

**REPORT TITLE:** Funding associated with Huddersfield Open Market, Penistone Rail Line, Dewsbury Long-term plan and West Yorkshire Investment Zone; and delivery of Growth & Regeneration portfolio.

<b>Cabinet date</b>	12 March 2024
<b>Cabinet Member</b>	Cllr Graham Turner
<b>Key Decision</b>	Yes
<b>Eligible for Call In</b>	Yes
<b>Purpose of Report</b>	
This report seeks Cabinet Authority to accept funding and move forward programmes and projects relating to recent grant allocations and announcements, and to put in place the necessary resources to support the delivery of these and projects and programmes and the wider portfolio of schemes.	
<b>Recommendations</b>	
<ol style="list-style-type: none"> <li>1. Cabinet notes the content of this report.</li> <li>2. Cabinet agrees to accept external Levelling Up Funding Round 3 of £16,649,855 from Department of Levelling Up, Housing and Communities (DLUHC) to support the delivery of Huddersfield Open Market Hall Levelling Up project, subject to the terms and conditions of the grant funding agreement.</li> <li>3. Cabinet agrees to accept external Levelling Up Funding Round 3 of £47,917,122 from DLUHC to support the delivery of Penistone rail line upgrade, subject to the terms and conditions of the grant funding agreement.</li> <li>4. Cabinet agrees to accept external funding of up to £20m (£15m for Capital, and £5m for Revenue) from DLUHC for the development and delivery of the Long-term plan for Dewsbury, subject to the terms and conditions of the grant funding agreement. Upon acceptance the £15m will form part of the Council's Capital Plan.</li> <li>5. Cabinet agrees to accept external capital funding of up to £17m from DLUHC, via West Yorkshire Combined Authority (WYCA) as Accountable Body, to develop and deliver Kirklees projects within the West Yorkshire Investment Zone, subject to the terms and conditions of the grant funding agreement. Upon acceptance this will form part of the Council's Capital Plan.</li> <li>6. Cabinet notes that in accordance with Sections 22.4 to 22.8 of the Financial Procedure Rules grant funding will be accepted for external capital and revenue funding for Kirklees projects within the West Yorkshire Investment Zone from DLUHC via WYCA as Accountable Body, should this become available and subject to any related terms and conditions. Subject to this funding, Cabinet authorise officers to progress projects within the Investment Zone.</li> <li>7. Cabinet delegates authority to the Strategic Director Growth and Regeneration and the Service Director Legal, Governance and Commissioning in consultation with relevant Portfolio holders to finalise and execute all necessary legal agreements and to put in place the necessary governance and assurance arrangements including entering into any grant agreements with DLUHC and WYCA to facilitate delivery of the above projects.</li> <li>8. Cabinet delegates authority to the Strategic Director Growth and Regeneration in consultation with relevant Portfolio holders to develop and deliver the identified schemes for Huddersfield Open Market, the Penistone rail line upgrade and Kirklees projects within the West Yorkshire Investment Zone. This will include the preparation and submission of necessary statutory consents to ensure delivery and undertake the necessary procurement exercises, including the award of related contracts to deliver the projects, subject to necessary consents and approvals being in place and in accord with the Council's Contract and Financial Procedure rules.</li> </ol>	

9. Cabinet authorises Strategic Director Growth and Regeneration in consultation with the Portfolio holder to work with the existing Dewsbury Town Deal Board to establish a new Town Board by 1<sup>st</sup> April 2024, with the Council continuing to act as Accountable Body, and for officers to work with the Board and Portfolio holder to develop and submit a Long-term Plan by 1<sup>st</sup> August 2024.
10. Cabinet authorises the Strategic Director Growth and Regeneration in consultation with relevant Portfolio holders to progress all necessary delivery arrangements including procurement and award of a contract to a Strategic Delivery Partner to provide professional services that facilitate the effective delivery of the project portfolio, and Cabinet authorise the Strategic Director for Growth & Regeneration, in consultation with the Portfolio Holder and the Service Director Legal, Governance and Commissioning to finalise and execute all necessary contract agreements.

**Reasons for Recommendations**

- To help achieve the priorities of the Corporate Plan to enable and drive sustainable and inclusive economic growth across Kirklees, by supporting the development and delivery of key projects that will deliver regeneration in our towns and villages.
- To ensure efficient and effective delivery of the suite of projects that are the subject of this report and to achieve economies of scale where such opportunities present themselves.
- To secure value for money for public funds and to optimise opportunities to leverage private investment.

