

**Report to:** Place, Regeneration and Housing Committee

**Date:** 01 June 2023

**Subject:** **Strategic Sites**

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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this Report

1.1. The purpose of this report is to update on activity related to Strategic Sites. The projects and programmes referenced in the report are being managed concurrently by the West Yorkshire Combined Authority, ensuring that links are drawn between them, to add value and to make sure that they collectively support our organisational objectives and those of our partners. There is also an interface with housing activity (Agenda Item 6).

1.2. The report covers activity including:

- Work on delivery models for Spatial Priority Areas;
- Work to bring forward the Langthwaite employment site in Wakefield district;
- Work to shape the West Yorkshire Investment Zone;
- A new revenue programme 'Employment Land Accelerator Fund'.

## 2. Information

### Spatial Priority Area Delivery Models

1.3. Spatial Priority Areas (SPAs) represent the most strategic development locations across West Yorkshire and are a focus for investment and regeneration activity. SPAs are of regional significance and / or are cross-

boundary locations. SPAs have been identified in partnership with West Yorkshire Local Authorities.

- 1.4. The SPA's range in scale and use, including single and mixed-use areas. There are a range of tools available to the West Yorkshire Combined Authority and Local Authority partners to drive forward development in these locations for example a number of the housing led SPA's are the focus areas being targeted through the Strategic Place Partnership with Homes England and wider housing activity.
- 1.5. Devolved funding has also provided the opportunity for the West Yorkshire Combined Authority to fund activity to explore the possible delivery models for a number of the SPAs. The Spatial Priority Areas Delivery Model programme was identified as one of the themes under Investment Priority 3 (IP3) Creating Great Places and Accelerated Infrastructure agreed at Place Committee in July 2022 with the Strategic Assessment (SA) endorsed in March 2023. The indicative programme budget was £1.5million.
- 1.6. As part of the approval of the SA through the Assurance Process and by the Combined Authority in March 2023, £500,000 development funding was released to procure a partner to provide consultancy support in developing bespoke delivery models for a number of Spatial Priority Areas. The £500,000 reflects the need for evidence and options in advance of developing a business case to release further funding for targeted intervention in SPAs. The proposals will allow flexible application of consultancy support, working in partnership with each of our 5 local authority partners on one or more of the allocated SPAs. Work is ongoing with Procurement and in consultation with the 5 Partners to shape the scope of services required.
- 1.7. The work of the West Yorkshire Combined Authority on Spatial Priority Areas applies to all sites and development (housing, employment and mixed use) the remainder of this report is focused on the work of the Combined Authority and partners on strategic employment sites.

#### **Langthwaite (Strategic Employment Site in Wakefield District)**

- 1.8. Langthwaite Business Park Extension is an Enterprise Zone (EZ). The site amounts to 9.45 hectares and is located to the north of Broad Lane and south of Langthwaite Grange Industrial Park in South Kirkby, Pontefract, West Yorkshire. The freehold is owned by the Combined Authority and sits within the Langthwaite Grange Extension and South Kirkby Urban Extension SPA.
- 1.9. The Combined Authority had been working closely with Wakefield Council in 2019/2020 to bring the site forward via two phases: Phase 1 - the access road – was to be delivered by Wakefield Council; and Phase 2 - onsite remediation and infrastructure works - was to be delivered by the Combined Authority with funding support from Growth Deal and Getting Building Fund. Following Outline Business Case approval in 2018, a Full Business Case was submitted in July 2021 but due to site constraints delivery was slower than projected impacting on the use and availability of funding.

- 1.10. Design and delivery works were paused until a long-term funding solution could be secured to bring the commercial development opportunity forward to ensure the delivery of the scheme.
- 1.11. As part of this early phase activity, a hybrid planning application was submitted by the Combined Authority to secure full planning consent for the access road, and outline consent for the proposed commercial masterplan development. Proactive conversations have continued on this matter throughout, to ensure pre-planning conditions and Section 106 obligations were agreed.

