. The main report will be supplemented by a series of interactive dashboards, which will allow users to drill down into the available data for each indicator.
- 2.3. State of the Region 2022 will assess performance against around 40 indicators linked to the seven corporate objectives of the Combined Authority. The key indicators for this committee are:

- Healthy life expectancy – healthy life expectancy at birth in West Yorkshire is below the national average
- Net additional dwellings – 2020/21 saw the lowest growth in net additional dwellings since 2014/15
- Housing affordability – house prices are more affordable in all areas of West Yorkshire, relative to the England average
- Rented housing costs – median rents for two-bed dwellings in Leeds are higher than the England average
- Gigabit capable internet coverage¹ - West Yorkshire outperforms the UK average with regard to gigabit capable internet coverage
- Take-up of superfast (or above) broadband services – Take up levels are greater in West Yorkshire than the UK average
- Mobile coverage (4G and 5G) – West Yorkshire's 4G coverage is above the national average
- Building energy efficiency² - West Yorkshire homes with an energy performance certificate are less likely to have an efficiency rating of C or above compared to the national average
- Households in fuel poverty – Households in West Yorkshire are more likely to be exposed to fuel poverty than the England average

2.4. The Government data source for the number of households in fuel poverty operates with a two-year lag, meaning that data published this year relates to 2020. As a result, the data does not capture the impact of rising fuel costs that we are currently seeing. In order to still provide some context on the issue of fuel poverty in West Yorkshire, we have combined information from a range of different sources in Appendix 1.

2.5. Data visualisations for each of these indicators most relevant to the Committee can be found in Appendix 1.

3. Tackling the Climate Emergency Implications

3.1. The latest data on dwellings with an Energy Performance Certificate indicate that dwellings in West Yorkshire are less likely to have an energy efficiency rating of C or above compared to the national average. In addition to posing a threat to tackling the climate emergency, this also exposes dwellings in West Yorkshire to increased fuel costs, with dwellings requiring a greater amount of energy to heat and light than in other areas.

4. Inclusive Growth Implications

4.1. The latest updates present a range of challenges to inclusive growth. Consumer Price Inflation is currently at 9.4%, and the UK currently finds itself in the midst of a cost-of-living crisis. This is having a particular impact across housing, with the Bank of England raising interest rates, and therefore variable housing costs,

¹ Digital infrastructure indicators are also within scope of the Business, Energy and Innovation Committee.

² Building energy efficiency and households in fuel poverty are also within scope of the Climate, Energy and Environment Committee.

to combat inflation. The cost-of-living crisis is also having an impact on fuel costs, with wholesale gas price rises leading to a trebling of projected average fuel costs between Winter 2021 and Winter 2022.

5. Equality and Diversity Implications

- 5.1. Analysis is still ongoing in this space and a full equality, diversity and inclusion report will be available as part of State of the Region 2022. We are conscious of existing inequalities within West Yorkshire and the UK more broadly. For example, the gender pay gap and the deficit endured by women leaves them relatively more exposed to the cost of living crisis than men.

6. Financial Implications

- 6.1. There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1. There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1. No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Committee notes the latest updates to these indicators, and considers any decision within the context of the indicators.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Evidence Report – Slides (PowerPoint)

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Economic Monitoring

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Thomas Newton, 1 September 2022

Healthy life expectancy at birth in West Yorkshire is below the national average

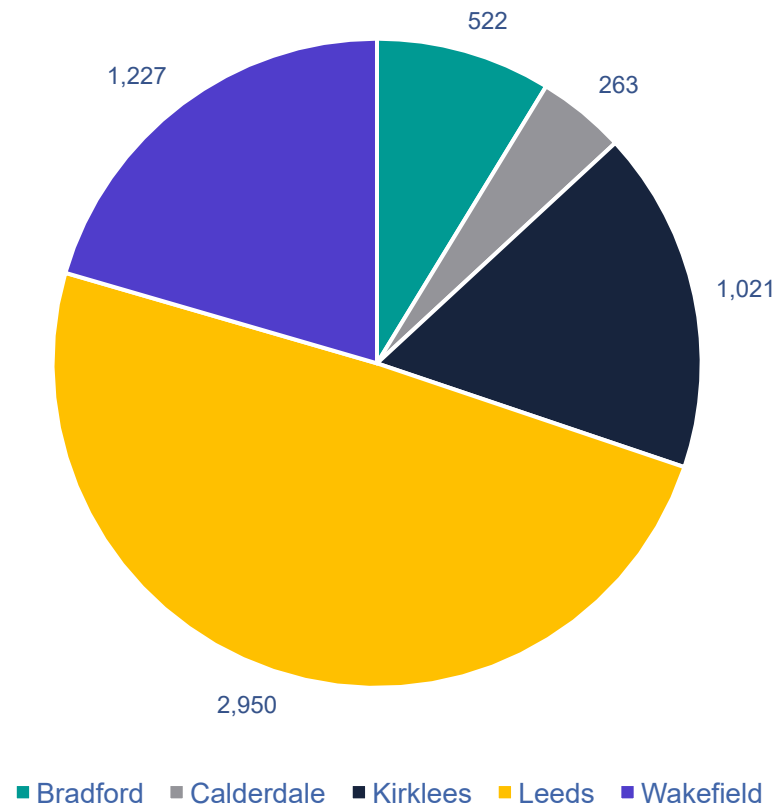
10



Source: Health state life expectancies, ONS

2020/21 saw 5,983 net additional dwellings – the lowest annual level since 2014-15

11



Source: Live tables on housing supply: net additional dwellings, Department for Levelling Up, Housing and Communities

House prices remain more affordable in West Yorkshire, relative to the England average

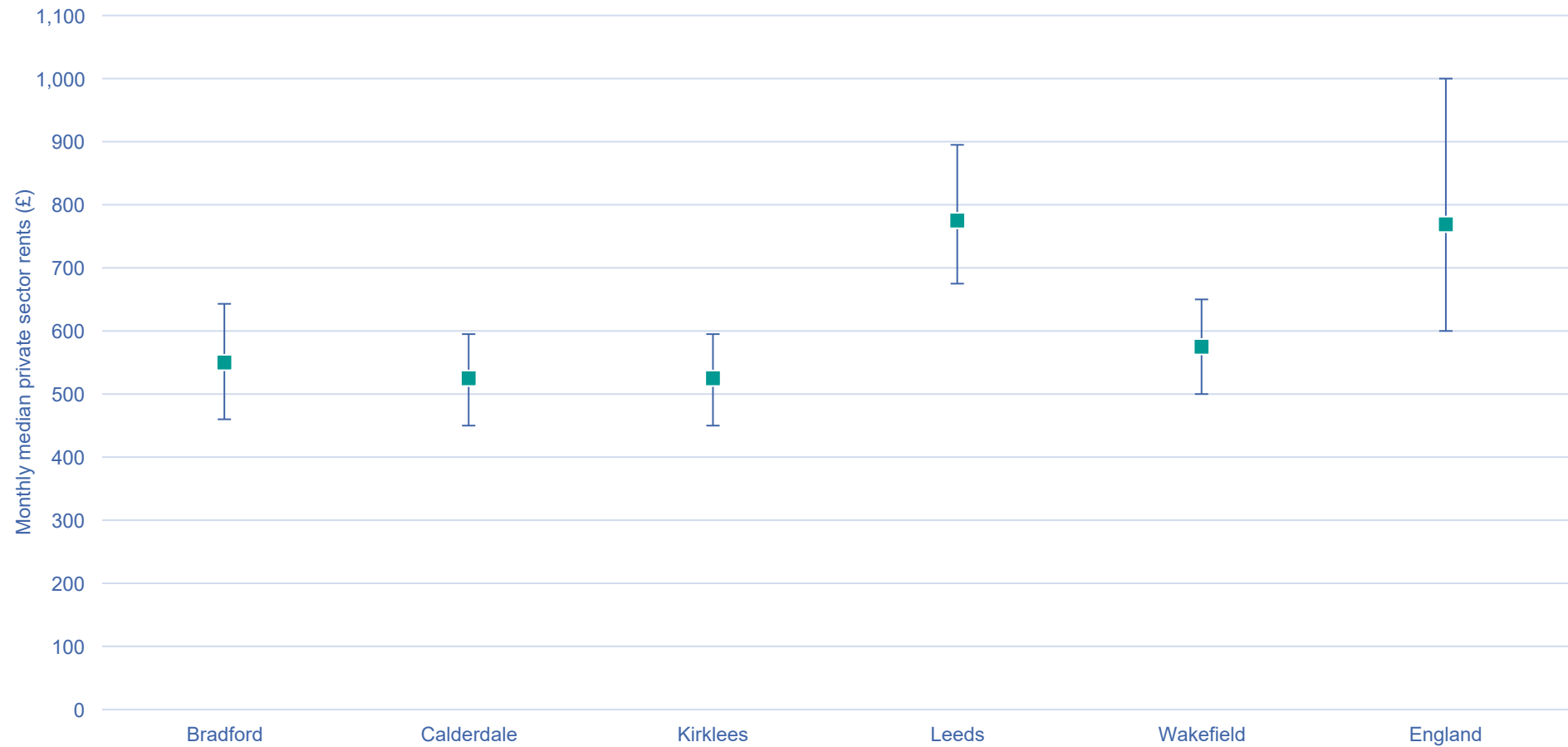
12



Source: Housing affordability in England and Wales, ONS

Median rents for two-bedroom dwellings are higher in Leeds than the England average