**Resource Implications:**

Staff time from across the G&R Directorate, along with staff time from Procurement, Finance and Legal will be required to progress and manage the projects and undertake necessary procurement.

**Date signed off by Strategic Director & name**

David Shepherd – 13 February 2024

**Is it also signed off by the Service Director for Finance?**

Isabel Brittain – 13 February 2024

**Is it also signed off by the Service Director for Legal Governance and Commissioning?**

Julie Muscroft – 13 February 2024

**Electoral wards affected:**

LUF3 - Huddersfield Open Market

- Newsome

LUF3 - Penistone Line

- Newsome
- Crossland Moor and Netherton
- Holme Valley North
- Holme Valley South
- Kirkburton
- Denby Dale

Station to Station Enterprise Corridor & Kirklees Investment Zone

- Dalton
- Newsome

Long-term Plan for Towns

- Dewsbury East
- Dewsbury West
- Dewsbury South

Delivery of Growth & Regeneration Portfolio

- All Wards

### **Ward councillors consulted:**

Ward Councillors have been consulted on during the development of both LUF3 projects, and during the development of the Station to Stadium Masterplan; and have been briefed on the Long-term Plan for Towns.

### **Public or private:**

Public

### **Has GDPR been considered?**

Yes. No personal data

## **1. Executive Summary**

- 1.1 The Council has been successful in securing significant inward investment and funding allocations, in particular from the Government and WYCA. As a result, there is a significant portfolio of projects to be developed and delivered over the next 10 years.
- 1.2 A recent review of the Growth & Regeneration portfolio has identified c.50 projects/schemes with a total value that exceeds £500m.
- 1.3 Within this portfolio are recent allocations from Department for Levelling Up Homes and Communities (DLUHC) for Levelling Up Fund 3 schemes (Huddersfield Open Market Regeneration, and Penistone Line rail upgrade), and Long-term Plan for Towns (Dewsbury). The Government has also named a new West Yorkshire Investment Zone which includes large parts of the Station to Stadium Enterprise Corridor in Huddersfield. This report provides a position for each of these schemes and seeks Cabinet approval to progress with the next stages for each project and to put in place the necessary officer delegations to enable delivery.
- 1.4 Considering the scale of projects to be delivered the Council needs to consider delivery models that will mitigate risk, enable delivery and ensure best value. This report summarises this need and seeks Cabinet approval to progress with the appointment of a Strategic Delivery Partner, to ensure the Council can successfully deliver the objectives and obligations associated with the new funding.

## **2. Information required to take a decision**

- 2.1 On 13 December 2023 the Leader gave a speech to Council setting out the Council priority of investing in the future of our towns and villages to deliver regeneration. This report builds directly on that commitment and sets out the decisions needed to progress key projects that will help to transform places across the district through the significant investment being made by the council and by external funders.
- 2.2 This section of the report is structured in parts: first a summary of the Growth & Regeneration portfolio is provided; then details are provided on each of the recent investment announcements; and lastly details are provided on the need to progress with delivery support.

### Portfolio summary

- 2.3 Across multiple funding streams there is over £500m of regeneration focussed investment planned over the next 10 years. A significant proportion of this is external funding, including: Transforming Cities Fund, West Yorkshire+ Transport Fund, City Region Sustainable Transport Fund, Levelling Up Fund, and the Long-term Plan for towns. This report focuses on recent announcements (sections 2.4 – 2.36) which will see significant inward investment in our district – and seeks authority to progress these schemes and put in place the necessary resources to support their delivery and the delivery of the wider portfolio of schemes. Future reports will come back to Cabinet as necessary where future decisions are required.

