

**Report title: Development of land at Gasworks Street – West Yorkshire Investment Zone**

<b>Meeting</b>	<b>Cabinet</b>
<b>Date</b>	<b>24 March 2026</b>
<b>Cabinet Member</b>	<b>Cllr Graham Turner</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<p><b>Purpose of Report</b></p> <p>The Council-owned site at Gasworks Street, Huddersfield, which lies opposite the University of Huddersfield’s National Health Innovation Campus (NHIC), forms an integral part of the West Yorkshire Investment Zone (IZ). The Council plans to bring forward the site for high quality employment uses with a focus on health and life sciences businesses that wish to locate in close proximity to the NHIC to access the University’s research and innovation expertise. IZ funding of up to £8.55m has been allocated, subject to approval of outline and full business cases, to de-risk the site for future development.</p> <p>The report updates Cabinet on progress in the development of the masterplan for the site; seeks approval for the submission of the Outline Business Case (OBC) to the West Yorkshire Combined Authority (WYCA) and to commence the process to select a private sector development partner to deliver the successful development of the site.</p>	
<p><b>Recommendations</b></p> <p>It is recommended that Cabinet</p> <ul style="list-style-type: none"> <li>• notes the content of this report and approves the draft masterplan and OBC for the project</li> <li>• agrees to accept further funding of up to £1m from WYCA as part of the overall capital allocation for the project to support further development of the project including detailed scheme design and full business case development and for the Council to act as Accountable Body for the grant (see 3.2 of the report)</li> <li>• approves in principle the appointment of a private sector developer partner to progress delivery of the project</li> <li>• delegates authority to the Executive Director for Place, in consultation with the Service Director Legal, Governance and Commissioning, to finalise the procurement strategy to appoint a developer partner, as set out in paragraph 2.36 of the report, for future approval by Cabinet including commencement of pre-market engagement and subsequent procurement stages</li> </ul>	

- delegates authority to the Executive Director for Place to finalise the masterplan and OBC for submission to WYCA and, subject to OBC approval, commence development of the RIBA Stage 3 design and full business case
- delegates authority to the Executive Director for Place, in consultation with the Service Director Legal, Governance and Commissioning, to agree all necessary legal agreements with the WYCA and for the Service Director Legal , Governance and Commissioning to enter into the aforementioned documentation on behalf of the Council
- delegates authority for implementation of the programme to the Executive Director for Place including the commencement and award of any related procurement exercises required to progress the project up to and including RIBA Stage 3, in accordance with the contract procedure rules and finance procedure rules and for the Service Director Legal , Governance and Commissioning to enter into the associated legal formalities and documentation on behalf of the Council.

**Resource Implications:** Responsibility for management of the Gasworks Street programme, including ensuring compliance with the grant funding agreement and submission of claims will continue to lie with the Council. Funding for the management and delivery of the programme is incorporated within the grant funding agreement with WYCA and is 100% funded by WYCA.

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

**David Shepherd 13 March 2026**

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

**Kevin Mulvaney 13 March 2026**

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

**Samantha Lawton 13 March 2026**

**Electoral wards affected: Dalton**

**Ward councillors consulted: N/a**

**Public or private: Public**

**Has GDPR been considered? Yes**

## **1. Executive Summary**

The Council-owned site at Gasworks Street, Huddersfield, which lies opposite the University of Huddersfield's National Health Innovation Campus (NHIC and shown in Appendix 1, forms an integral part of the West Yorkshire Investment Zone. The Council plans to bring forward the site for high quality employment uses with a focus on health and life sciences and the attraction of businesses that wish to locate in close proximity to the NHIC to access the University's research and innovation expertise.

Along with the NHIC, the Gasworks Street site represents a unique opportunity to attract highly skilled, well paid jobs to the district and will complement and add value to the Council's wider regeneration programme for Huddersfield town centre. Investment Zone funding of up to £8.55m, including project development costs, has been awarded in principle subject to business case approval and was accepted by Cabinet in March 2024.

The report updates Cabinet on progress in the development of the masterplan for the site; seeks approval for the submission of the OBC to WYCA and to commence the process to select a private sector development partner to deliver the successful development of the site.