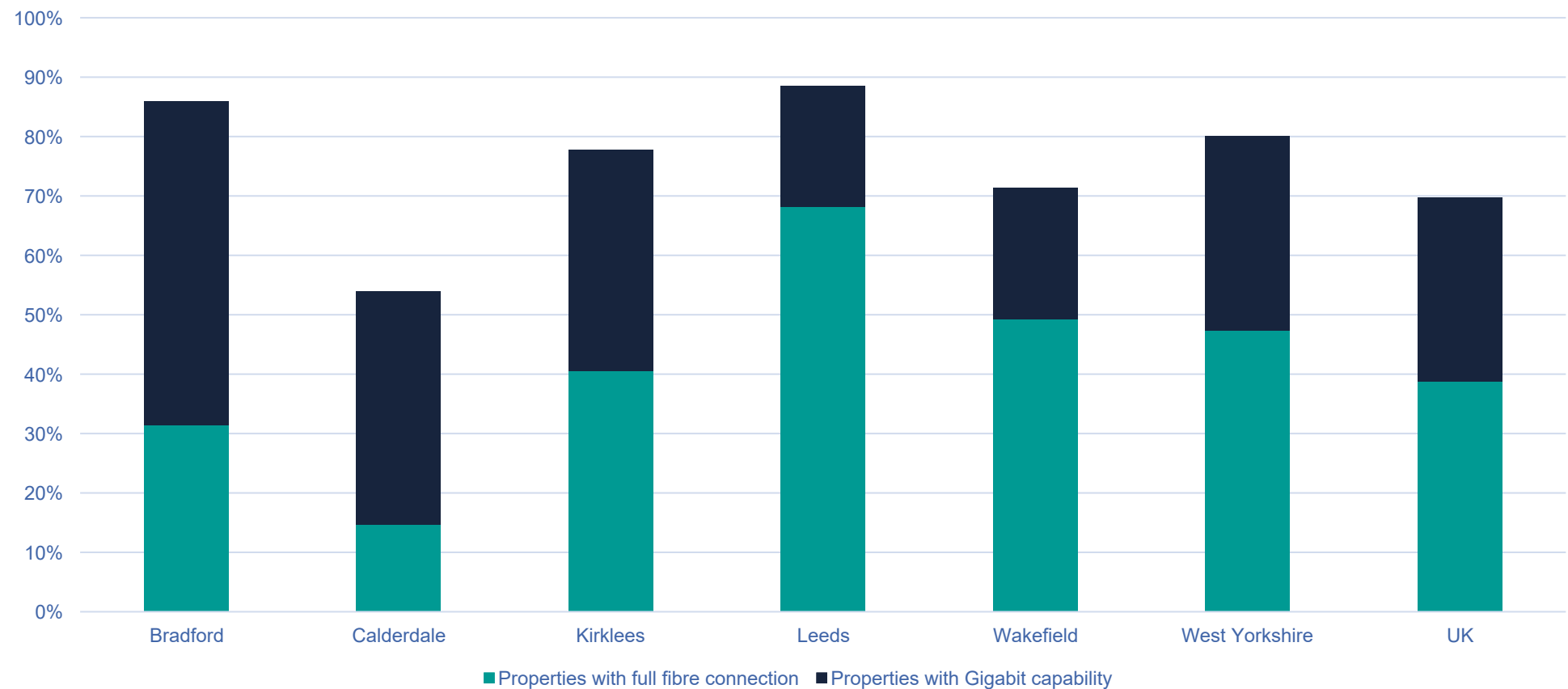
13



Source: Private Rental Sector Market Statistics, Valuation Office Agency

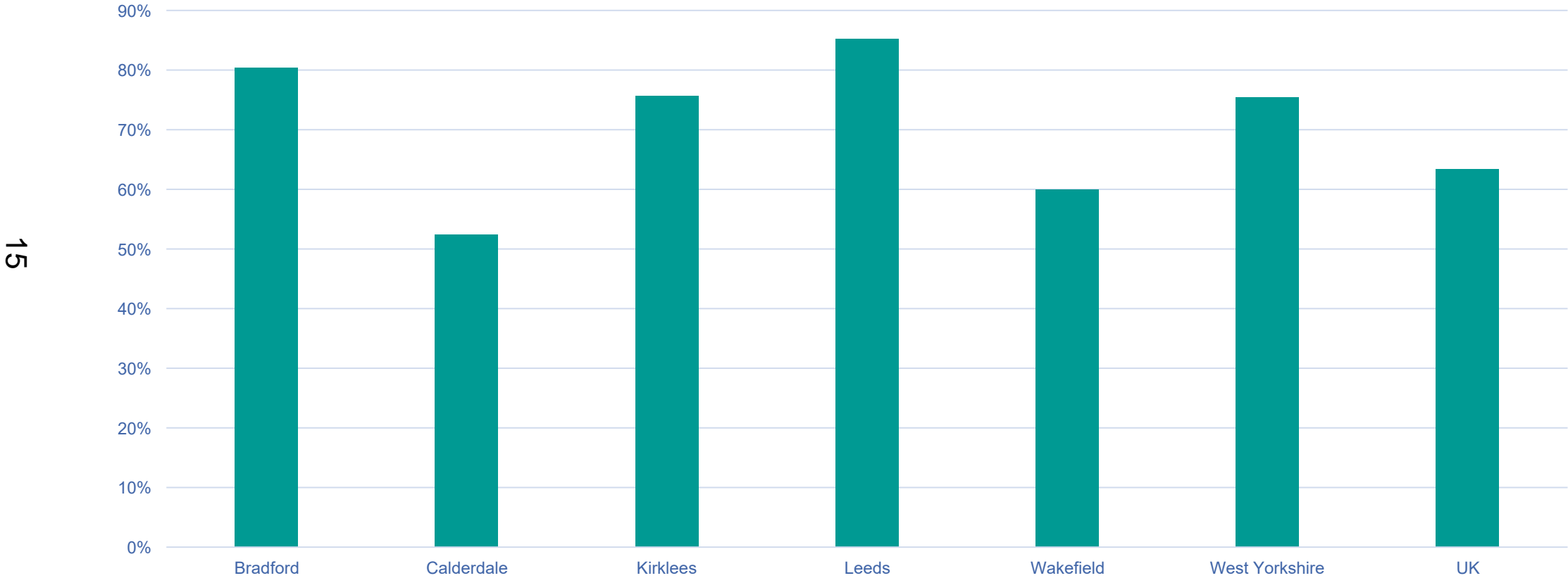
West Yorkshire outperforms the national average with regard to gigabit capable internet coverage

14



Source: ThinkBroadband, August 2022

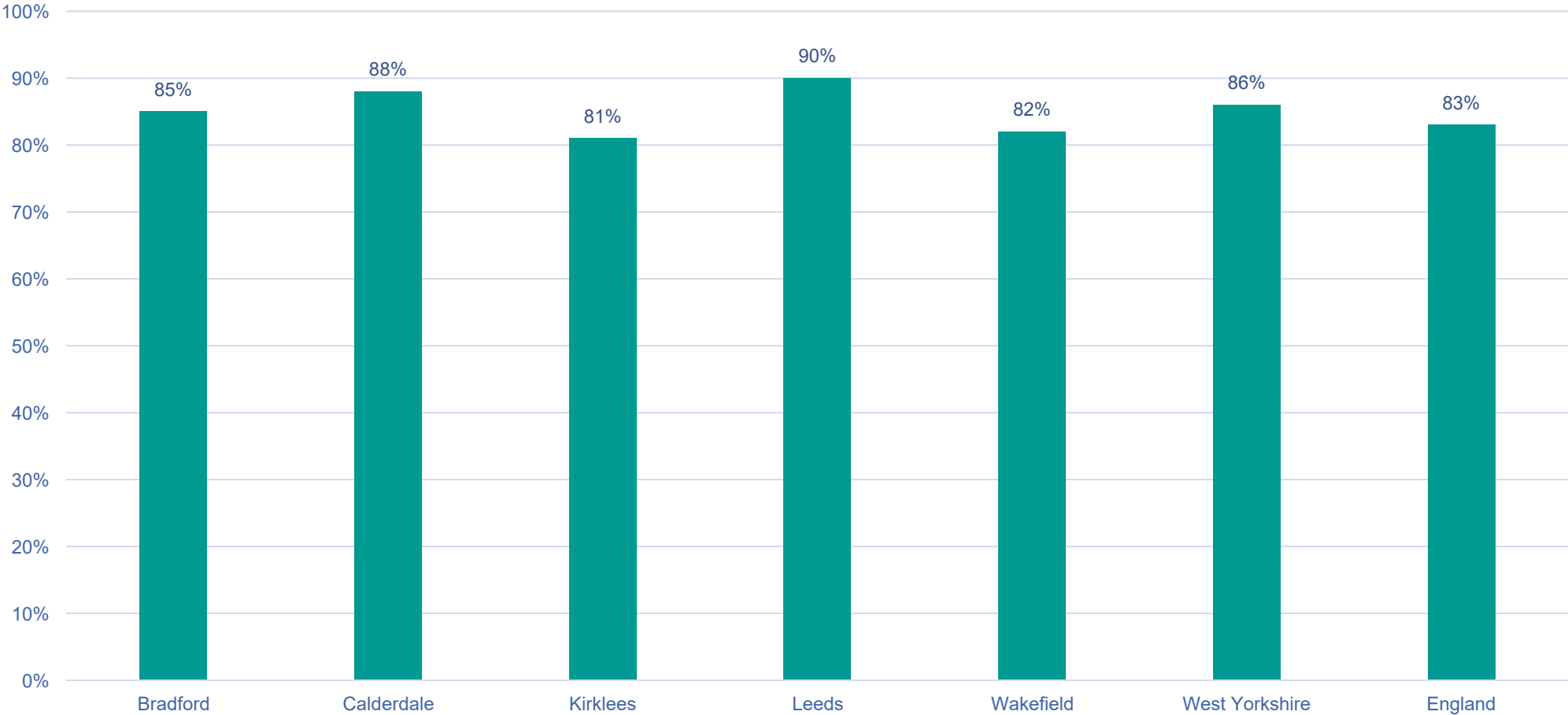
Take-up of superfast broadband in West Yorkshire is above UK levels