## Huddersfield Open Market Regeneration

- 2.4 On 20 November 2023 Kirklees Council was provisionally awarded up to £16,649,855 for the Huddersfield Open Market Regeneration Project as part of the third round of the Levelling Up Fund. It was decided by Department for Levelling Up Homes and Communities (DLUHC) to draw on the pool of bids submitted at round two, which were not able to be funded earlier in the year but were assessed as high quality and ready to deliver schemes.
- 2.5 Following the announcement, the Council has confirmed to DLUHC through the completion of the Project Validation Form that that the project will benefit from government funding and remains a local priority.
- 2.6 In being awarded the funding through Round 3 of LUF the intention is to deliver the project as set out in the bid of 2022, although it is accepted that some project adjustments may need to be made. The expectation is that the project can be delivered by March 2026.
- 2.7 Levelling Up Funding will regenerate the market provision at the existing Open Market site. The project will restore the Grade 2\* Listed structure and improve the surrounding public realm. The new market's offer will strengthen the evening and food economy and will provide a new focal point for the north of the town centre. It will act as a catalyst for regeneration through increased demand and vibrancy.
- 2.8 Linking into the Station to Stadium Enterprise Corridor, this regeneration project will create a popular, vibrant and sustainable market, responding to the needs of the new and building on the existing customer base. It will focus on high-quality independent traders, provide an enhanced food and beverage offer and will provide an anchor location and focal point within this area of the town centre which will provide good quality public realm, drive footfall and create an evening and night-time economy.
- 2.9 At the time the round 2 bid was submitted the intention was to receive match funding from the Council of circa £2million. The match funding is no longer available so the total project cost will now need to be covered by the LUF funding and adjustments to the proposal will be made to accommodate this overall reduction in the total project cost.
- 2.10 To enable this part of the overall programme to continue to move forward and hit key deadlines set by DLUHC officers are seeking agreement from Cabinet to accept external funding of £16,649,855 from the Government to support delivery of the Huddersfield Open Market project.
- 2.11 Cabinet is asked to delegate authority to the Strategic Director Growth and Regeneration and the Service Director Legal, Governance and Commissioning in consultation with Portfolio holders to finalise and execute all necessary legal agreements and authorise them to spend the grant to deliver this project. This includes the setting up of the appropriate governance arrangements for the oversight and delivery of the project.

## Penistone Line rail upgrade

- 2.12 The Penistone Line is a key strategic element of the transport infrastructure linking Huddersfield, Barnsley, Sheffield and the wider South Yorkshire area. It provides a sustainable alternative to road travel to, from and between the urban areas and is highly valued as a community asset providing access to work, education, leisure and retail.
- 2.13 The shared vision for the line includes enhancing the stations, and increasing the service frequency through track doubling and line speed improvements. Achieving this is estimated to cost in excess of £100m. A Levelling Up Round 2 bid was submitted in August 2022, the LUF Round 2 had a funding cap of £50m, as such, the bid identified a range of improvements that would act as a stepping stone to the wider aspiration of delivering a half hourly service across the route in line with the West Yorkshire Rail Strategy.

- 2.14 After notification that the LUF Round 2 bid was unsuccessful (January 2023) it was decided by DLUHC to draw on the pool of bids submitted at round two, which were not able to be funded earlier in the year but were assessed as high quality and ready to deliver schemes.
- 2.15 On 20 November 2023 Kirklees Council was provisionally awarded up to £47,917,122 for the Penistone rail line upgrade as part of the third round of the Levelling Up Fund.
- 2.16 Following the announcement, the Council has confirmed to DLUHC through the completion of the Stage 1 Project Validation Form that that the project will benefit from government funding and remains a local priority. In being awarded the funding through Round 3 of LUF the intention is to deliver the project as set out in the bid of 2022 (following discussion with DLUHC to take into account major changes that have occurred in the 18 months since the second round submission), subject to discussions with DfT, Network Rail and necessary business case Approval. The Council is currently awaiting a response to stage 2 of the DfT validation process and final Ministerial approval.
- 2.17 Levelling Up Funding will deliver significant improvements to the performance and reliability of services operating on the route through additional passing places on the single line sections and line speed improvements. It will also deliver enhancements to stations (Mobility Hubs) to provide better connectivity between different modes along with improved walking and cycling facilities to stations. Additionally, funding facilitates the installation of full fibre along the route which not only benefits the rail industry and passengers but can be made available to local communities through commercial agreements with telecoms providers. Future funding will be required to deliver the remaining infrastructure to enable a half hourly service.
- 2.18 Improvements to the Penistone Line support nine parliamentary constituencies between Huddersfield and Sheffield for which cross party-political support has been received. Work to enhance the Penistone Line has been developed in partnership with Barnsley Metropolitan Borough Council, South Yorkshire Mayoral Combined Authority (SYMCA) and West Yorkshire Combined Authority (WYCA). Additionally, the scheme had support from Sheffield City Council (subject to resolution of capacity issues to the northern approach to Sheffield Station).
- 2.19 The development of rail services and associated infrastructure on the Penistone Line within Kirklees supports shared council and WYCA ambitions in the West Yorkshire Local Transport Vision, West Yorkshire Rail Strategy and the emerging Kirklees Council Transport Strategy.
- 2.20 There was no match funding committed as part of the bid and so all project costs will need to be covered by the LUF funding. However, the potential for additional complimentary funding from Network Rail (fibre) and WYCA (Mobility Hubs) will be explored.
- 2.21 To enable this part of the overall programme to continue to move forward and hit key deadlines set by DLUHC officers are seeking agreement from Cabinet to accept external funding of £47,917,122 to support delivery of the project subject to validation by DLUHC.
- 2.22 Cabinet is asked to delegate authority to the Strategic Director Growth and Regeneration and the Service Director Legal, Governance and Commissioning in consultation with Portfolio holders to finalise and execute all necessary legal agreements and authorise them to spend grant to deliver the Penistone rail line upgrade LUF3 project. This includes the setting up of the appropriate governance arrangements for the oversight and delivery of the project including development of business cases and associated consents.

