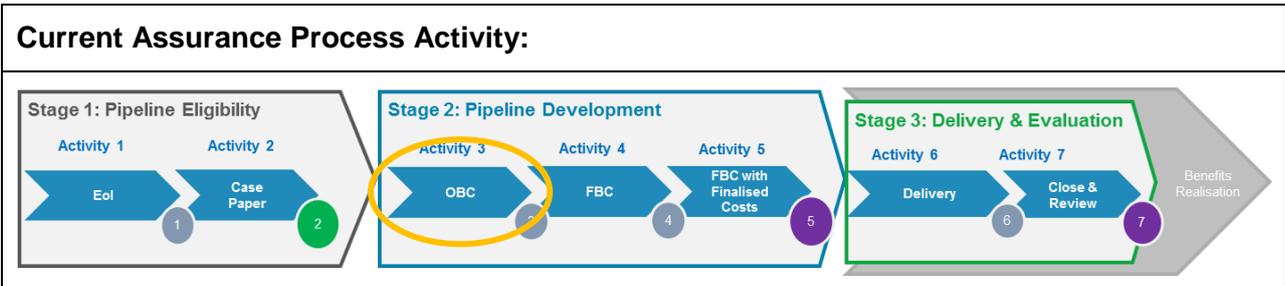


Scheme Summary

Name of Scheme:	Wakefield City Centre South East Gateway
PMO Scheme Code:	CFP-002
Lead Organisation:	Wakefield Council
Senior Responsible Officer:	Jane Brown, Wakefield Council
Lead Promoter Contact:	James Stephenson, Wakefield Council
Case Officer:	Jess McNeill, Combined Authority
Applicable Funding Stream(s) – Grant or Loan:	Local Growth Fund (LGF Grant)
Growth Fund Priority Area (if applicable):	Priority 4 – Infrastructure for Growth
Approvals to Date:	Expression of Interest approved at Combined Authority Committee on 28 June 2018 and approval was confirmed for the project to progress to an outline business case.
Forecasted Full Approval Date (Decision Point 5):	Waterfront - July 2019 Kirkgate – October 2019
Forecasted Completion Date (Decision Point 6):	Waterfront - October 2021 Kirkgate – January 2020
Total Scheme Cost (£):	£32.62 million
Combined Authority Funding (£):	Waterfront - £3.85 million Local Growth Fund (LGF) Kirkgate - £1.60 million Local Growth Fund (LGF) The scheme has also secured (separate to this business case) £1.5 million of business rate pool funding from the Combined Authority.
Total other public sector investment (£):	£5.87 million Wakefield Council - Capital Resources
Total other private sector investment (£):	Waterfront - £11.27 million Kirkgate - £7.48 million
Total other public sector investment (£):	£7.48 million - housing developer (s) - yet to be secured

Is this a standalone Project?	Yes – Although this combined outline business case captures two individually deliverable projects
Is this a Programme?	No
Is this Project part of an agreed Programme?	N/A



Scheme Description:

The Wakefield City Centre, South East Gateway scheme forms part of the Housing and Regeneration programme. The objectives of this programme are to deliver commercial floor space and homes in the Leeds City Region.

This scheme presented for decision point 3 approval (outline business case) came forward through the 2017 Call for Projects. The Wakefield City Centre, South East Gateway scheme consists of two projects, Waterfront (Rutland Mills) and Kirkgate and received decision point 2 approval from the Combined Authority on 28th June 2018.

Development of the Wakefield City Centre South East Gateway is a key priority for Wakefield Council and the Leeds City Region, to raise the national profile of Wakefield within the cultural and creative sector and to transform the city’s image by redeveloping Kirkgate as a distinct part of the city centre, which links Wakefield’s retail core with the Waterfront and the proposed new Tileyard Studios development at Rutland Mills.

The scope of the project is now as follows:

- Restoration of historic buildings at Rutland Mills and creation of high quality public realm at the Waterfront (see plans below, this outline business case (OBC) relates to works at Plot L only), delivered over two phases, creating a creative industries jobs hub; and
- Delivery of site acquisition and clearance of brownfield sites at Kirkgate to enable the delivery of between 60 to 82 new homes (see plans below, this outline business case relates to works at Plot A, B and C only).

Waterfront

The first phase of development at the Waterfront delivered a commercial development in October 2009, and the Hepworth Wakefield gallery which opened in May 2011. The development proposed at Rutland Mills as part of this project will deliver 6,920 sqm of refurbished commercial space and create/safeguard 301 jobs.