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

*Context: West Yorkshire's health and life science sectors*

- 2.1 West Yorkshire is home to innovative and rapidly growing health and life science sectors, with future growth potential highlighted in both the Government's Life Sciences Sector Plan (part of the Industrial Strategy) and WYCA's HealthTech Cluster Plan. West Yorkshire's health innovation ecosystem is based on a unique concentration of NHS/clinical and research expertise and innovative SMEs alongside larger businesses, including one of the largest teaching hospitals in Europe.
- 2.2 West Yorkshire's acknowledged innovation clusters include digital health, medical devices, diagnostics and personalised healthcare, pharmaceuticals and drug discovery, medical services and hardware/consumables. Strengths in data science, software development and AI underpin these capabilities.
- 2.3 The opportunities for significant growth of the health and life sciences sector are also highlighted in the recently adopted Kirklees Inclusive Economy Strategy. Established manufacturing businesses including STADA Thornton and Ross (pharmaceuticals) and Syngenta (agribusiness/life sciences) sit alongside innovative, fast growing SMEs including Paxman Scalp Cooling and Orean Personal Care.

*Context: West Yorkshire Investment Zone*

- 2.4 The University of Huddersfield's National Health Innovation Campus, sited in the heart of the Station to Stadium Enterprise Corridor, is a key driver of the growth of the health and life sciences in Kirklees. The NHIC will create the largest and most dynamic centre for workforce transformation and health and social care innovation in the North of England, building on the University's world leading research and innovation expertise in areas including clinical diagnostics, skin integrity and infection prevention.
- 2.5 The NHIC and wider Station to Stadium Enterprise Corridor form a key part of the West Yorkshire Investment Zone, launched in 2024. IZ's aim to accelerate investment in sectors that are vital to the national Industrial Strategy, creating highly skilled jobs, unlocking business growth and attracting private investment linked to regional research and innovation capabilities.
- 2.6 Each IZ will benefit from a package of £160m of both capital and revenue over a ten-year period commencing in 2024. Huddersfield is one of three locations (with Leeds and Bradford) which form the IZ in West Yorkshire. In Huddersfield, the aim is to utilise IZ funding to curate a unique mix of research institutions, public health facilities and businesses seeking to co-locate alongside the NHIC to access its expertise and facilities.

- 2.7 The suite of Huddersfield IZ projects already approved by WYCA or at business case stage includes:
- construction and fit out of an 'innovation floor' of the Emily Siddon Building at the NHIC, providing lab space/office space for innovative health sector businesses;
  - remediation and provision of site infrastructure for the Council-owned site at Gasworks Street, adjoining the NHIC, to provide a focus for health related manufacturing, research and other innovative businesses seeking to co-locate alongside the campus;
  - investment to enhance the capacity of the local electricity supply network to de-risk future development within the Station to Stadium Corridor, this project is also at OBC stage;
  - provision of a new footbridge over the Huddersfield Broad Canal, related footpath links to improve pedestrian connectivity between the NHIC and Gasworks Street sites this project is at OBC stage;
  - the Huddersfield Health Innovation Incubator, approved by Cabinet in December 2025, which will create a wrap-around package of support for innovative health, wellbeing, and digital tech businesses seeking to start or scale up and will complement and add value to the suite of capital projects proposed for the Investment Zone.

*Industrial property market context*

- 2.8 Huddersfield has experienced a shortage of available industrial premises and in particular high quality modern accommodation, for a number of years. Analysis via the CoStar property database shows there is currently just 295,544 sq.ft of industrial/logistics floorspace available for let or sale in the Huddersfield market area, comprising 16 units ranging in size from 663-143,614 sq.ft. One large unit accounts for just over 48% of the available supply. From a quality perspective none of the units is rated above 3\* (average) by CoStar and most are rated 2\* (poor).
- 2.9 In contrast, the Business Kirklees team is currently managing enquiries from 20 businesses seeking manufacturing or logistics/warehousing space in Huddersfield with a total/aggregated demand for 677,498 sq.ft of floorspace and a further 14 seeking a location anywhere in Kirklees with a requirement for an additional 693,216 sq.ft. On this basis demand for industrial floorspace considerably exceeds the supply available in Huddersfield.
- 2.10 Despite this, with a handful of notable exceptions, the private sector is not bringing forward new industrial floorspace to meet identified demand as a result of viability considerations. The development at Park Valley Mills (2022) is the most recent private sector development of any scale in Huddersfield.
- 2.11 This market failure is also impacting the growth of the health and life sciences sectors both locally and regionally, with an acute lack of specialist laboratory space or advanced manufacturing facilities. This was highlighted in recent research for WYCA on health and life sciences real estate, including the potential market opportunity for Huddersfield linked to the NHIC and Investment Zone.