#### Next Steps

- 1.12. On 4th May 2, a comprehensive Full Business Case was submitted for appraisal through the Combined Authority's Assurance Framework to unlock the site for future development. The scheme will now be taken forward wholly by the Combined Authority who will deliver all works required, combining the two previous phases together. The project is seeking £11.677m (including £2.31m Quantified Risk Assessment) in funding support which is proposed to be secured from various funding pots including, residual and returned Growing Places Fund, land receipts and overage from other EZ sites, as well as the consideration to allocate Gainshare or utilise borrowing as appropriate.
- 1.13. The project will deliver:
  - Creation of an access road to the site through an extension of Onward Way.
  - Remediation of the site only (no buildings to be provided) carrying out levelling across the site (earthworks), provision of development platforms; access to services; and balancing ponds
- 1.14. Once prepared it is envisaged that the development plots will be sold (in whole or part) to the private sector to develop, ultimately generating a capital receipt for the Combined Authority.
- 1.15. As the landowner and scheme promoter, the Combined Authority continue to regularly engage with Wakefield Council who are a key partner in the site coming forward. Wakefield Council have exercised their option over the access land which will provide the new access to the site. This demonstrates partnership working and there remains a mutual interest in seeing the site come forward to meet respective objectives. the Combined Authority and Wakefield Council will continue to work together through this process.

#### CoSTAR Bid

- 1.16. The CoSTAR bid is aligned to the unlocking of the Langthwaite site for development. In February 2023, the Combined Authority approved the approach to join a bid for the national competition headed by UKRI to fund (a) a national centre for the Convergent Screen Technologies and performance in Realtime (CoSTAR) and (b) production technologies. This opportunity is to bid for up to £51 million UK Research and Innovation (UKRI) funding to create a national innovation centre in the creative industries. Our bid is for the centre to

be located at the Langthwaite Enterprise Zone, South Kirkby, which is owned by the Combined Authority.

- 1.17. A successful bid will bring a national centre of innovation excellence in the creative sector to our region. This would lead to increased opportunity for people across West Yorkshire to pursue careers and skills development in the culture sector and creative businesses. It is expected that the innovation hub would further attract other creative industry participants to occupy this site and ultimately lead to increased inclusive economic growth in West Yorkshire. It would also act as a catalyst to the delivery of the wider SPA location, and there is therefore potential for the SPA Delivery Model work to interface with this bid.
- 1.18. The bid for an initial expression was submitted to UKRI on 2nd February 2023 and a decision is expected by August 2023 following a period of due diligence. The potential to secure CoSTAR at Langthwaite and the scale of investment and economic growth this will provide to the region is considerable. However, regardless of the outcome of the CoSTAR bid, the Combined Authority are committed to bringing forward the development opportunity at Langthwaite and to unlocking the growth potential for the site. Should the Langthwaite CoSTAR bid ultimately be successful, then the funding does require the site to be accessible and a development platform provided by October 2024. This presents a challenging time scale and requires an effective, solution-based approach.

### **West Yorkshire Investment Zone**

- 1.19. The committee will be aware that West Yorkshire was awarded an Investment Zone in the Spring Budget. The Investment Zone programme seeks to harness local sector strengths to drive productivity and leverage the bottom-up energy of local talent, knowledge and networks to deliver sustainable growth that benefits local communities. They will require a holistic approach and must be rooted in partnership between central government, local government, research institutions and the private sector.
- 1.20. A sectoral approach is being taken, with the Government identifying 5 priority sectors: Digital and Tech, Green Industries, Life Sciences, Advanced Manufacturing and Creative Industries. All Investment Zones should be based on growing an existing cluster and there is a focus on leveraging strength to increase opportunities for local communities.
- 1.21. The total funding available is £80million which can be across a variety of fiscal incentives, tax breaks and revenue and capital spend.
- 1.22. The Combined Authority is leading on developing the West Yorkshire Investment Zone in partnership with the 5 Local Authorities, our Universities and private sector businesses. This process includes agreeing the sectoral focus and geography for the Investment Zone as well as the most appropriate package of incentives to achieve maximum outcomes.

- 1.23. The programme is extremely tight with Government seeking to have proposals agreed in draft by the autumn with a view to rolling out the Investment Zones at the start of the 24/25 financial year.