Source: Connected Nations 2021, Ofcom

West Yorkshire's 4G coverage is also above the national average

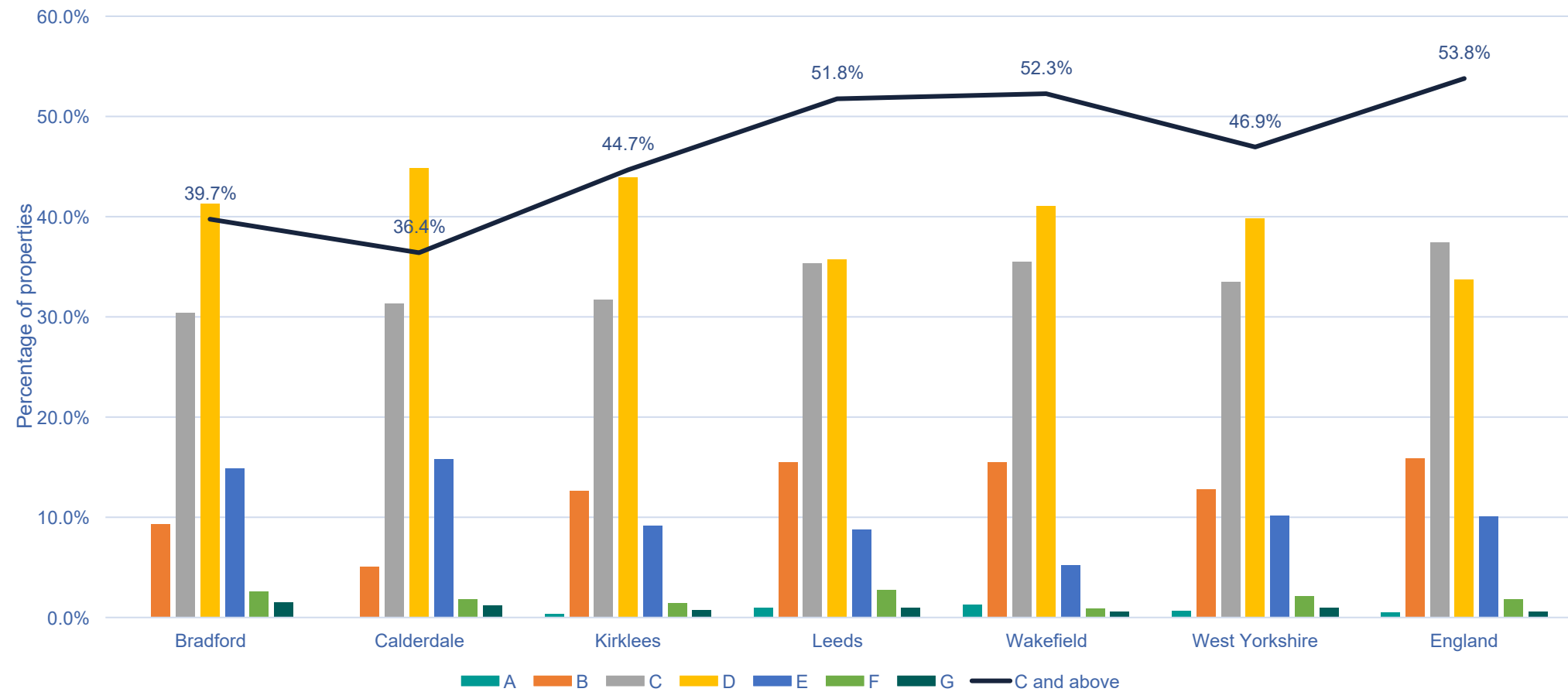
16



Source: Ofcom Connected Nations Spring Report 2022

West Yorkshire dwellings with an EPC are less likely to have an energy efficiency rating of C or above compared to the national average

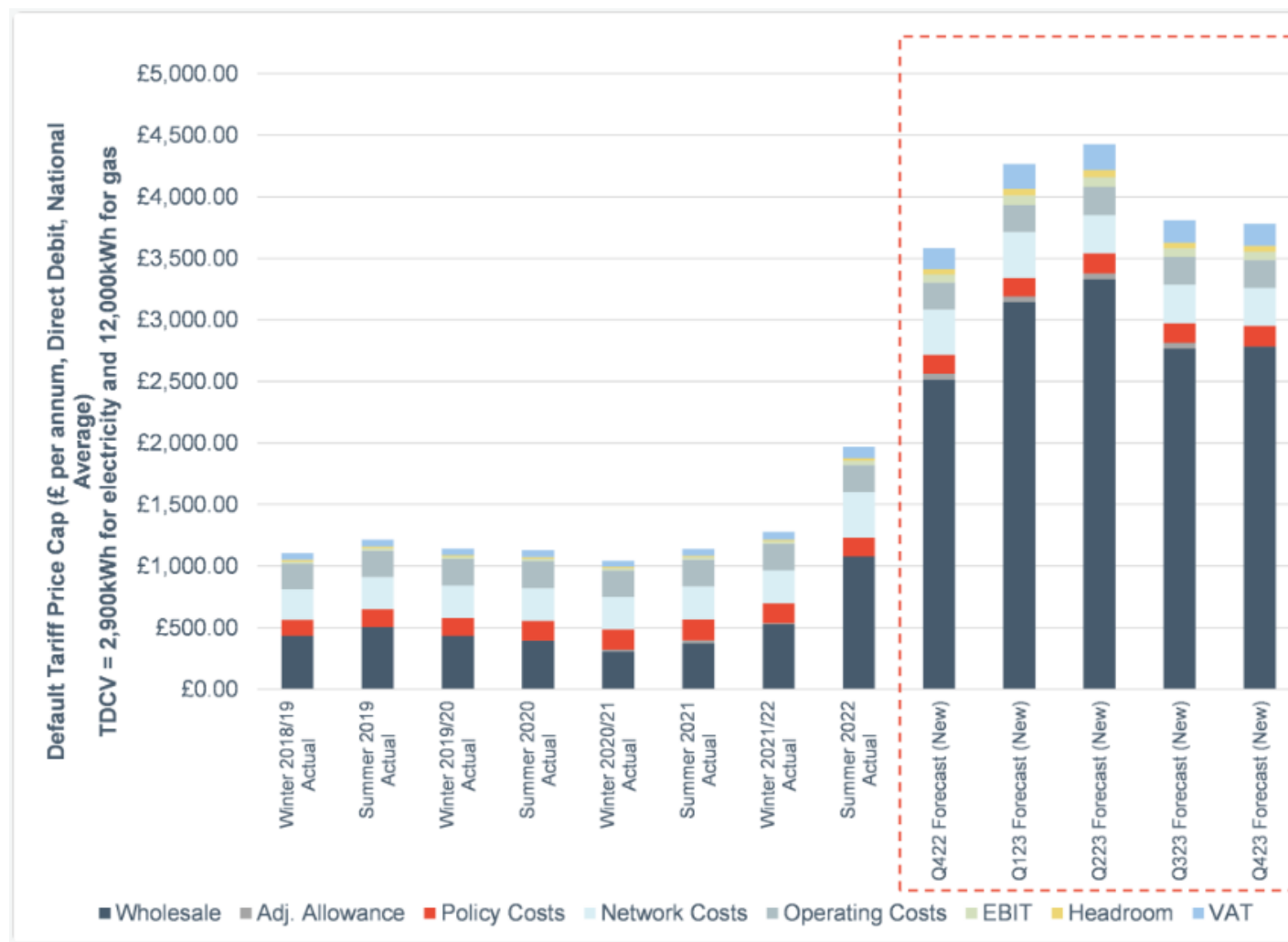
17



Source: Energy Performance Certificate data, Department for Levelling Up, Housing and Communities