Kirkgate

The regeneration of Kirkgate began with the restoration of Kirkgate train station, completed in September 2015 and construction of the new West Yorkshire Archive Building in June 2016. To complement this regeneration, £5 million of highways works were completed at Kirkgate in July 2018.

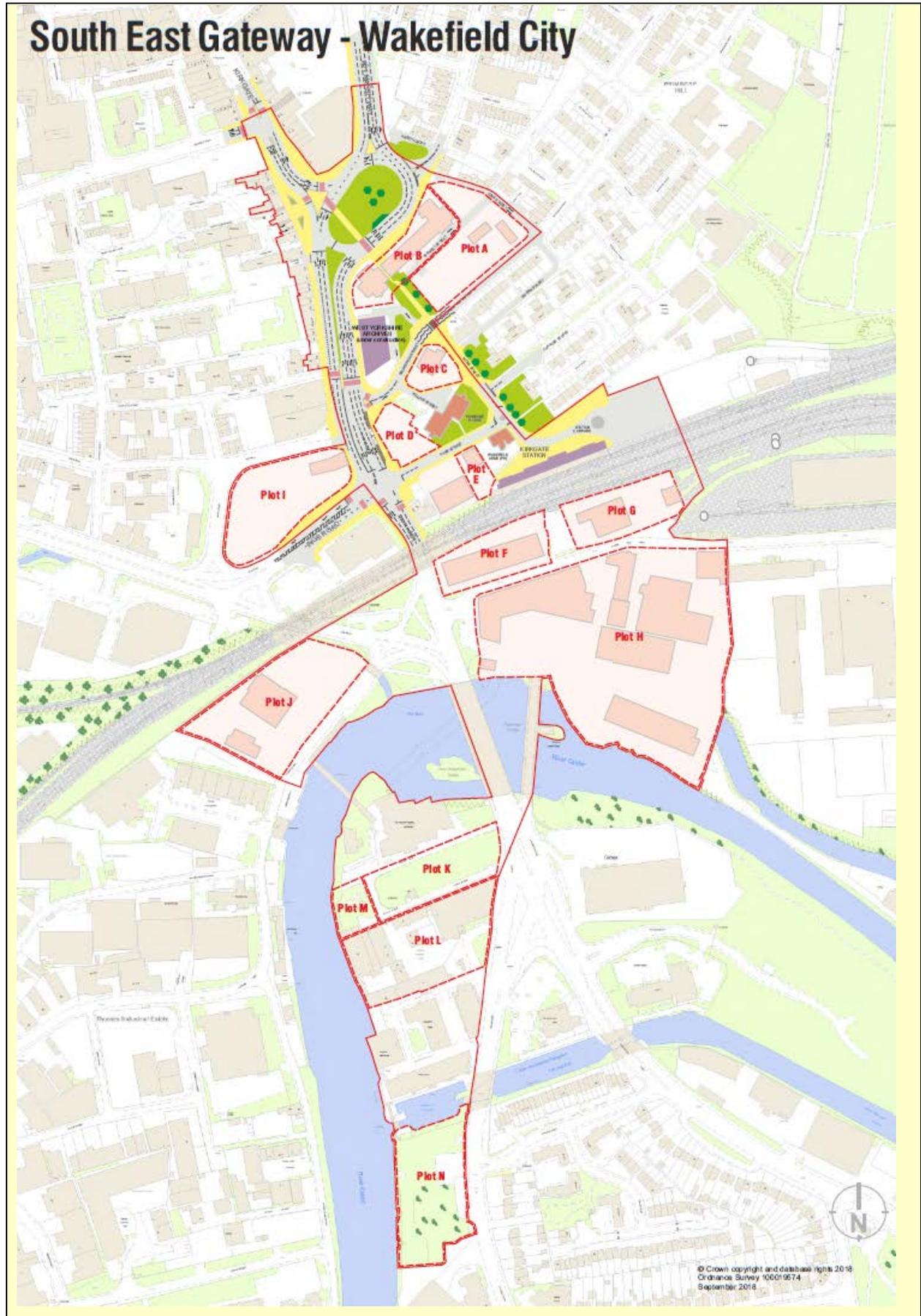
The funding sought through this OBC will deliver site acquisition of Plot B and site clearance and enabling works to plots B and C to prepare these sites for housing development, ranging between 60 to 82 units (subject to a housing developer partner being secured).