- 2.12 This report, by international real estate consultants CBRE (see Appendix 2), notes that investment remains concentrated in established hubs in Cambridge, Oxford and London. West Yorkshire is one of the UK's emerging health and life sciences clusters yet there is an acute shortage of available laboratory space and other specialist facilities, or accommodation in the development pipeline, which is constraining the future growth of the sector.
- 2.13 The Old Medical School in Leeds, to be redeveloped to create up to 75,000 sq.ft of innovation space by Scarborough Group International and the innovation floor within the Emily Siddon Building are the only current schemes in the pipeline. The proposed relocation by Paxman Scalp Coolers to the Turnbridge Mills complex off Old Leeds Road – with significant IZ grant funding approved by WYCA to facilitate the project – highlights the viability challenge facing developers/investors in seeking to bring forward new floorspace to meet occupier demand.
- 2.14 Whilst acknowledging market failure, especially outside Leeds, the research highlights the need to provide a range of specialist lab facilities, including both 'wet' and 'dry' labs which house different types of research/experimentation, Containment Level 2 facilities which provide higher levels of containment for potentially hazardous biological agents; and flexible 'TechBox' spaces for MedTech businesses which integrate research, lab space and advanced manufacturing facilities within the same premises.
- 2.15 Building on the incubators established in Leeds, Bradford and Huddersfield, the research also identifies the need for more 'grow-on' space to support the growth and expansion of start-ups. Huddersfield is particularly well placed to provide additional, high quality employment sites in close proximity to both the University and town centre facilities and amenities, including urban living opportunities.
- 2.16 The presence of market failures both in the wider industrial property market and for the health/life sciences sectors reinforce the need for intervention through public land ownership and the availability of grant support, through the Investment Zone programme, to de-risk development. These measures are necessary to deliver the types of spaces required by progressive occupiers in the health and life sciences sector.

#### *Overview Gasworks Street site*

- 2.17 The Gasworks Street site extends to 6.8 acres (2.75 hectares) and lies between the Huddersfield Broad Canal and St Andrews Road to the east of Huddersfield Town Centre. The site formerly housed a number of gasholders which were removed many years ago and was subject to partial remediation by its former owners in the early 2000s.
- 2.18 The site was purchased by Kirklees Stadium Development Ltd (KSDL) as part of previous proposals to develop the land adjoining the (now Accu-sponsored) Stadium. Ownership was transferred to the Council in September 2025 as part of the share transfer and financial settlement agreement with other shareholders of Kirklees Stadium Development Limited).
- 2.19 The site was identified as a strategic opportunity to increase the supply of high quality employment land in the Station to Stadium Enterprise Corridor Masterplan which was approved by Cabinet in December 2022. The site, located in close proximity to the then emerging NHIC, Huddersfield Town Centre and Leeds Road was earmarked for development of over 17,000 square metres of advanced manufacturing floorspace.

2.20 The site is subject to contamination as a result of its former use for gas storage and distribution including petroleum and polyaromatic hydrocarbons. Substantial volumes of made ground are also present including asbestos and other sources of contamination. The site was subject to a degree of remediation by its former owners prior to disposal to KSDL. A range of desk-based geo-technical studies have been undertaken in relation to ground conditions and contamination with further site investigations planned as part of the next phase of project development work. When works commence on site these will be subject to extensive air quality monitoring and other proactive measures to ensure the safe and effective management of any contaminants.

*Draft masterplan*

2.21 WYCA has allocated IZ grant funding to implement site remediation and infrastructure works for the Gasworks Street site up to a total of £8.55m and subject to approval of outline and full business cases for the project. These works will de-risk the development of the site for, and enhance its attractiveness to, prospective developers of the site.