The energy price cap is forecasted to more than double by mid-2023

18



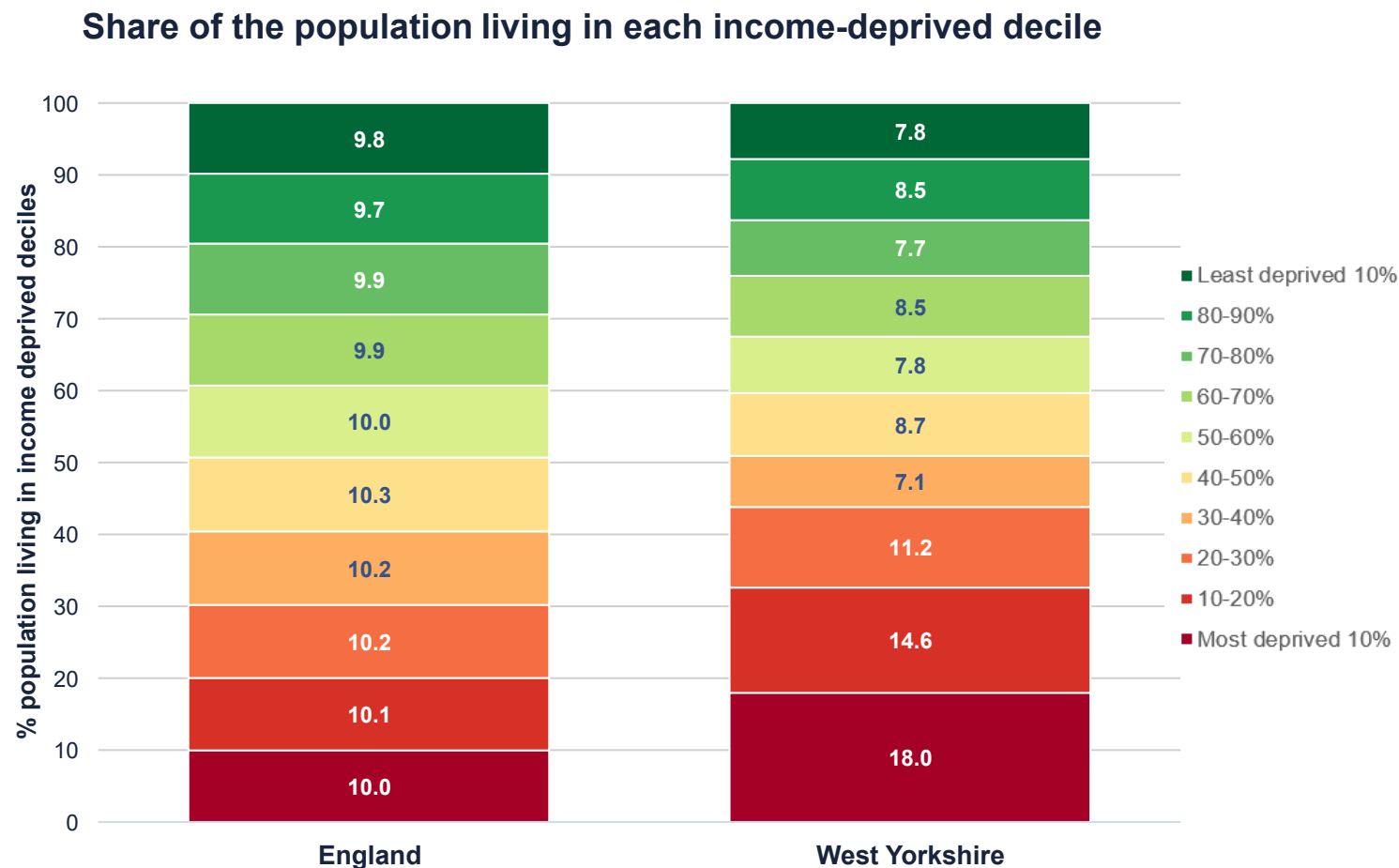
Source: Cornwall Insight

West Yorkshire has a much greater share of people living in the most income-deprived neighbourhoods

The dramatic increase in energy prices and growing inflation will mean the cost of living rises for everyone, therefore leaving less disposable income with greatest impact on people on the lowest incomes.

Just under a third of the population of West Yorkshire (equivalent to 765k people) live in neighbourhoods that fall into the most income-deprived 20% in England*, and 18% of the West Yorkshire population (421k people) live in neighbourhoods in the most income-deprived 10% in England.

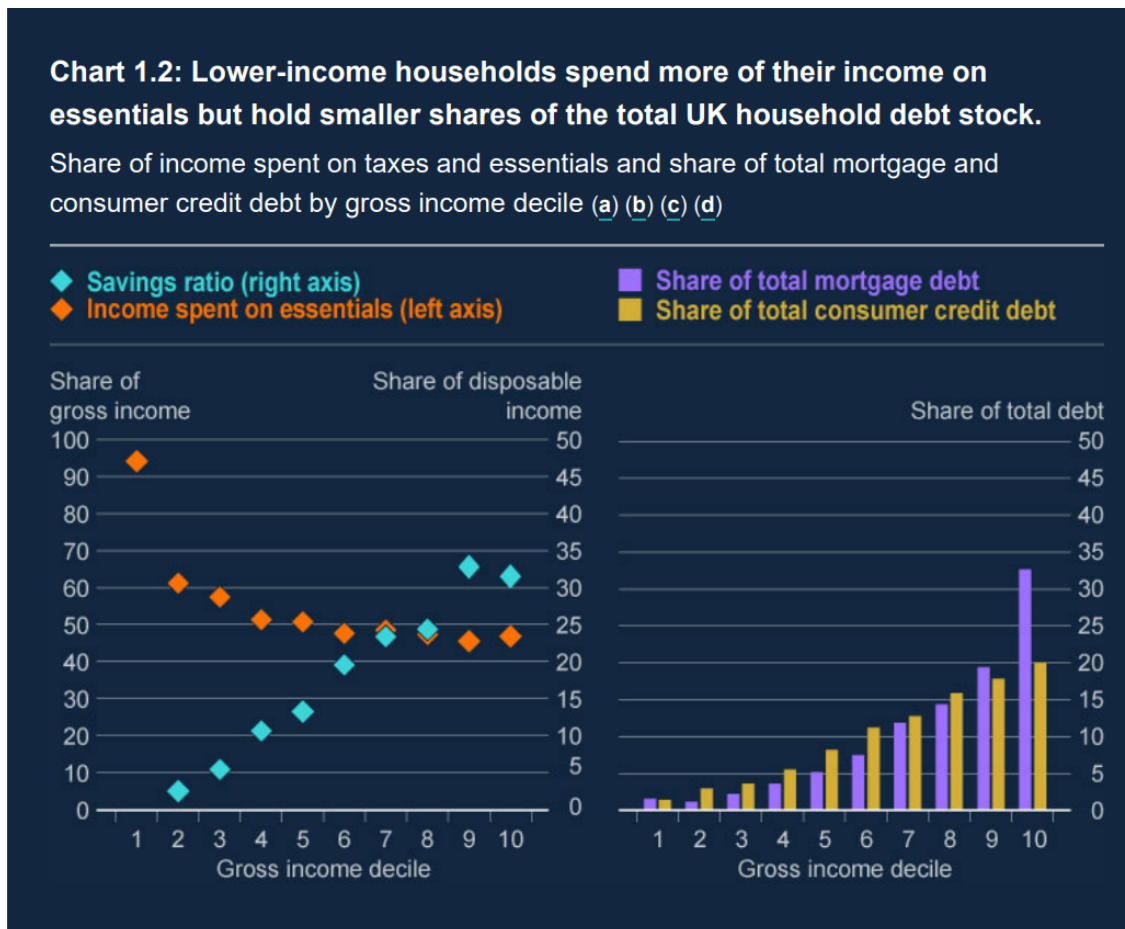
As West Yorkshire has a greater share of people living in the most income-deprived neighbourhoods, the costs of living crisis is likely to have a greater impact locally.



Source: Index of Multiple Deprivation 2019 published by the Ministry of Housing, Communities & Local Government. 2020 mid-year population estimates from the Office of National Statistics. * Income deprivation domain accounts for 22.5% of the overall Index of Multiple Deprivation score.

Further increases to the price of essential goods and services will force the poorest in society into debt to afford basic items

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Source: Financial Stability Report, Bank of England, 2022



Report to: Place, Regeneration and Housing Committee

Date: 1 September 2022

Subject: Project Approvals

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The Place, Regeneration and Housing Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021.
- 1.3 The recommendations can be found in Section 13 of this report.

2 Tackling the Climate Emergency implications

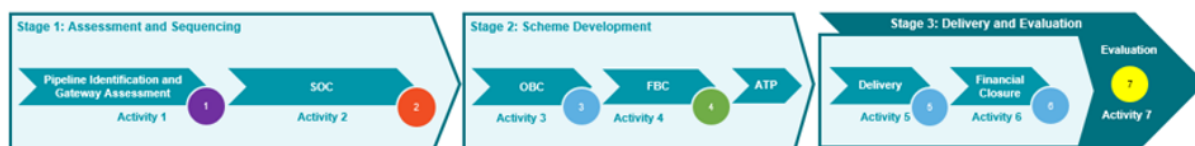
- 2.1 The West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership (the LEP) are working towards the challenging ambition of being a net zero carbon economy by 2038 and to have made significant progress by 2030, in its efforts to tackle the climate emergency. As a region, West Yorkshire currently emits 11 million tonnes of carbon dioxide equivalent (MtCO₂e) per year. Meeting the target, achieving emission reductions of over 11 MtCO₂e by 2038, will require urgent and collaborative action across all sectors of the region's economy in partnership with businesses and communities.
- 2.2 Transport is the largest emitting sector, dominated by road transport and private vehicle use. The majority of emissions from buildings and industry are due to heat generation, primarily as a result of the combustion of natural gas.
- 2.3 The Combined Authority has taken action to ensure all decisions we make include climate emergency considerations. The Combined Authority:

- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
- Requires all Project Approvals reports to the Combined Authority and thematic committees to include the results of a carbon impact assessment and narrative on the clean growth / tackling the climate emergency implications.