### Dewsbury – Long-term plan for Towns

- 2.23 On 1 October 2023 the Government announced additional investment as part of a long-term plan for towns. Dewsbury has been identified as one of 55 town that will benefit from up to £20m of funding over the next 10 years. Funding will be released over a 7-year period with flexibility to spend over the 10 years. This funding will be made up of 25% Revenue and 75% Capital and is to be focussed on three investment themes.

- 2.24 The three investment themes are:
- Safety and security – to focus on tackling crime and anti-social behaviour.
  - High Streets, Heritage and Regeneration – to help towns adapt and diversify their offer to be happy, healthy, liveable, inclusive and vibrant places for everyone.
  - Transport & Connectivity – to support the other themes and help improve access, safety and attractiveness.
- 2.25 On 18 December 2023 DLUHC released guidance which sets out the following requirements: a Town Board must be in place by 1<sup>st</sup> April 2024; and a Long-term plan (including a 10year vision and 3year investment plan) must be submitted by 1<sup>st</sup> August 2024.
- 2.26 Whilst the Local Authority (LA) will remain the accountable body the Guidance encourages the LA to empower the Town Board to shape the Plan and help drive community-led change. In Dewsbury, a Town Deal Board currently exists, and the Government are encouraging the use of existing Town Deal Boards to avoid duplication and help accelerate development of the Plan. As such, it is proposed that the existing Town Deal Board evolves to become the Town Board to cover both the delivery of existing Town Deal projects, and the development and delivery of the Long-term Plan. To provide continuity and ensure we achieve the deadline of 1<sup>st</sup> April set by DLUHC it is proposed that the term for the current Chair of the Town Deal Board is extended, and officers work with the Chair to review and amend membership and the Terms of Reference for the Board as necessary.
- 2.27 The Long-term Plan is intended to build on current investments and is to be shaped by community engagement to ensure it reflects local priorities. However, the funding must be focussed on the three investment themes (as section 2.24). It is proposed that officers work with the Board through thematic working groups to initiate early community engagement and identify interventions for inclusion within the Long-term Plan to ensure we achieve the deadline of 1<sup>st</sup> August.
- 2.28 Cabinet is asked to authorise officers to make progress as outlined above by working with the existing Dewsbury Town Deal Board to establish a new Town Board, and to work with that Board and the Portfolio holder to develop the Long-term Plan.

### Station to Station Enterprise Corridor & Kirklees Investment Zone

- 2.29 The Station to Stadium Enterprise Corridor (S2SEC) represents one of the most exciting economic development opportunities in Yorkshire and the Humber. Connecting Huddersfield Station – at the heart of the £6.9bn TransPennine Route upgrade that will transform journeys between Manchester, Leeds and Newcastle – with the John Smith’s Stadium to the east of the town centre and with the University of Huddersfield/s new National Health Innovation Campus at its core. The S2SEC will create new, high quality employment opportunities which complement the ongoing Blueprint regeneration programme across the town centre.
- 2.30 Cabinet approved a draft masterplan for the S2SEC area in December 2022. The Masterplan was consulted on in November to December 2023 and has now been finalised. The masterplan provides a framework to guide the long-term development of the area and underpin the attraction of both public and private investment. Since then, several key developments have already progressed within the Corridor including:
- Construction of the Daphne Steel Building, the first development on the National Health Innovation Campus at Southgate that will provide research and teaching facilities focused on allied health occupations and will represent over £60m of investment by the University when it opens in September 2024; the second building on campus is now at the planning stage and will include a community diagnostic hub and innovation space and the NHIC is expected to accommodate up to 75,000 sqm of research, teaching, clinical and community health floorspace.
  - A planning application has been approved to convert the adjoining 11-storey Crown House building, formerly used as Government offices, into just 198 studio flats for student living.