2.22 WYCA has provided initial development funding of £985,000 (part of the £8.55m overall allocation) to progress master planning, geotechnical and other assessments, site remediation and infrastructure design and the business case preparation. A consultant team has been appointed through the Council's Strategic Delivery Partner, Turner & Townsend, to progress this work, including the preparation of a flexible masterplan to guide the future development of the site.

2.23 The master-planning and related activity has reached RIBA Work Stage 2. The objectives of the draft masterplan for Gasworks Street are to:

- support the creation of high-value employment opportunities, especially in health innovation, life sciences, advanced manufacturing, research & development, and digital/tech sectors;
- improve pedestrian and vehicle connectivity and accessibility, capitalising on improved transport links (notably upgrades to Huddersfield Railway Station under the TransPennine Route Upgrade), and promoting walking, cycling, and better pedestrian/active-travel routes from the town centre and along the Station to Stadium Corridor; and
- deliver a high-quality urban environment combining a high quality built environment, green spaces, sustainable design, public-realm improvements to create a vibrant, mixed-use development on the edge of the town centre.

2.24 The draft masterplan incorporates a mix of advanced manufacturing and research and development floorspace, potentially including provision of the hybrid 'TechBox' format which increasingly forms part of health/life science-focused developments in the Oxford-Cambridge Growth Corridor. The mix of units illustrated in the masterplan will deliver just over 211,000 sq.ft of new floorspace with the capacity to accommodate between 550-1,000 gross FTE jobs. The masterplan is inherently flexible and the floorspace and mix of uses can be reconfigured to meet the requirement of developers/occupiers.

- 2.25 The proposed layout is centred on a corridor of green space/public realm from the south-west to the north-east of the site. This will not only create a high-quality setting for the development but will also, in due course, provide a new connection for pedestrians and cyclists between the station/town centre and Accu Stadium. It is proposed that this will be facilitated by the construction of a new pedestrian footbridge over the Huddersfield Broad Canal, physically connecting the NHIC and Gasworks Street sites to support collaboration between businesses, researchers and clinicians operating on both sites that will ultimately be a key measure of the establishment of a successful health/life sciences cluster. The management in perpetuity of the public realm created by the scheme will be fully incorporated into any future development agreement.
- 2.26 Development is mainly located along St Andrews Road and Gasworks Street to create strong street frontages and incorporates a mix of one and two storey buildings. Vehicular access is proposed via St Andrews Road with separate access for pedestrians and cyclists along both St Andrews Road and Gasworks Street to optimise the permeability of the site. A large multi-storey car park (MSCP) is also incorporated within the scheme to address the parking requirements of the proposed development and include some provision to meet wider parking needs in the area. The MSCP will also incorporate an active travel hub.
- 2.27 It is anticipated that the final version of the masterplan, developed to RIBA Stage 3, will form the basis for a hybrid approach to the submission of planning applications by the Council for the Gasworks Street, involving:
- a full planning application for the remediation works on completion of detailed design work and approval of the final business case (FBC); and
  - an outline application for a mix of office (Use class E(g)(i)) Research & Development (E(g)(ii)), Industrial Process (E(g)(iii)), and/or General industrial (B2) uses to optimise the flexibility to adjust the mix of land uses to meet future developer/occupier requirements, with most detailed matters reserved.
- 2.28 The planning strategy is closely aligned with the proposed approach to the delivery of the site to market. It will facilitate an early start on site, demonstrates the Council's commitment to prospective developer partners, and will mitigate future delays caused by design development and additional requirements. Pre-application discussions with the Council's Planning team are planned during the next stage of design development to RIBA Stage 3.

#### *Outline Business Case*

- 2.29 An OBC, based on the draft masterplan and proposed site remediation and infrastructure works, has been prepared in draft. The OBC is the second stage of the business case process outlined by the HM Treasury Green Book and builds on the programme-level IZ Strategic Outline Case that was approved by WYCA in March 2024.
- 2.30 The OBC confirms the scope of the preferred option for preparing the site for redevelopment, including the remediation strategy, utilities provision and enabling works required to de-risk the attraction of a commercial development partner and also outlines project costs and delivery arrangements. The OBC is required to unlock the next phase of project development funding by WYCA for the project. The key findings include:

- the *Strategic Case* highlights strong national, regional and local policy alignment, particularly with IZ objectives to grow HealthTech and Digital Tech sectors; in addition, the Gasworks Street site is identified as a priority within the Station to Stadium Enterprise Corridor and can complement and add value to the NHIC by creating high-value commercial, Research & Development and advanced manufacturing space, attracting businesses to the area.
- the *Economic Case* considers a range of options to deliver development of the site ranging from 'do nothing' to the full masterplan scheme outlined in the RIBA Stage 2 report; the latter generates the highest adjusted Benefit-Cost Ratio of 2.16, meaning that the preferred option provides good overall value for money; sensitivity tests confirm value for money is resilient under most scenarios, though dependent on long-term occupancy of the spaces by the target occupiers e.g. health/life science businesses.
- the *Commercial Case* details the procurement strategy that has been developed for the remediation works and other key workstreams required to deliver the project; more detail will be presented in the Full Business Case.
- the *Financial Case* confirms that the proposed programme of site remediation and related works can be delivered within the budget of £8.55m, including site clearance, ground works, cut and fill, removal of hazardous materials, and diversion of the remaining overhead gas main.
- the *Management Case* outlines the proposed delivery arrangements for the project including programme and milestones, governance and assurance arrangements and benefits realisation plan.

2.31 Following finalisation and approval by the Council, the OBC will be submitted to WYCA for appraisal. It is anticipated that the OBC will be considered by WYCA Committee in June 2026. Approval of the OBC will unlock additional funding to enable further development of the scheme design (up to RIBA Work Stage 4) and the remediation works package.

*Procurement of a delivery partner*

2.32 As noted elsewhere in the report IZ funding of £8.55m has been secured in principle to complete the remediation of the Gasworks Street site and undertake further works to de-risk its future development. Further IZ funding has been earmarked to enhance the capacity of the electricity supply network in the Station to Stadium Corridor and to support provision of a new footbridge over the canal.

2.33 The proposed works to the Gasworks Street site and environs will both de-risk and accelerate its delivery but will not in their own right facilitate the development of the site and the provision of the new, high quality advanced manufacturing/Research & Development floorspace required to tackle the significant under-supply of space at both regional and local levels highlighted earlier in the report.

2.34 As owner of the land at Gasworks Street, the Council has a number of options to take forward development of the site:

- *direct delivery*: the Council could take on the role of developer, taking full responsibility for funding and delivering the project either directly through its internal teams or via a newly established regeneration vehicle, and would fund the scheme (through borrowing or reserves) and manage the design, procurement of contactors and delivery; this would optimise control over design quality, development mix, sustainability standards, and community benefits and facilitate retention of rental income and other revenue streams; however, the risks of this approach include affordability; full financial exposure to cost overruns, delays, and market downturns; and the requirement for specialist in-house expertise in development, project management, and marketing; and all delivery and sales risk would sit solely with the Council; or
- *disposal of the land (through outright sale or long lease)*; the Council could undertake an outright sale or grant a long lease of the site to a private developer, via competitive tender, auction, or negotiated sale and with potentially some conditions attached linked to planning, design standards, delivery timeframes etc; Section 123 of the Local Government Act would apply requiring the Council to achieve the best consideration reasonably obtainable unless the consent of the Secretary of State was sought to disposal of the site at an undervalue pursuant to the General Disposals Consent Circular 6/93; this option has the benefit of simplicity and speed compared with the other options, would generate a capital receipt, transfer the development/sales risk to a third party and could be simpler from a procurement perspective if structured as a pure land transaction without enforceable conditions: but also risks loss of long-term control over the site's use, quality, affordability and delivery timeframes, including the risk that development of the site could stall, or not occur at all if market conditions or viability changes; there would need to be strong controls to ensure development took place so a leasehold disposal would be preferable as the Lease could be forfeit for breach of covenant if the development did not happen; or
- entering into a *joint venture* with a private developer to deliver the development, sharing risks and rewards; the Council would make available the land and enabling funding whilst the private sector would provide development/investment expertise and funding; the Council would select a private sector partner through a competitive process, potentially through a new corporate joint venture (a new jointly owned company) or via a development agreement with the partner delivering agreed works on Council land with profit/risk sharing mechanisms; in this scenario the Council would benefit from access to private sector expertise and funding whilst retaining influence over delivery of the scheme; this option would also provide the capability to phase development and respond to market changes and provide for profit share and reinvestment, although the risks include the complexity of the procurement and governance arrangements and that the need for a long-term contractual commitment between the parties could reduce flexibility if priorities shift over time.