- 2.4 To strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust methodology for assessing the carbon impact of proposals has been developed. This includes a qualitative assessment of likely carbon impact at Stage 1 and a more detailed quantitative assessment of carbon impact at Stage 2.
- 2.5 The carbon impact assessment methodology has now been completed and is being implemented into the Assurance Framework. The work has involved the development of training, reporting requirements and other supporting material to ensure carbon assessment is properly embedded in the Assurance Framework. The Combined Authority will provide the necessary scrutiny of carbon impact assessments presented by promoters.

3 Report

- 3.1 This report presents proposals for the progression of schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have an indicative funding value of £186,00,000 when fully approved, of which £10,636,000 may be funded by the Combined Authority. No expenditure recommendation is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.
- 3.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.
- 3.3 For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.



Stage 1: Assessment and Sequencing

- 3.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with

the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (decision point 1).

- 3.5 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (decision point 2).

Stage 2: Scheme Development

- 3.6 If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 3.7 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 3.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 3.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 3.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 3.11 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 3.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 3.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Value for Money - Benefit Cost Ratios

- 3.14 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.
- 3.15 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling, and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 3.16 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some

schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.

- 3.17 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 3.18 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

Scheme summaries

<p>BHF - Cow Green</p> <p>Calderdale</p>	<p>Scheme description</p> <p>This scheme will deliver 114 high quality and energy efficient build-to-rent apartments in Halifax Town Centre.</p> <p>The scheme is to be delivered through the Brownfield Housing fund.</p> <p>Impact</p> <p>The development will install renewable technologies (photo voltaic panels and mechanical ventilation heat recovery) to deliver carbon reductions of 30% over and above current building regulations. The development includes the provision of electric vehicle (EV) charging spaces and 80 cycle storage spaces.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 1:1 representing medium value for money.</p> <p>Decision sought</p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of scheme – indicative costs at this stage are £17,000,000 (to be determined at full business case)</p> <p>Total indicative value of Combined Authority funding - £2,100,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>BHF - South Huddersfield</p> <p>Kirklees</p>	<p>Scheme description</p> <p>This scheme will deliver 79 energy efficient affordable housing units across a range of tenures (including affordable rent/shared ownership) for a range of tenant groups including supported housing for those with special needs, elderly residents, and general housing needs.</p> <p>The scheme is to be delivered through the Brownfield Housing Fund.</p> <p>Impact</p> <p>The residential units will be zero-carbon ready and built to high building and space standards. The development will install renewable technologies (including photovoltaic panels) enabling residents to benefit from lower energy bills and resident health and wellbeing benefits. The development includes the provision of electric vehicle (EV) charging spaces and cycle storage spaces.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 1.28:1 representing acceptable value for money.</p> <p>Decision sought</p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of scheme – indicative costs at this stage are £15,000,000 (to be determined at full business case)</p> <p>Total indicative value of Combined Authority funding - £869,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>BHF Leeds Village</p> <p>Leeds</p>	<p>Scheme description</p> <p>This scheme will deliver approximately 697 high quality and energy efficient build to rent and market sale homes in Leeds city centre of which 20% of the build to rent and 7% of the market sale homes will be affordable.</p> <p>The scheme is to be delivered through the Brownfield Housing fund.</p> <p>Impact</p> <p>The development will install renewable technologies including a Micro Combined Heat and Power plant and Mechanical Ventilation Heat Recovery to minimise carbon emissions. The development includes the provision of 16,467 sq. ft of commercial and community space with the potential to create up to 15 direct jobs and up to 90 indirect jobs based on the proposed office accommodation plans. The scheme includes landscaped space with 200 young trees.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 2.5:1 representing high value for money.</p> <p>Decision sought</p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of scheme – indicative costs at this stage are £154,000,000 (to be determined at full business case)</p> <p>Total indicative value of Combined Authority funding - £7,667,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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Decisions relevant to this thematic committee made through other delegations

- 3.19 Since the Place, Regeneration and Housing Committee's last meeting on 20 April 2022, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process.

Decisions made through the delegation to the Director of Delivery

- 3.20 The following schemes have recently been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Director of Delivery.

Flood Alleviation – Hebden Bridge	Approval to the project closure report for the Local Growth Funded element of Flood Alleviation – Hebden Bridge scheme and for the scheme to proceed through decision point 7 (old assurance pathway). Total value of the scheme: £30,000,000 Total value of Combined Authority funding: £1,425,000
EZ Calderdale – Clifton Business Park	Approval to the Financial Closure Report for the EZ - Calderdale - Clifton Business Park scheme and for the scheme to proceed through decision point 7 (Close and Review – old assurance pathway). Total value of the scheme: £1,856,861 Total value of Combined Authority funding: £1,842,303

4 Information

- 4.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:
- The progression of a scheme through a decision point to the next activity.
 - Indicative or full approval to the total value of the scheme funding requested.
 - The Combined Authority's entry into a funding agreement with the scheme's promoter.
 - The assurance pathway and approval route for future decision points.
 - The scheme's approval tolerances.
- 4.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

- 4.4 There are no schemes to review at this stage.

Projects in Stage 2: Development

Project Title	BHF - Cow Green
Stage	2 (scheme development)
Decision Point	3 (outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.5 This scheme will be funded from the Brownfield Housing Fund. This is a £66,779,000 fund covering West Yorkshire. The BHF programme will support the development of new homes on brownfield sites in the region to be started on site by March 2025. The aim of the BHF programme is to create more homes by bringing forward more brownfield land into development. The fund will target investment to help ease the viability issues that brownfield projects face, e.g. making former industrial land safe.
- 4.6 One of the high-level objectives of the Brownfield Housing Fund as set by the Government is that all projects must represent good value for money and be Green Book compliant with a benefit cost ratio of at least 1. Schemes also need to demonstrate market failure (i.e. that without public sector funding the scheme could not progress) and the construction of homes to have started on site by 31 March 2025 when the funding stream will come to an end. Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and / or affordable housing credentials.
- 4.7 The Cow Green scheme will build 114 high quality and energy efficient apartments for rent in Halifax Town Centre. The number of apartments

developed are to be made up of 53 two-bedroomed and 61 one-bedroomed homes.

- 4.8 The site for development is owned by Calderdale Council and is currently used as a temporary car park, following the demolition of a multi-storey car park.
- 4.9 Although there are no affordable housing units from this scheme, Calderdale Council will ringfence the land acquisition payment to provide affordable housing in another future development.
- 4.10 The developer of the scheme which will be confirmed at full business case, specialises in build-to-rent developments. The homes will be marketed toward young workers, families, and people wishing to downsize. The housing development will provide town centre housing enabling access to local businesses and public transport.
- 4.11 The scheme contributes to the West Yorkshire Mayor's pledge to 'build 5000 sustainable homes' and 'support local businesses and be a champion for the regional economy'. The homes will be highly sustainable and energy efficient. Halifax has not been able to meet its housing land and delivery requirements for a period of time. This scheme was put forward by and is supported by Calderdale Council and is looking improve the mix of tenure options in Halifax. Providing quality homes for rent within the town centre will support local businesses. The developer has plans to expand its offer throughout West Yorkshire and become a champion for build-to-rent and urban regeneration in partnership with local authorities and Homes England.
- 4.12 A summary of the scheme's business case is included in Appendix 2.

Tackling the Climate Emergency implications

- 4.13 The housing development will tackle the climate emergency through:
- The installation of renewable technologies (photovoltaic panels and mechanical ventilation heat recovery) to deliver carbon reductions of 30% over and above building regulations.
 - The provision of electric vehicle charging spaces and 80 cycle storage spaces.
 - A full carbon assessment will be undertaken following detailed design and consultation with planners and will be submitted with the full business case.

Outputs and Benefits

- 4.14 The scheme outputs and benefits include:
- Meeting local housing need through contributing 114 new homes in Halifax Town Centre by 2024.

- Setting the standard for high quality energy efficient build-to-rent developments within the town centre.
- Remediating 0.3 hectares of brownfield land suitable for housing by 2023.
- Supporting 156 jobs during the construction phase.

4.15 The scheme's value for money assessment reflects a benefit cost ratio (BCR) of 1:1 representing medium value for money.

Inclusive Growth implications

4.16 The scheme inclusive growth implications include:

- Halifax town centre falls within the 6% most deprived neighbourhoods in England. Improving access to good quality living environments within Halifax town centre is a key priority for Calderdale.
- The development at Cow Green provides quality housing within the town centre, which provides access to public transport and supports local businesses.
- The scheme will benefit both existing and new residents who will enjoy a more thriving town centre as businesses benefit from more footfall and attract new businesses. Good quality homes will provide better value for money for energy costs, better health and an improved quality of life for residents.

Equality and Diversity implications

4.17 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

Risks

4.18 The scheme risks include:

- Planning is not secured. This will be mitigated by working collaboratively with Calderdale Council.
- Increased costs due to inflation, supply, and material shortages. This will be mitigated by monitoring costs on a monthly basis and contingency has been factored into the cost plan.
- Inability to gain approval from key stakeholders. This will be mitigated by developing and implementing a Stakeholder Engagement and Communications Plan.

