

## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>Halifax Town Centre – Northgate House</b>
<b>PMO Scheme Code:</b>	GD-PA4-003
<b>Lead Organisation:</b>	Calderdale Council
<b>Senior Responsible Officer:</b>	Robert Summerfield, Corporate Lead for Major Projects
<b>Lead Promoter Contact:</b>	Mark Dowson, Programme Manager
<b>Case Officer:</b>	Jessica McNeill, Programme Manager, Transport Partnerships
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Housing and Regeneration
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4 Infrastructure for Growth
<b>Approvals to Date:</b>	<p>This is an evaluation of an expression of interest submission and approval for decision point 2.</p> <p>This case paper also includes assessment and appraisal of a submitted change request against the same project.</p>
<b>Forecasted Full Approval Date (Decision Point 5):</b>	November 2018
<b>Forecasted Completion Date (Decision Point 6):</b>	<p>Retail/Office Accommodation – March 2020</p> <p>Residential Accommodation – May 2020</p>
<b>Total Scheme Cost (£):</b>	£11.87 million
<b>Combined Authority Funding (£):</b>	£3 million grant from Housing and Regeneration Growth Deal Funding.
<b>Total other public sector investment (£):</b>	£8.87 million Calderdale Council prudential borrowing and capital investment
<b>Total other private sector investment (£):</b>	N/A
<b>Is this a standalone Project?</b>	Yes

<b>Is this a Programme?</b>	No
<b>Is this Project part of an agreed Programme?</b>	No

**Current Assurance Process Activity:**



**Scheme Description:**

The project to refurbish the former Calderdale Council offices at Northgate House sits within a wider whole site solution the Council is looking to deliver which also includes the refurbishment of the former Central Library and archive into a sixth form college facility. These sites together occupy a prominent position within Halifax town centre, an established spatial priority area within the Leeds City Region Strategic Economic Plan (SEP).

The project will look to achieve outputs linked to priority 4, *Infrastructure for Growth*, by developing and regenerating an identified spatial priority area and bringing forward a scheme that will support employment, quality environments and building of new homes.

The project seeking funding under this expression of interest is looking to develop an opportunity to provide floor space for retail, offices and residential at Northgate House in a sustainable town centre location with improvements to the adjacent public realm. The Council is working to deliver the provision of a new sixth form college for 600+ students as part of a comprehensive whole site solution but is not seeking funding for this element of the wider Northgate site scope.

As such the project aims to support the LEP and Combined Authority's priorities to improve local transport links, accelerate housing growth and town centre regeneration, develop a skilled and flexible workforce, support growing businesses and build a resource efficient city region. The proposals will provide economic 'good growth' and employment opportunities for the residents of Calderdale, whilst increasing footfall and vibrancy within the town centre core with positive effects on nearby development sites, further enhanced by improvements to the public realm.

The five key outputs the project is looking to deliver are:

- Provision of 770m2 of retail space
- 1,900m2 (20,451 sqft) of office floor space
- 40 apartments
- 336 jobs directly created and constructed jobs safeguarded.

These are based on Homes and Communities Agency employment density guide for new floor space and split as 51 retail, 238 office and 47 construction jobs. (Note: under the Housing and Regeneration Programme objectives, the retail jobs will not be able to be captured as outputs).

- Improved public realm and place making benefits in Halifax town centre contributing to increased confidence amongst businesses to invest and higher levels of footfall, in turn facilitating an increase in Gross Value Added output.

In addition to the expression of interest requesting funding, the Combined Authority has also received a change request from Calderdale Council to seek a change of terms for the advance payment the scheme received of £300,000 in 16/17 and any future funding approved for the project.

The advance payment was made under the original project approval to support the demolition of Northgate House and for the Council to receive a total of £1.3 million as an interest free loan. The change request is seeking approval for this £300,000 paid to date to be recorded as a grant payment and all future drawdowns and funding approvals as sought within the expression of interest now submitted, to be on the basis of a grant.

The change request and expression of interest also now re-set the programme for delivery due to the changes to project scope as proposed, have been captured collectively within this case paper and project tolerances have been recommended on this revised project basis.

**Business Case Summary:**

<p><b>Strategic Case</b></p>	<p>There are alignments to be made and recognised around Halifax town centre being an established spatial priority area within the Leeds City Region Strategic Economic Plan (SEP) and there is acknowledgement of the promoting authority's desire to act on the back of the positivity surrounding Halifax currently relating to the opening of the refurbished Piece Hall and new library.</p> <p>The adjacent project to refurbish the former library building into a sixth form college does now offer an opportunity to regenerate the former Council offices at Northgate House.</p> <p>Independent market appraisal assessments have been undertaken to consider the scale, scope and mix of uses proposed on site. The commercial retail and office market in Halifax does require the Council to ensure management of approach and assessment of the scheme ensures risks are mitigated and the scheme is brought forward successfully.</p>
<p><b>Commercial Case</b></p>	<p>Appraisal evidence shows whilst the market in Halifax is challenging bringing forward office accommodation in smaller units could be manageable and targeting convenience and independent retailers to align with the needs of the sixth form college would allow for retail users to be identified.</p> <p>Residential end users would be focused from the private rental sector.</p>
<p><b>Economic Case</b></p>	<p>Previous options to demolish the building and present a cleared site to the market have been considered and discussions with potential pre-let occupiers was unsuccessful. The commercial market in Halifax did not support these options.</p> <p>An independent market appraisal of the option for a proposed scheme to refurbish the accommodation at Northgate House has been carried out by BNP Paribas dated 12<sup>th</sup> April 2018. This considered a number of approaches in terms of use, scale of</p>

	<p>proposed uses and mix of commercial and residential. Their professional independent advise supports the mixed-use approach of retail, office and residential on the scale shown. Some risks and caveats are raised and the promoting authority will need to ensure management of delivery of the project is such that accommodation released in in line with market demand and need. This will be explored further in the outline business case.</p>
<p><b>Financial Case</b></p>	<p>Commercial market levels in Halifax and cost of the scheme requires public sector funding in order for the project to proceed. Further detailed cost appraisals will be required at outline/full business case stage once the scheme promoters have engaged further with their architect and developed designs to ensure scheme viability.</p>
<p><b>Management Case</b></p>	<p>The Council will be managing the delivery of this scheme through its major projects team. A senior responsible officer, Programme Manager and Programme Board are all established to ensure direction and support is given to the project.</p>