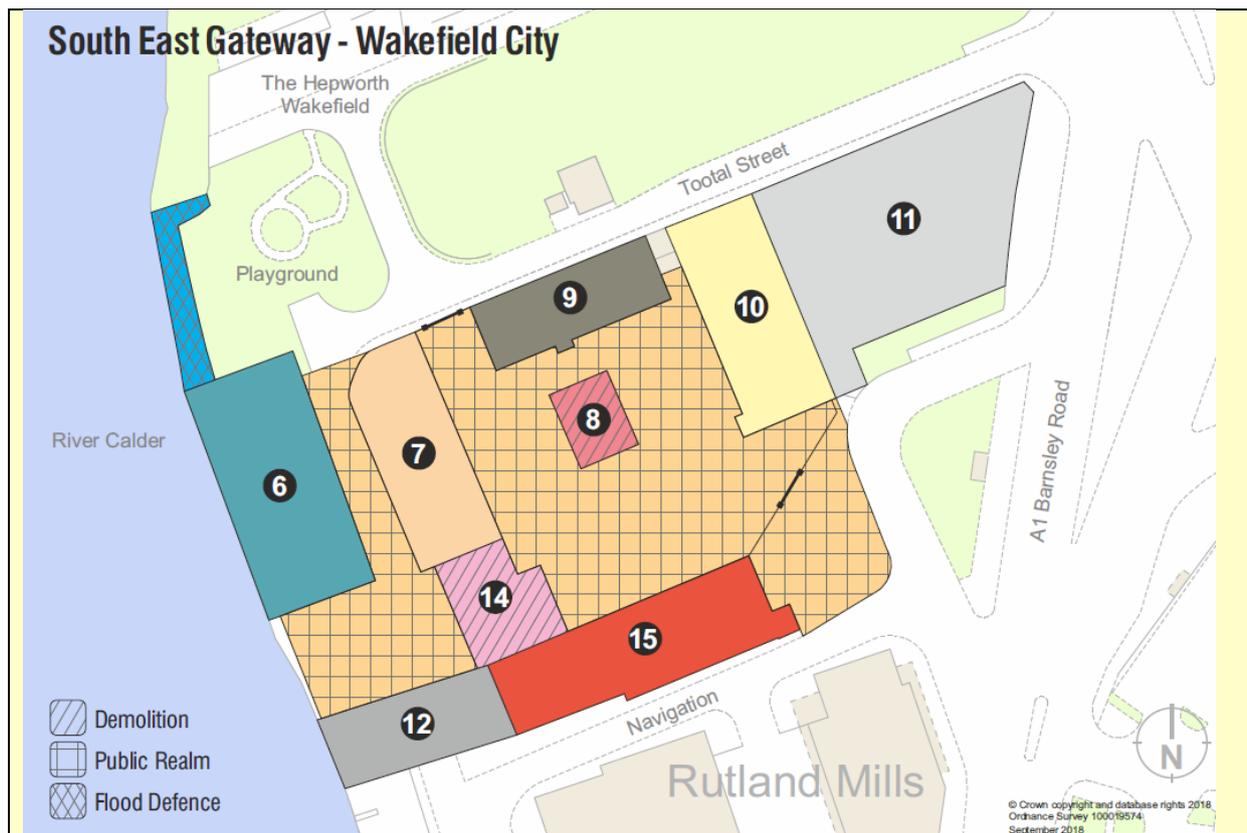
The Council have to date undertaken clearance work to plot A, acquired redundant buildings on Plot C, acquired Chantry House on Plot B and discussions have commenced with interested developers.

The South East Gateway Wakefield project is fundamental to all three core elements of Wakefield Council's adopted Economic Strategy 2018 – 2023 to deliver Successful People, Places and Businesses. The Economic Strategy highlights the need for delivery of sustainable economic growth that reduces the dependency on sectors and industries that are at high risk from technological automation. The implementation of the South East Gateway project is a crucial element to unlock continued development and diversify the local economy and it is hoped this will be a catalyst for growth and innovation in the creative and digital business sector.

Housing growth is a key theme within the Economic Strategy. The south side of the railway at Kirkgate is adjacent to the City Fields development, which is a key site for housing growth in Wakefield and noted as a key housing growth area in the Leeds City Region SEP. The OBC includes a funding allocation towards a feasibility appraisal as part of a masterplan process for the south side of the railway, which will be the next housing growth area on completion of City Fields.