Costs

4.19 The scheme costs are:

- The indicative total scheme costs are currently up to £17,000,000 (to be determined at full business case due to the current inflation challenge and supply cost uncertainty) and Combined Authority funding of £2,100,000 from the Brownfield Housing Fund is requested to contribute towards delivery of the scheme.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	01/09/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	24/02/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/01/2025

Other Key Timescales

- The scheme will start on site in April 2023 and be completed by the end of November 2024.
- Planning permission is anticipated to be submitted in October 2022 with a decision expected by January 2023.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +5% of those outlined in this report Delivery (DP5) timescales remain within +3 months of those outlined in this report. The number of homes developed remain within -10% of those outlined in this report

Appraisal Summary

- 4.20 This scheme is to develop build-to-rent apartments in Halifax town centre. The site for development is currently being used as a temporary car park (its previous use was a multi-storey car park but this was demolished in 2019). The scheme is looking to create 114 homes (53 two-bedroomed and 61 one-

bedroomed apartments). It is noted that there are no affordable housing units from this scheme however, the Council will ringfence the land acquisition payment to provide affordable housing in another future development.

- 4.21 The scheme is located close to public transport and includes proposals to provide access to an electric car club. Details have been provided setting out demand for the scheme through the Strategic Housing Market Assessment (2018), along with relevant policies and strategies the scheme aligns with.
- 4.22 The development at Cow Green will complement other transport and regeneration schemes in the Halifax town centre and will align with similar outputs, such as achieving better quality of life, improving residents' health and the local area.

Recommendations

- 4.23 The Place, Regeneration and Housing Committee approves that:
 - (i) The BHF Cow Green scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £2,100,000 is given. The indicative total scheme value is £17,000,000.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	BHF – South Huddersfield
Stage	2 (scheme development)
Decision Point	3 (outline business case)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.25 This scheme will be funded from the Brownfield Housing Fund. This is a £66,779,000 fund covering West Yorkshire. The BHF programme will support the development of new homes on brownfield sites in the region to be started on site by March 2025. The aim of the BHF programme is to create more homes by bringing forward more brownfield land into development. The fund will target investment to help ease the viability issues that brownfield projects face, e.g. making former industrial land safe.
- 4.26 One of the high-level objectives of the Brownfield Housing Fund as set by the Government is that all projects must represent good value for money and be Green Book compliant with a benefit cost ratio of at least 1. Schemes also need to demonstrate market failure (i.e. that without public sector funding the scheme could not progress) and the construction of homes to have started on site by 31 March 2025 when the funding stream will come to an end. Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and / or affordable housing credentials.
- 4.27 The South Huddersfield scheme will build 79 affordable homes built to high environmental and space standards for a range of residents, including those requiring supported living. The number of homes developed will be made up of 26 two-to-three-bedroom houses and 53 one to two bedroom flats.
- 4.28 The scheme will be developed by a Registered Housing Provider, experienced in the development of affordable housing in West Yorkshire.

- 4.29 The scheme contributes to the Mayoral Pledges to: “Build 5000 sustainable homes including affordable homes”; “Tackle the climate emergency”; Support local businesses and be a champion for our regional economy” and aligns to the Strategic Economic Framework Priorities of: Boosting productivity; Enabling inclusive growth; Tackling the Climate Emergency.
- 4.30 A summary of the scheme’s business case and is included in Appendix 3.

Tackling the Climate Emergency implications

- 4.31 The housing development will tackle the climate emergency through:
- Installing renewable technologies, including photovoltaic panels
 - Prioritising low carbon construction methods
 - Ensuring high insulation standards and low bills for residents
 - The provision of electric vehicle (EV) charging spaces and cycle storage spaces.
 - The provision of six different habitats supporting a range of wildlife throughout the year
- 4.32 A full carbon assessment will be submitted with the full business case.

Outputs and Benefits

- 4.33 The scheme outputs and benefits include:
- Meeting local housing need through contributing 79 new homes that are designed to national housing space standards and will accommodate a range of residents’ housing needs, near Huddersfield town centre by 2025.
 - Providing an energy efficient residential accommodation by May 2025.
 - Supporting 200 construction jobs, including 10 apprenticeships, by May 2025
 - The scheme’s value for money assessment reflects an adjusted benefit cost ratio (BCR) of 1.28:1, representing an acceptable value for money position.

Inclusive Growth implications

- 4.34 The scheme inclusive growth implications include:
- Supporting the revitalisation of Huddersfield as a key location in the region by delivering quality housing close to Huddersfield town centre
 - The creation of a sustainable housing development with the benefit of local amenities (shops, leisure), thereby contributing to the local economy

- The provision of good quality housing that is inclusive, attractive, and affordable, to meet housing need of a range of residents in Kirklees.
- Good quality homes will provide better value for money energy costs, better health outcomes and improved quality of life.

Equality and Diversity implications

4.35 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and will be further revised and updated at the next decision point, full business case.

Risks

4.36 The scheme risks include:

- Remediation costs are higher than anticipated. This will be mitigated by updates to building condition surveys and a groundworks contingency budget.
- Increased costs due to inflation, supply, and material shortages. This will be mitigated by the main build contract being procured via a Design and Build Contract with price risk transferred to the main contractor.

Costs

4.37 The scheme costs are:

- The indicative total scheme costs are currently £15,000,000 (to be determined at full business case due to the current inflation challenge and supply cost uncertainty) and Combined Authority funding of £869,000 from the Brownfield Housing Fund is requested to contribute towards delivery of the scheme.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	01/09/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	28/07/2023
5 (delivery closure)	Recommendation: Combined Authority's Programme Appraisal Team	31/07/2025

	Decision: Combined Authority's Director of Delivery	
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Other Key Timescales

- The scheme will start on site in March 2023 and homes will be completed (subject to phasing plan) by May 2025.
- A new full planning application is anticipated to be submitted in August 2022 with a decision expected by December 2022.

Assurance Tolerances

Assurance tolerances
<p>Combined Authority cost remain within +5% of those outlined in this report</p> <p>Programme: Delivery (DP5) timescales remain within 3 months of those outlined in this report.</p> <p>Outputs: The number of affordable housing units remain within -15% of those outlined in this report.</p>

Appraisal Summary

- 4.38 This scheme will deliver 79 affordable homes on a brownfield site south of Huddersfield. The scheme aligns with the objectives of the wider Brownfield Housing Fund programme and will contribute to the delivery of the Mayoral Pledges for building sustainable homes and tackling the climate emergency, along with the objectives of the Combined Authority's Strategic Economic Framework.
- 4.39 The houses will be designed and built to a high energy efficient standard with zero carbon ready technology to reduce carbon emissions. This housing development will introduce much needed supported housing for people with special needs (learning, physical and mental) along with housing for the elderly.
- 4.40 Overall, the business case presents a strong case for public sector investment to redevelop a vacant listed building and deliver much needed quality, affordable housing in the Kirklees and South Huddersfield area.

Recommendations

- 4.41 The Place, Regeneration and Housing Committee approves that:
- The BHF South Huddersfield scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - An indicative approval to the Combined Authority's contribution of £869,000 is given. The indicative total scheme value is £15,000,000.

- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	BHF Leeds Village
Stage	2 (scheme development)
Decision Point	3 (outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.43 This scheme will be funded from the Brownfield Housing Fund. This is a £66,779,000 fund covering West Yorkshire. The BHF programme will support the development of new homes on brownfield sites in the region to be started on site by March 2025. The aim of the BHF programme is to create more homes by bringing forward more brownfield land into development. The fund will target investment to help ease the viability issues that brownfield projects face, e.g. making former industrial land safe.
- 4.44 One of the high-level objectives of the Brownfield Housing Fund as set by the Government is that all projects must represent good value for money and be Green Book compliant with a benefit cost ratio of at least 1. Schemes also need to demonstrate market failure (i.e. that without public sector funding the scheme could not progress) and the construction of homes to have started on site by 31 March 2025 when the funding stream will come to an end. Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and / or affordable housing credentials.
- 4.45 The Leeds Village scheme will build approximately 697 high quality and energy efficient build to rent and market sale homes in three apartment blocks, of which 20% of the build to rent and 7% of the market sale homes will be affordable.
- 4.46 The developer for the scheme specialises in build-to-rent developments and will be confirmed at full business case. The apartments will be marketed to key

education and health key workers and others seeking town centre accommodation, enabling easy access to local jobs and public transport.

- 4.47 The scheme contributes to the West Yorkshire Mayor's pledge to 'build 5000 sustainable homes' and 'support local businesses and be a champion for the regional economy'. The homes will be sustainable and energy efficient. There is a shortage of good quality homes in this area. Providing homes for rent within the town centre will support local businesses. There will also be significant benefit from regenerating this vacant brownfield site which has had a negative impact on the neighbourhood's wellbeing and property values.
- 4.48 A summary of the scheme's business case is included in Appendix 4.

Tackling the Climate Emergency implications

- 4.49 The housing development will tackle the climate emergency through:
- The installation of renewable technologies to reduce carbon impact including a Micro Combined Heat and Power plant on site to generate heat and a Mechanical Ventilation Heat Recovery system to recover the heat otherwise lost in ventilating the building.
 - High-performance glazing will be used throughout to reduce heat from strong sunlight coming into the building.
 - Provision of electric vehicle charging spaces, a large cycle storage space in the basement and low energy lighting in the building.
 - A full carbon assessment has not been undertaken at this stage and will be submitted with the full business case.