- The acquisition of a former car dealership adjoining the ring road by West Yorkshire Police to develop a new police station for Huddersfield, replacing the existing facility in Castlegate.
- Improvement works to the A62 Leeds Corridor have been completed which will enhance connectivity between the town centre and motorway network and reduce barriers to pedestrian movement between the town centre and health campus.
- As set out in Section 2.5, the Council has secured Levelling Up Funding to transform the Huddersfield Open Market which will complement other developments in the S2SEC; and is working with the Huddersfield Parish Church and the Huddersfield Mission to implement public realm improvements to St Peter's Gardens, with funding from the UK Shared Prosperity Fund.

2.31 The Council also continues to work with key stakeholders Huddersfield Town AFC and Huddersfield Giants to facilitate a new ownership model for the John Smith's Stadium and unlock related investment opportunities.

### West Yorkshire Investment Zone

2.32 In November 2023 the Government announced that West Yorkshire would house one of twelve Investment Zones (IZs) across the UK. Investment Zones will support the growth of knowledge intensive business clusters, underpinned by the presence of research-led Universities, and aim to stimulate business innovation and investment.

2.33 The West Yorkshire Investment Zone will focus on the region's world class health and wellbeing and digital sectors and will benefit from Government investment of up to £160m over the 10 years from 2024/25. Sites in Leeds, Bradford and Huddersfield will underpin the IZ programme with the Huddersfield sites centred on the S2SEC and anchored by the University of Huddersfield's National Health Innovation Campus.

2.34 Government investment in the West Yorkshire Investment Zone will take the form of capital and revenue grant support rather than tax incentives for investors/developers. This is because significant, up-front public investment in enabling infrastructure is required to address the market failure which has prevented private sector investment in the type of office, industrial, research and laboratory space that is required.

2.35 An initial capital investment package of £17m for the Kirklees projects within the West Yorkshire Investment Zone has been agreed by WYCA, Government and the West Yorkshire Leaders. This will address infrastructure constraints including electricity supply; improve pedestrian connectivity between key sites within the S2SEC and bring forward new sites for development for industrial and R&D use including funding for Building 2 at the University of Huddersfield's National Health Innovation Campus.

2.36 In addition, a package of revenue funding has been agreed as part of the IZ programme to complement the proposed capital projects, supporting business start-up, growth and innovation activity across the health and wellbeing and digital sectors and to accelerate the commercialisation of research. The precise funding allocations and distribution mechanism for the revenue programme have yet to be finalised, although the programme will include:

- A regional Accelerator programme to deliver world class scale up and innovation support for established early-stage businesses.
- A health and wellbeing-focused business incubator to supporting new and pre-start businesses, to be located in the Council's flagship small business centre, the Glass Box, which adjoins the health campus.
- Additional local capacity to support the attraction of Inward Investment and support the marketing and promotion of the IZ.
- Funding to enhance delivery of the Council's planning functions within the Investment Zone.