South East Gateway - Wakefield City





The funding sought will contribute towards the delivery of phase 1, including the demolition of buildings 8 and 14 and the refurbishment of buildings 6, 7, 9, 10 and 11.

Business Case Summary:

Strategic Case

At a Leeds City Region level, the individual projects support aspects of all four of the priorities set out in the Strategic Economic Plan (SEP).

At a local level, the projects which form the South East Gateway project are fundamental to all three core elements of Wakefield Council's adopted Economic Strategy 2018 – 2023 to deliver 'Successful People, Places and Businesses'.

The Economic Strategy highlights the need for delivery of sustainable economic growth that reduces the dependency on sectors and industries that are at high risk from technological automation.

The proposed development will aim to move the Council's focus for regeneration towards cultural, creative and digital growth sectors.

The implementation of the South East Gateway project is a crucial element of the Wakefield Economic Strategy to unlock continued development and diversify the local economy. It is hoped this will be a catalyst for growth and innovation in the creative and digital business sector.

	<p>Housing growth is also a key theme within the Economic Strategy. The south side of the railway at Kirkgate is adjacent to the City Fields development, which is a key site for housing growth in Wakefield and noted as a key housing growth area in the Leeds City Region SEP. This scheme includes a feasibility appraisal as part of a masterplan process for the south side of the railway, which will be the next housing growth area on completion of City Fields.</p> <p>Elements of both projects contribute to a number of the City Region’s SEP Priorities:</p> <ul style="list-style-type: none"> • Priority 1 - Growing Business. • Priority 2 - Skilled People, Better Jobs. • Priority 3 - Clean Energy and Environmental Resilience • Priority 4 - Infrastructure for Growth. <p>It should be noted that the housing proposed at Kirkgate is not deliverable from the funding sought now.</p>
<p>Commercial Case</p>	<p>Rutland Mills - A similar development in London provides accommodation for circa 28 different functions under one roof from offices, event space, meeting rooms, recording studios and writing studios along with ancillary and supporting facilities such as cafes and bars. The same concept is proposed at Rutland Mills. Marketing, visual aids and documents have been prepared by the team working on the proposed Rutland Mills project, yet replicating the success of the London studios in Wakefield will present different challenges.</p> <p>For the Kirkgate scheme, market evidence and independent financial appraisal of these sites demonstrated that there was little prospect of securing speculative commercial development in this area and therefore public funding was required. This has meant that a focused and specific end user is proposed here for social housing.</p>
<p>Economic Case</p>	<p>The options have been appraised on the basis of employment and gross value added (GVA). Underpinning the analysis is the belief that the increased business space will lead to increased employment and this will result in an increase in GVA.</p> <p>Wakefield City Centre is designated a spatial priority within the City Region’s SEP. The project directly contributes to priority 4 within the SEP – ‘Infrastructure for Growth’. A key aim within this priority is the development and regeneration within the spatial priority areas.</p> <p>The project will also contribute indirectly to other priorities within the SEP notably priority 1 Growing Business.</p>