Outputs and Benefits

- 4.50 The scheme outputs and benefits include:
- Meeting local housing need through contributing 697 new homes in Leeds city centre by April 2026.
 - Setting the standard for high quality energy efficient build-to-rent developments within Leeds.
 - Remediation of 1.54 hectares of brownfield land suitable for housing before 2026.
 - Supporting 170 indirect jobs during the construction phase.
 - Support the creation of up to 105 jobs in commercial and community facilities created (up to 15 direct jobs e.g. concierge, maintenance, security and up to 90 indirect jobs from the proposed office accommodation).
- 4.51 The scheme's value for money assessment reflects a benefit cost ratio (BCR) of 2.5:1 representing high value for money.

Inclusive Growth implications

4.52 The scheme inclusive growth implications include:

- The area targeted by this scheme is within the 1% most deprived neighbourhoods in England. Improving access to good quality housing within the city is a strategic priority for Leeds City Council.
- The development will provide quality housing within the city centre, supports local businesses in need of premises and provides excellent facilities for access to walking, cycling and public transport.
- The scheme will benefit both existing and new residents who will enjoy a regenerated neighbourhood as brownfield land comes back into use. Good quality homes will provide better value for money for energy costs, better health for residents and an improved quality of life.

Equality and Diversity implications

4.53 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

Risks

4.54 The scheme risks include:

- Asbestos removal required and dealing with onsite soil contamination. These risks are mitigated by undertaking surveys.
- Failure to secure Network Rail consent to the development and appropriate agreements. This is mitigated through the appointment of professional consultants.
- Increased costs due to inflation, supply, and material shortages. This will be mitigated by monitoring costs monthly and contingency in the cost plan.

Costs

4.55 The scheme costs are:

- The indicative total scheme costs are currently £154,000,000 (to be determined at full business case due to the current inflation challenge and supply cost uncertainty) and Combined Authority funding of £7,667,000 from the Brownfield Housing Fund is requested to contribute towards delivery of the scheme.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
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3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	01/09/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	30/06/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	29/05/2026

Other Key Timescales

- The scheme will start on site in July 2023 and the full scheme will be completed by the end of April 2026.
- Planning amendments are anticipated to be submitted in November 2022 with a decision on full planning approval expected by June 2023.

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report
Programme: Delivery (DP5) timescales remain within 3 months of those outlined in this report.
Outputs: Housing units remain within -20% of those outlined in this report.

Appraisal Summary

- 4.56 The scheme is to develop build-to-rent apartments on a brownfield site in Leeds city centre which has been vacant for many years. The scheme will create approximately 697 new homes. This contributes towards the Strategic Economic Framework priorities and Mayoral pledges for building sustainable and affordable homes, tackling the climate emergency and protecting the environment. National Planning Policy states that Build to Rent developments should have a minimum of 20% affordable housing, and this scheme will meet this requirement.
- 4.57 The development will provide much needed quality housing in Leeds city centre. It will complement other development going on in the area and benefit from public transport and local businesses and amenities.

- 4.58 The inclusion of substantial low carbon technologies into the building's heating and ventilation systems, as well as cycling and electrical vehicle facilities, will ensure it is a high quality and future proof development.

Recommendations

- 4.59 The Place, Regeneration and Housing Committee approves that:
- (i) The BHF Leeds Village scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £7,667,000 is given. The indicative total scheme value is £154,000,000.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation

- 4.60 There are no schemes to review at this stage.

5 Tackling the Climate Emergency implications

- 5.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

6 Inclusive Growth implications

- 6.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

7 Equality and Diversity implications

- 7.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

8 Financial implications

- 8.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

9 Legal implications

- 9.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

10 Staffing implications

- 10.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

11 External consultees

- 11.1 Where applicable scheme promoters have been consulted on the content of this report.

12 Recommendations (Summary)

BHF Cow Green

- 12.1 The Place, Regeneration and Housing Committee approves that:
- (i) The BHF Cow Green scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £2,100,000 is given. The indicative total scheme value is £17,000,000.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

BHF South Huddersfield

12.2 The Place, Regeneration and Housing Committee approves that:

- (i) The BHF South Huddersfield scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of £869,000 is given. The indicative total scheme value is £15,000,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

BHF Leeds Village

12.3 The Place, Regeneration and Housing Committee approves that:

- (i) The BHF Leeds Village scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of £7,667,000 is given. The indicative total scheme value is £154,000,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

13 Background Documents

13.1 None as part of this report.

14 Appendices

Appendix 1 – Background to the Combined Authority's Assurance Framework

Appendix 2 – BHF Cow Green Business Case Summary

Appendix 3 – BHF South Huddersfield Business Case Summary

Appendix 4 – BHF Leeds Village Business Case Summary



Project Approvals

Appendix 1 - Assurance Framework

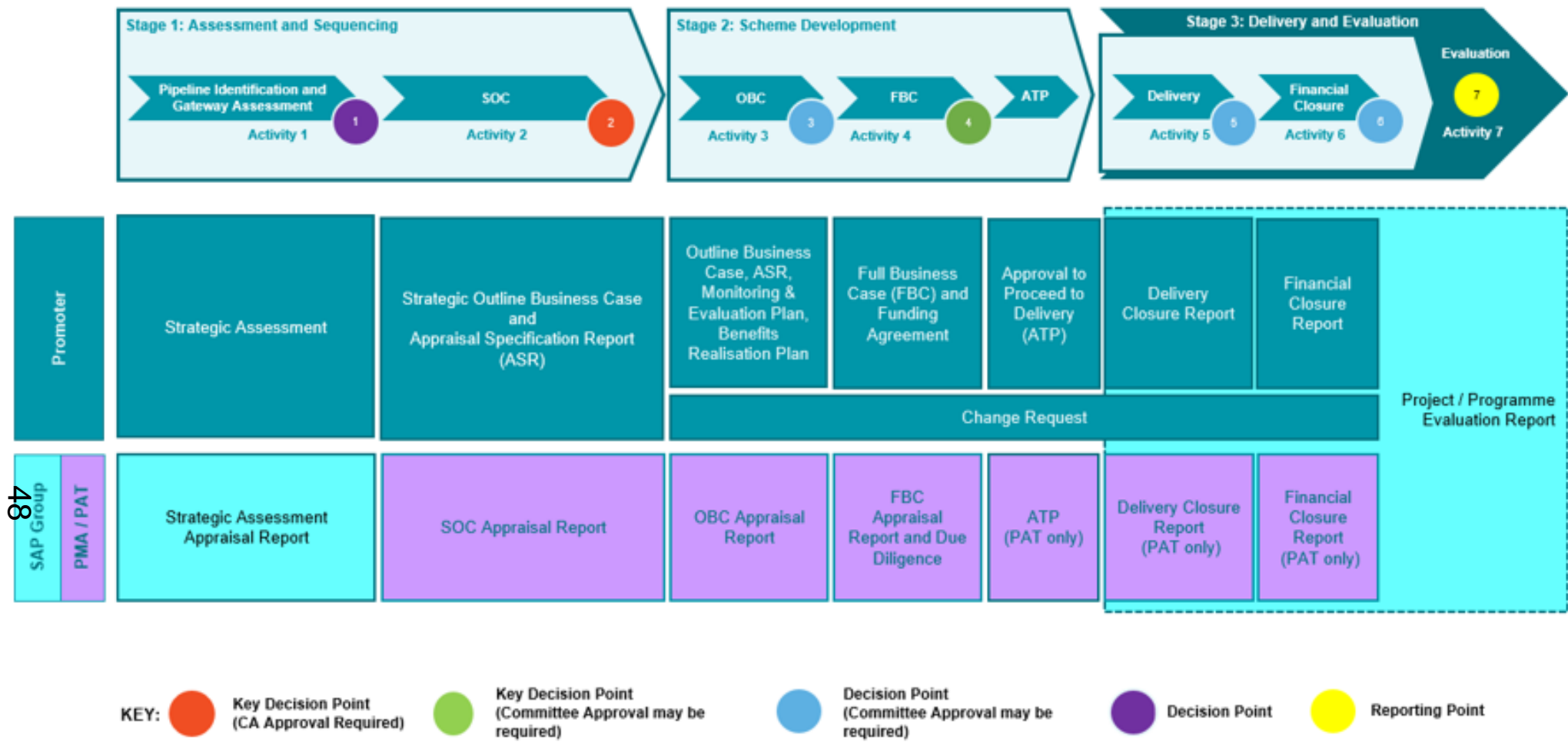
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions and the West Yorkshire Investment Strategy (WYIS).
- 1.2 The Framework's focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority and must be reviewed annually, as stipulated by Government.

Assurance Process

- 1.3 The Assurance Process is set out below:

Assurance Process



- 1.4 The process is flexible, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point (activity) approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.5 Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.
- 1.6 At FBC (Decision Point 4), the Programme Appraisal Team (PAT) sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.7 A Single Stage Business Case, called Business Justification, has been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval (replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC)), the remainder of the assurance process must still be followed.
- 1.8 In line with the revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.9 At Decision Point 5 a Delivery Closure Report is required. At Decision Point 6 a Financial Closure Report is required, this is the period when defects are made good and final accounts are agreed.
- 1.10 Activity 7 Evaluation will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point not a decision point and takes place when the programme (or project in some circumstances), is completed. It includes an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Insights and learning from the evaluation will also be fed back into policy and strategy in order to inform the design and development of future programmes and schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance

pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

Project Title	BHF Cow Green
Main Funding Programme	Brownfield Housing Fund
Funding Applied for from the Combined Authority	Indicative funding £2,100,000
Indicative total scheme costs	Indicative total scheme costs at this stage are £17,000,000 (to be determined at full business case)

Scheme Description

The Cow Green scheme will build 114 high quality and energy efficient apartments for rent in Halifax Town Centre. The number of apartments developed are to be made up of 53 two-bedroomed and 61 one-bedroomed homes.