## Delivery support

- 2.37 Given scale of Growth & Regeneration portfolio and current capacity constraints within the Council there is a need to consider how best to ensure the projects can be delivered on time, to budget and to a high quality.
- 2.38 Complex professional services such as project management, commercial / cost management advice and development management expertise will be required from the private sector throughout the life of each project. Specific work packages such as Master planning (design, planning, business case development), multi-disciplinary engineering (civils, structural, mechanical, electrical and plumbing, sustainability) and specialist legal and procurement may also be required, specific to the nature of each project. Rather than procuring each element on a case-by-case basis, there is strong economic and efficiency arguments to procure a single Strategic Delivery Partner instead to support the delivery of multiple schemes, providing additional expertise and capacity to the Council that will enable the effective delivery of these major investments.
- 2.39 The scope of services, and contract length for a Strategic Delivery Partner will need to be explored but this procurement will provide a flexible delivery model that can scale additional resources up or down according to the needs of the project and the level of internal capacity, skills, knowledge etc available at the time. The Council will however at all times retain the vital role of project 'Client' or 'Senior Responsible Officer'.
- 2.40 The procurement of a Strategic Delivery Partner will not only help to support the delivery of multiple schemes it will help the Council deliver its Social Value policy by maximising the economic, social and environmental benefits to our residents, communities and businesses. It will also help to create and support learning and development opportunities for our staff. This will help to realise the full benefit of investment and create a lasting legacy across the district.
- 2.41 The length of contract is expected to be at least 4years to ensure consistency of delivery, and the value of professional fees (including those of any Strategic Development Partner), could be expected to range between 10 and 20% of total project costs. All professional fees would be funded from within the overall capital / external funding secured.
- 2.42 Subject to Cabinet approval officers will identify develop a scope of requirements and select the most appropriate procurement route to appoint a Strategic Delivery Partner.
- 2.43 Cabinet is asked to authorise officers to progress all necessary delivery arrangements including procurement of a Strategic Delivery Partner to provide professional services that facilitate the effective delivery of the project portfolio, and Cabinet authorise the Strategic Director for Growth & Regeneration, in consultation with the Portfolio Holder and the Service Director Legal, Governance and Commissioning to finalise and execute all necessary contracts agreements.

## **3. Implications for the Council**

### **3.1 Working with People**

The programmes and projects outlined in this report have either already involved significant engagement with people and communities which will continue as the schemes develop, or in the case of the Long-term Plan for Dewsbury engagement will take place to shape the proposals. The projects and interventions to be delivered are being designed to reflect local priorities and create positive change for local people. Ensuring the Council has the resources and partners in place to deliver these projects is crucial to delivering lasting change in our towns and helping to empower local people and communities to become more involved.



## 3.2 Working with Partners

Collaborative working with partners has formed a key element of scheme development to date to ensure we are achieving the best outcomes possible; this is reflected in the continued success of the Council to secure inward investment as demonstrated by recent announcements and the scale of the current portfolio.

The Huddersfield Open Market project has involved partnership working with Historic England, local traders and officers at DLUHC. The Penistone Line project has involved partnership working with Barnsley Council, Network Rail, Northern Trains, Penistone Line Partnership, South Yorkshire Mayoral Combined Authority, Transport for the North and West Yorkshire Combined Authority. The Investment Zone / Station to Stadium Masterplan has involved partnership working with WYCA, the University of Huddersfield, Huddersfield Town AFC and Huddersfield Giants and local businesses.

As the Long-term Plan for Dewsbury is developed partners will be actively engaged – the range of partners is anticipated to include the police, health services, local businesses, community groups and the voluntary and community sector.

## 3.3 Place Based Working

The development of the Blueprints and associated Place Standard exercise engaged local people and town centre stakeholders, businesses, and users to help shape the overall approach to redeveloping Huddersfield Town Centre. Engagement with businesses and landowners took place as part of the Station to Stadium Masterplan and a public consultation on the Masterplan took place November-December 2023. This place and community-based feedback has helped to shape the Huddersfield Open Market scheme and the Station to Stadium Masterplan.

The Penistone Line upgrade reflects a demand from local people, Councillors and MPs along the line between Huddersfield and Sheffield to see an improvement in journey times and reliability that will help improve connectivity and enable inclusive growth.

The development of the Long-term Plan for Dewsbury will build on past engagements and be shaped by the community through further engagement to ensure it reflects local priorities and is tailored to the needs of Dewsbury to achieve the best outcomes for residents.

## 3.4 Climate Change and Air Quality

The reduction of carbon emissions and air quality problems is a key objective for each of the projects and programmes described in this report. Specifically, the Penistone Line upgrade project has the potential to help facilitate a shift towards more sustainable and efficient modes of travel by providing an alternative to the private car. The Station to Stadium Masterplan includes propositions that will help to make access to Huddersfield town centre by walking and cycling safer and more attractive for all users, and the University buildings will meet BREEAM standards. One of the three investment themes for the Long-term Plan is Transport & Connectivity, any interventions brought forward within this theme will need to consider how they can help to tackle the climate emergency, reduce emissions and improve air quality.