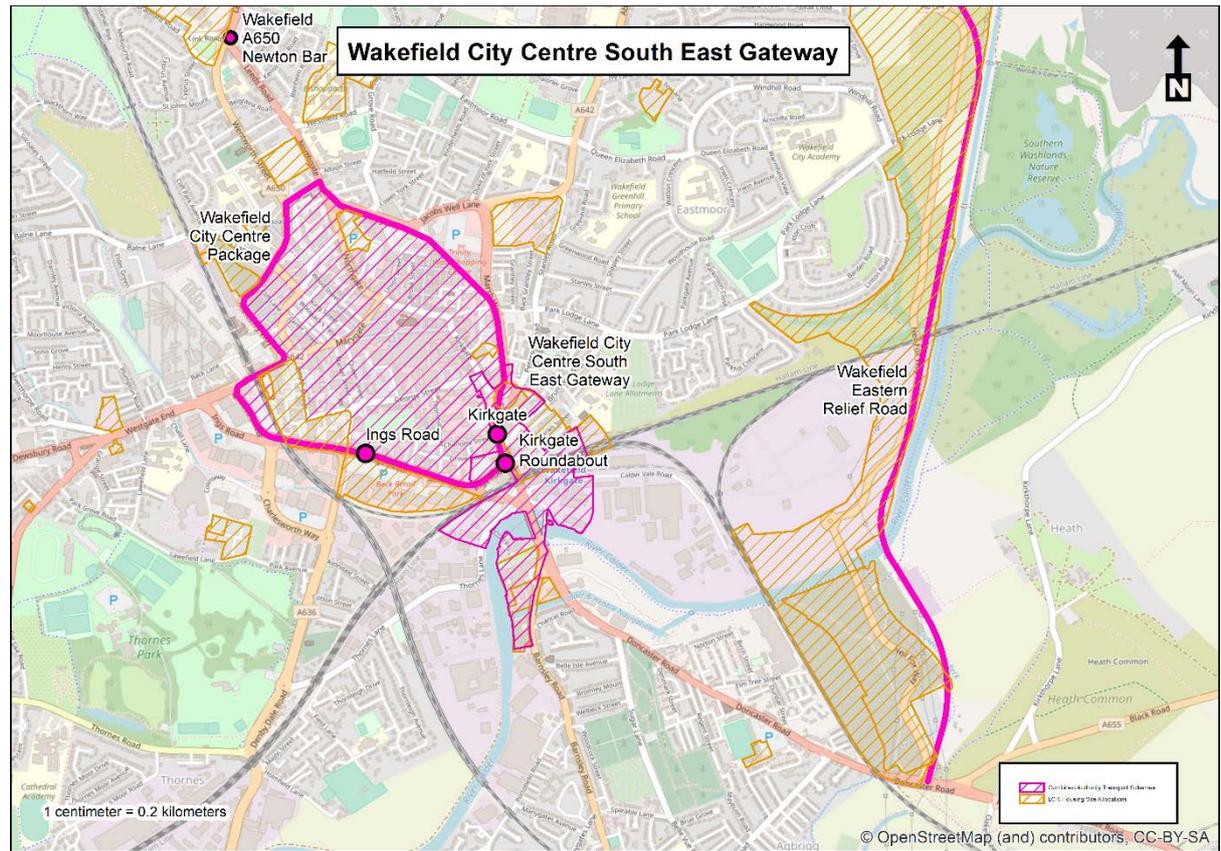
	<p>The forecast outputs, benefits and inclusive growth implications are:</p> <ul style="list-style-type: none"> • Between 60 to 82 housing units completed – an indirect output from this OBC request by March 2024. • Deliver a master plan and feasibility appraisal for the south side of Kirkgate railway bridge to explore options for the delivery of long term housing development over a 10 year period. • 6,920 sqm commercial floor space constructed/refurbished by October 2021. • +301 gross FTE (full time equivalent) jobs created/safe guarded. • Enabling works through land reclamation and vacant property demolition.
Financial Case	<p>The Waterfront project requires the developer to contribute £11.27 million of private sector funding for the phase 1 works to be undertaken. These funds will be secured at the point the Grant Funding Agreement is entered into by Wakefield Council and the developer. In addition, Wakefield Council has secured £3.85 million of funding which is aligned to the Waterfront scheme. In terms of the total £6.5 million funding sought from the Combined Authority, £4.9 million is required for work streams on the Waterfront project. In addition, the previously secured £1.5 million from the business rates pool will also be allocated to the Waterfront scheme. Total project costs for the Waterfront are £21.52 million.</p> <p>For the Kirkgate scheme, Wakefield Council have secured £2.17 million of funding and have identified the need to secure a housing developer partner who will contribute financially to the scheme. In order to realise the housing outputs, £1.6 million is sought from the Combined Authority for site assembly and enabling works. Total project costs for the Kirkgate scheme are £11.07 million.</p>
Management Case	<p>Wakefield Council proposes to adopt an overall programme management role for all aspects of the Rutland Mills scheme and, as the accountable body, it will assume responsibility, for ensuring general compliance, due diligence and monitoring of development activity.</p> <p>The identified developer and their London based project management team will be responsible for day-to-day project management and delivery of the Rutland Mills element of the scheme.</p> <p>A Project Board will be the ultimate decision making body for major variations to the project, who will meet monthly to ensure the project runs effectively. The project manager will submit monthly progress</p>

reports to the project delivery group to enable effective monitoring of progress.

Governance arrangements are currently being set up for the delivery of the Kirkgate project.

Location map:

The following location map shows the scheme in relation to the other Combined Authority funded schemes in the surrounding area.



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

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