The site for development is owned by Calderdale Council and is currently used as a temporary car park, following the demolition of a multi-storey car park.

Although there are no affordable housing units from this scheme, Calderdale Council will ringfence the land acquisition payment to provide affordable housing in another future development.

The developer of the scheme specialises in build-to-rent developments. The homes will be marketed toward young workers, families, and people wishing to downsize. The housing development will provide town centre housing enabling access to local businesses and public transport.

Business Case Summary

Strategic Case

The scheme will be a build to rent apartment development within Halifax town centre.

The scheme is part of a wider programme that aims to open up a number of sites in Halifax town centre for much needed housing development. Calderdale Council is leading on the wider regeneration and is keen to address the shortfall in housing delivery relative to demand confirmed in the Council's draft Local Plan which identifies the need for 997 new build homes to be built annually in Calderdale.

This scheme aims to facilitate the development of the Cow Green site for 114 new high-quality and energy efficient homes for rent. The scheme provides a mix of 53 two-bedroom and 61 one-bedroom flats.

The regeneration of the site would unlock brownfield land to deliver ambitious housing plans on a site that would otherwise have poor viability due to low values and the levels of infrastructure works required. Calderdale Vision 2024 also recognises that to make Calderdale "A Great Place to visit, but most importantly, a place to live a larger life" we will need to create housing and places which people want to live in. The Cow Green development will contribute to the revitalisation of Calderdale's main town into a lived-in vibrant centre.

Economic Case

Six long-list options were assessed against critical success factors to produce the four short listed options. The scheme has been assessed using Government Guidance.

The scheme has a benefit cost ratio of 1:1, representing medium value for money.

Commercial Case

Housing delivery in Calderdale has fallen since 2007/2008, when it stood at 1,399 completions. By the end of 2017/18, the figure had reduced to only 369 completions. This trend goes against the experience of the other authorities within the Leeds City Region which have all seen a higher rate of delivery over the same period. All have achieved a recovery of at least 50% of their 2007/2008 figure and a number have even exceeded this. This lack of delivery has been fuelled by the lack of suitable development sites and challenging topography of the area.

The scheme will be delivered through a design and build contract. The approach for Cow Green could be a two staged competitive tender with an external contractor managed by a dedicated project manager and quantity surveyor. The confirmed procurement approach will be stated in the full business case.

Financial Case

£2,100,000 is requested from Combined Authority's Brownfield Housing Fund. Indicative total scheme costs at this stage are £17,000,000 (to be determined at full business case)

Management Case

The proposed developer has extensive experience and strong track record in delivering build-to-rent schemes with an award-winning track record in placemaking and urban regeneration.

The scheme will commence in April 2023 and start on site in June 2023. The scheme will be completed in November 2024.

Project Title	BHF South Huddersfield
Main Funding Programme	Brownfield Housing Fund
Funding Applied for from the Combined Authority now	£869,000
Indicative total scheme costs	Indicative costs at this stage are £15,000,000 (to be determined at full business case)

Scheme description

The South Huddersfield scheme will build 79 affordable homes built to high environmental and space standards for a range of residents, including those requiring supported living. The number of homes developed will be made up of 26 two to three bedroom houses and 53 one to two bedroom flats.

The scheme will be developed by a Registered Housing Provider, experienced in the development of affordable housing in West Yorkshire.

Business Case Summary

Strategic Case

This scheme presents the opportunity to redevelop a brownfield site south of Huddersfield Town Centre, and to provide 79 affordable homes. This is part of the wider Brownfield Housing Fund programme, supporting the delivery of the Mayoral Pledge to “Build 5000 sustainable homes including affordable homes”.

The scheme addresses the shortfall of homes and affordable homes as identified in Kirklees Strategic Housing Market Assessment (SHMA). The scheme mix proposes to address the housing needs of the local demographic, providing a balance of supported housing for people with special needs (learning, physical and mental) and housing for the elderly.

The SHMA for Kirklees demonstrates that 10% of all households are in housing need. For younger households a disproportionate higher number are identified as being in need of housing due to the high cost of housing. In addition, the number of people across Kirklees aged 65 or over is projected to increase by nearly 40% between 2014 and 2031. It has been identified through a commissioned review by the Council that by 2030 there will be a shortfall of extra care homes. Kirklees Specialist Accommodation Strategy 2021-2030 also identifies a significant shortfall in supported accommodation across a range of client groups.

The proposed mix of housing will provide a range of supported housing, including clients with learning and physical disabilities, and elderly residents.

By contributing to improved, quality housing, reduced inequalities, and support for the development of local economy, the scheme supports the priorities within the SEF, specifically by: Boosting Productivity; Enabling Inclusive Growth; Tackling the Climate Emergency.

Economic Case

A long list of seven options has been identified by the promoters. A preferred option was largely influenced by the outline planning consent. Five options were taken forward to the

short list of options. This included the option given previous outline consent, the option of a commercial development scheme, a lower density option, and a 'do nothing' option, alongside the 'preferred option' to develop the 79 affordable housing units.

Appraisal of the economic benefits of the scheme has been conducted using Government guidance. The preferred option demonstrates an acceptable value for money outcome with an adjusted Benefit Cost Ratio of 1.28.

Commercial Case

The scheme responds to market demand through the Kirklees Housing Strategy 2018-23 which states that 1,730 new homes are needed every year between 2013 and 2031, with an annual net imbalance of 1,049 affordable homes over the next five years. There is a commitment by the Council to enable and facilitate the delivery of 10,000 new homes by 2023.

The number of people across Kirklees aged 65 or over is projected to increase by nearly 40% between 2014 and 2031, demonstrating a need for increased supported housing for the elderly.

The Kirklees Housing Strategy (2021-23) identified a need for more specialist and supported housing for older and other vulnerable groups of people.

The Registered Housing Provider will be utilising their own procurement strategy and applying the Public Contracts Regulations. For sub-threshold contracts a suitable number of quotations will be sought, and for above threshold contracts PCRs will be abided by.

Construction services will be procured via a Design and Build Contract and risk of cost increases will sit with the contractor.

Financial Case

The contribution being sought from the Brownfield Housing Fund is £869,000. Indicative total scheme costs at this stage are £15,000,000 (to be determined at full business case).

Management Case

This scheme will be delivered by a Registered Housing Provider with a track record in the delivery of affordable homes in West Yorkshire. Delivery is based on the application of professional project management principles and is regularly monitored via compliance audit by Homes England.

The owner of all risks is the developer and they will seek to transfer risks as appropriate via the use of a Design and Build contract.

Project Title	BHF Leeds Village
Main Funding Programme	Brownfield Housing Fund
Funding Applied for from the Combined Authority	Indicative proposal for £7,667,000
Indicative total funding costs	Indicative total scheme costs at this stage are £154,000,000 (to be determined at full business case)

Scheme summary

The Leeds Village scheme will build approximately 697 high quality and energy efficient build to rent and market sale homes in three apartment blocks, of which 20% of the build to rent and 7% of the market sale homes will be affordable.

The developer for the scheme specialises in build-to-rent developments. The apartments will be marketed to key education and health key workers and others seeking town centre accommodation, enabling easy access to local jobs and public transport.

Strategic Case

Building more homes is a social and economic priority for Leeds. Providing new good quality homes in cities helps improve affordability, economic performance and personal outcomes for individuals who live in the new homes. The scheme contributes towards the Strategic Economic Framework priorities and Mayoral pledges for building sustainable and affordable homes and tackling the climate emergency. In the Leeds Inclusive Growth Strategy (LIGS) Leeds City Council has set a clear ambition to double the size and economic impact of Leeds City Centre, as the economic and social focal point of the wider city region, delivering new homes, jobs, educational facilities, a new city park and a revitalised waterfront.

City centre living is increasingly popular in Leeds, and the housing offer now includes purpose-built apartments for sale or rent, student housing and mixed tenure local authority owned housing. New housing in the city centre can act as a catalyst for wider regeneration and has an important role to play in supporting local businesses.

Economic Case

Five options were considered for developing the site and an economic appraisal of these has been completed in accordance with Government guidance.

The preferred option demonstrates that the development has the potential to generate a Benefits to Cost Ratio in excess of 2:1 which is good value for a scheme of this type.

Commercial Case

There is a clear requirement/ demand for additional housing in Leeds city centre. The Leeds Core Strategy sets out a net requirement of 51,952 homes to be delivered across the city between the period 2017 to 2033 equating to a target of 3,247 new homes per year. Around 15.5% of these homes are planned for the city centre housing market where this site is located.

The Build-to-Rent (BTR) market in Leeds has increased in activity over the last few years. Strong price growth and rental demand is expected to be high for good quality flats. The chosen procurement route is to use a Design and Build approach.

Financial Case

£7,667,000 is requested from the Combined Authority's Brownfield Housing Fund. The total scheme costs will be confirmed at full business case. Indicative total scheme costs at this stage are £154,000,000 (to be determined at full business case).

Management Case

This scheme will be delivered by a developer which is responsible for project management, appointing the quantity surveyors, and contract management. The scheme will commence on site in July 2023 and be completed by April 2026. There is a risk that costs of the scheme may rise due to current abnormal inflationary pressures but close monitoring of costs will be taking place to give time for issues to be resolved.