## 3.5 Improving outcomes for children

The Blueprints for both Huddersfield and Dewsbury aim to provide a family-friendly town where everyone feels safe and welcome. The Open Market and the Station to Stadium Masterplan in Huddersfield, and the Long-term Plan in Dewsbury will be part of helping to realise this ambition to improve our towns for all people, including children – and will help to create a long-lasting legacy that benefits the next and future generations. The Investment Zone programme will specifically support research and innovation activity with the aim of improving health and wellbeing outcomes for children and young people and rapid diffusion of innovative new products and services within the NHS and other users.

### 3.6 Financial Implications

Both LUF3 schemes are 100% grant funding. Whilst there is no 'match contribution' from the Council the LUF submissions do include a commitment to underwrite the bids meaning the council is responsible for scheme overspend. However, the council will not commit to overwriting any scheme overspend associated with elements of the Penistone Line Rail project within Network Rail responsibility. For both schemes effective project and cost management processes will be in place to minimise the risk of overspends, this will include ongoing cost reviews and where necessary value engineering and or scope reduction will be undertaken to remain within the grant allocation. The current spend profile will be amended in future iterations of the Capital plan following further intelligence on timescales of schemes.

Full funding details associated with the Long-term Plan for Dewsbury are not yet known as we await further detail from DLUHC. However, a level of 'match contribution' is expected, although our current understanding is this could include council land, resource, property etc, not necessarily additional borrowing. The Council, as the accountable body will be responsible for cost overspends and will implement effective project and cost management processes to minimise this risk. The Long-Term Plan is for a ten year period with a £20m investment (75% capital) – once greater clarification emerges on the initiative the Capital Plan will be amended to reflect the investment.

WYCA will be the Accountable Body for the IZ funding. A grant agreement will be in place between the Council and WYCA covering contracted outputs, delivery milestones, funding profiles, compliance requirements etc for the final list of capital/revenue projects which the Council be responsible for delivering. Whilst WYCA will be the Accountable Body, the Council will be responsible for any cost overspends on Council-led projects.

For all projects, the professional fees including any associated with a Strategic Delivery Partner will be funded from within the overall capital / external funding secured.

### 3.7 Legal Implications

The Council acting reasonably has the legal power to enter into Funding Agreements with DLUHC and WYCA under section 1 of the Localism Act 2011 which is a general power of competence to do anything an individual may do subject to restrictions and limitations in other legislation. Together with Section 1 the council will rely on all other enabling legislation to carry out the projects referred to in this report. Legal Services will advise on the relevant grant conditions and associated compliance risks including failure to achieve contracted spend and output profiles, procurement will be in line with relevant regulations, failure to comply with branding guidelines etc.

The Council will comply with its Contract Procedure Rules and Financial Procedure Rules; and the Public Contracts Regulations 2015 and/or the Procurement Act 2023 when brought fully into force (c. Autumn 2024) in relation to Goods, Works and Services and the Subsidy Control Act 2022. The Council must comply with its duty of Best Value under section 3 of the Local Government Act 1999. The Council must comply with its Public Sector Equality Duty under section 149 Equality Act 2010 in relation to projects on a case-by-case basis before making any decisions.

### 3.8 Other (eg Risk, Integrated Impact Assessment or Human Resources)

The individual projects and programmes each have a risk and opportunity register, these are being actively managed to mitigate potential risks. By accepting the external funding as set out in this report there are five key risks:

- The risks associated with programme delay and non-delivery. The approvals sought in this report will enable officers to accelerate progress and put in place the necessary governance, assurance and resources to help ensure robust delivery programmes are developed and agreed with all partners, including external funders, namely DLUHC.

- The grant conditions will require the Council to work with the delivery teams and DLUHC to deliver within cost and programme margins to avoid the risk of clawback of grant funding.
- Managing the range and number of stakeholders involved, especially on the Penistone Rail Line upgrade project, presents a potential risk and could result in conflicting opinions and delay.
- The risks associated with project overspends. All project costs will need to be covered by the funding grant and additional Government funding is unlikely. Putting the appropriate project and cost management support in place will help to ensure a process of ongoing cost management so that changes in material and labour costs can be monitored, any potential cost overspends can be addressed through value engineering or de-scoping.
- Procuring a Strategic Delivery Partner will require the Council to act as an 'Intelligent Client' to ensure the partnership and projects are effectively managed – this will require resource and is likely to result in the need for staff development and training.

Integrated Impact Assessments will be undertaken and updated during the development of the projects as required to consider the potential effects of activities and decisions on people, the environment and Kirklees as a whole.