### **Employment Land Accelerator Fund**

- 1.24. The Employment Land Accelerator Fund (ELAF) is a new revenue fund in development to support accelerated delivery of employment sites. It was identified as one of the themes under Investment Priority 3 (IP3) Creating Great Places and Accelerated Infrastructure agreed at Place Committee in July 2022 with the Strategic Assessment endorsed in March 2023. Following approval of the SA through Assurance and by the Combined Authority in March 2023, work has been progressing on the Business Justification Case which was submitted 4<sup>th</sup> May. The indicative programme budget was £2million.
- 1.25. The Employment Land Accelerator Fund programme aims to:
- Develop a targeted approach to employment land and development acceleration, working with Partner Authorities and other programmes to identify new opportunities to maximise employment investment and bring job growth to the region.
  - Create a dedicated and spatial approach to site development aligned to climate, skills and infrastructure investment to drive better employment investment outcomes.
  - Improve our understanding of, and the ability to, overcome barriers to delivery of employment land.
  - Improve the Combined Authority's ability to respond to funding opportunities, investment queries and to leverage future funding and powers related to employment land delivery.
- 1.26. In addition to Partner Authorities, engagement will be progressed with landowners/developers and businesses to support our understanding of opportunities and constraints across the region.

### **Next Steps**

- 1.27. Subject to approval of the business case through assurance, the programme will be progressed.
- 1.28. To focus the available revenue funding appropriately to achieve best outcomes, a list of employment sites (pipeline) will be identified through engagement with the five Local Authority Partners. These will then be shortlisted for further investigation or specific support. This process will be based on an agreed methodology for prioritising sites.
- 1.29. Officers have been inputting into a draft methodology, with discussions to date identifying a need for flexibility, recognising that different sectors will have

different requirements in terms of employment land and that across the region the challenges to employment land delivery vary. On this basis, scale is not solely determinative of strategic importance. Whilst not limited to employment sites within the SPA's, the prioritisation process will also include consideration of impact on SPA's within the overall scoring.

1.30. The draft methodology is appended to this report for comment or feedback.

1.31. In addition to pipeline development, work will also commence on procurement of consultancy support to be used on a call-off basis to be applied to sites to explore constraints and opportunities.

### **3. Tackling the Climate Emergency Implications**

3.1. The SPAs have been developed and are to be actively managed to ensure that we are prioritising development in locations served by sustainable transport networks or can incorporate schemes to ensure that active travel and public transport can be delivered in these locations.

3.2. In addition, the Langthwaite site Full Business Case and the Employment Land Accelerator Fund Business Justification Case include Carbon Impact Assessments.

### **4. Inclusive Growth Implications**

4.1. Inclusive growth principles are embedded in the aims and criteria of the SPAs. The Core City and Main Urban Centre, and Future Growth Location categories of SPAs aim to support inclusive growth and renewal through the delivery of key infrastructure, commercial and residential development opportunities. The Investment Location category along with the Environmental Opportunity category of SPAs aim to promote urban renewal and to protect vulnerable places from economic and environmental threats.

4.2. The proposed Langthwaite investment and ELAF programme will unlock employment opportunities and support Inclusive Growth.

### **5. Equality and Diversity Implications**

5.1. A fundamental part of the Combined Authority strategic sites work is to support inclusive growth and sustainable development. The delivery of the region's SPAs supports inclusive growth by enabling development and investment in some of the most deprived areas in our region, by encouraging regeneration, growth and renewal of our urban centres and through the delivery of key infrastructure to enable commercial and residential opportunities for all.

5.2. In addition, the Langthwaite site Full Business Case and the Employment Land Accelerator Fund Business Justification Case include Equality Impact Assessments.

## **6. Financial Implications**

- 6.1. The report refers to programmes and projects which are being funded by the Combined Authority, however, this funding has or is being sought through the formal assurance process and therefore there are no financial implications directly arising from this report.

## **7. Legal Implications**

- 7.1. Legal support has been sought where appropriate in relation to the programmes and projects referenced in this report. 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. It is requested that the Committee:-

- Note the update and approach to SPA Delivery Models.
- Note that a Full Business Case has been submitted to proceed with site and access works required to unlock the Langthwaite Enterprise Zone site and the Combined Authority's ongoing commitment to the CoSTAR bid.
- Note the update on the West Yorkshire Investment Zone.
- Note that the Employment Land Accelerator Fund business case has been submitted to internal assurance and provides comments / feedback on the proposed prioritisation methodology.

## **11. Background Documents**

- 11.1. There are no background documents referenced in this report.

## **12. Appendices**

- 12.1. Appendix 1 – Draft Prioritisation Methodology (Employment Land Accelerator Fund)