#### **4. Consultation**

As discussed in Sections 3.1 to 3.3 formal consultations were undertaken on the Huddersfield Blueprint, and the Station to Stadium Masterplan. The feedback has helped to shape the Huddersfield Open Market scheme and the final Station to Stadium Masterplan. Feedback from the Dewsbury Blueprint consultation will be reviewed as part of developing the Long-term Plan. As each project progresses statutory consultation will take place as required.

#### **5. Engagement**

As discussed in Sections 3.1 to 3.3 engagement has taken place with partners in the development of both LUF3 schemes, and the Station to Stadium Masterplan – and as these schemes progress further engagement will take place. Ongoing engagement is taking place with key stakeholders including Government, WYCA, University of Huddersfield and the private sector regarding the IZ. Engagement is planned with the community in Dewsbury to ensure the Long-term Plan reflects local priorities.

#### **6. Options**

##### **6.1 Options considered**

At a scheme level, the LUF3 projects (Huddersfield Open Market and Penistone rail line upgrade) and the Station to Station Masterplan were all subject to an option development and assessment process to help identify the preferred way forward. Whilst no options have yet been selected for the Dewsbury Long-term Plan, an evidence-based option assessment process will be adopted.

In terms of the purpose of this report, two main options were considered:

- Whether to Refuse or Accept the external funding
- Whether to procure the various specialist delivery resources that will be required on a case-by-case basis or via a single Strategic Delivery Partner approach

##### **6.2 Reasons for recommended option**

The recommended option for each project is based on their alignment to local and strategic objectives, support from stakeholders, their deliverability and their anticipated value for money.

In terms of the purpose of this report:

- It is recommended that Cabinet Accept the external funding. Not accepting the funding would have significant impact on project delivery and reputational risk, by accepting the grant fundings these risks are mitigated and we can realise economic and social outcomes.

- It is recommended that a new Strategic Delivery Partner is procured. Piecemeal arrangements would present a risk in terms of non-delivery. By establishing a new contractual arrangement with a single provider, the necessary project, programme and cost management can be put in place to support the delivery in a way that is most efficient and cost effective.

## 7. Next steps and timelines

A summary of next steps and milestones is provided in the table below – as noted in Section 2.3 whilst this report seeks authority to progress these schemes and put in place the necessary resources to support delivery future reports will come back to Cabinet as necessary where future decisions are required.

Project / Programme	Next steps / Key milestones	
	Target Date	Activity
Huddersfield Open Market	Early 2024	Design team in place
	Summer 2024	Submission of Planning application
	Spring 2025 – March 2026	Construction
Penistone rail line upgrade	Spring / Summer 2024	Confirmation of procurement options.
	Spring / Summer 2024	Programme agreed with DfT and DLUHC
Investment Zone	April 2024	Formal commencement of IZ programme
	Spring 2024	Commence recruitment of delivery team
	Spring / Summer 2024	Commence project business cases
	September 2024	Daphne Steel Building completion/opens
Dewsbury Long-term Plan	1 April 2024	Town Board confirmed
	March – June 2024	Community engagement & Plan development
	1 August 2024	Long-term Plan submitted
Delivery support	April 2024	Define scope / requirements
	May 2024	Commence procurement
	Summer 2024	Partnership in place

## 8. Contact officer

### Huddersfield Open Market Regeneration

Sarah Collins – Programme Manager, Town Centre Programmes

### Penistone Line rail upgrade

Joanna Ward – Transport Strategy & Policy Manager

### Dewsbury – Long-term plan for Towns

David Wildman – Strategic Partnership Lead, Town Centres

### Investment Zone / Station to Station Enterprise Corridor

Chris Duffill – Head of Business, Economy & Growth

### Delivery support

Edward Highfield – Service Director, Skills and Regeneration

## 9. Background Papers and History of Decisions

### Huddersfield Open Market Regeneration

None

### Penistone Line rail upgrade

None

Dewsbury – Long-term plan for Towns

Cabinet – 12 October 2021: Dewsbury Town Deal - Next Steps [report](#) and [decisions](#)

WY Investment Zone / Station to Station Enterprise Corridor

Cabinet – 21 December 2022: Station to Stadium Enterprise Corridor Masterplan [report](#) and [decisions](#)

Delivery support

Cabinet – 13 February 2024: [Council Annual Budget Report 2024-25 and following years](#)

**10. Appendices**

None

**11. Service Director responsible**

Edward Highfield: Service Director Skills & Regeneration