2.35 Taking all of these factors into account, it is recommended that the Council should consider entering into a procurement exercise to select a joint venture partner. This approach would:

- provide access to development/investment expertise and funding, ensuring affordability and reducing the financial risk to the Council of direct delivery;
- enable the Council to retain an appropriate degree of control over the development mix, delivery timeframes and other matters;

- facilitate shared risk and reward with the potential to recycle development profits over time; and
- require robust partner selection, due diligence and post-agreement/post-development performance monitoring to ensure success.

#### *Procurement options*

2.36 There are a number of potential procurement options to facilitate the compliant appointment of a development partner under either the Public Contract Regulations 2015, where relevant, or the Procurement Act 2023 (2023 Act) and these are:

- *Open Procedure* – effectively a single stage tender procedure with no restriction on who can submit a tender; this approach potentially maximises accessibility and could be implemented over a shorter timeframe (due to a reduction in the number of procurement stages) but is also resource intensive with an increased risk of low quality or non-compliant tenders and there is a risk that the Council would not achieve the preferred outcome through this route; or

*Competitive Flexible Procedure* - introduced by the 2023 Act this replaces multiple prescriptive EU-derived procedures with a single, highly adaptable competitive process that contracting authorities can design to suit their objectives, provided they comply with the objectives of the 2023 Act; this enables local authorities to structure multi-stage processes, incorporate dialogue or negotiation, and enable more commercially effective procurements tailored to specific markets and opportunities; the 2023 Act also introduces the change of selecting the “*Most Economically Advantageous Tender*” to the broader “*Most Advantageous Tender*,” enabling consideration of wider social, economic, and environmental benefits; however, there are also a number of risks linked to compliance with statutory requirements around time limits and transparency obligations and there is a risk of procedural challenge if authorities fail to document decisions robustly or inadvertently design processes that undermine equal treatment; or

- utilising a *national framework contract* such as the frameworks governed under sections 45-49 of the 2023 Act; frameworks enable contracting authorities to operate a competitive tendering process with pre-qualified contractors and subsequently award call-off contracts without repeating full procurement exercises; conversely, the use of long-established frameworks may reduce competition over time and there are legal considerations attached to the management of call-off processes or the correct publication of contract award notices; in addition, inflexible or poorly scoped frameworks can lock authorities into outdated commercial terms, limiting responsiveness to changing needs.

#### *Programme*

2.37 The key programme milestones for the next period following Cabinet approval are:

- Submission of OBC to WYCA (Q1 2026/27 financial year)
- Finalise procurement of detailed site investigations (Q1 2026/27)
- Commence preliminary market engagement, developer partner (Q1 2026/27)
- Approval of OBC (Q2 2026/27)
- RIBA Stage 3/FBC programme commences (Q2 2026/27)
- Hybrid planning applications submitted (Q3 2026/27)
- Cabinet gateway stage (Q3 2026/27)
- Commence procurement of remediation contractor (Q3 2026/27)

- Issue invitation to participate (developer partner) (Q4 2026/27)
- Submission of Full Business Case (Q3 2026/27)
- Planning approval anticipated (Q4 2026/27)
- Approval of OBC (Q4 2026/27)
- Contract award, remediation works (Q4 2026/27)
- Issue invitation to tender, developer partner (Q1 2027/28)
- Remediation works start on site (Q1 2027/28).

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

#### **3.1 Council Plan**

Alongside other Investment Zone projects, development of the Gasworks Street site has the potential to make a significant contribution to the achievement of a number of cross-Council priorities and wider shared outcomes, as set out in the Council Plan 2025/26. The project will bring forward much needed advanced manufacturing, laboratory space and other floorspace for businesses that are focused on the development and diffusion of innovative solutions to some of West Yorkshire's most significant and deep-seated health and social care challenges and to the improvement of health outcomes whilst supporting local economic growth. As a result, the project is strongly aligned with the achievement of the following Council priorities:

- Local economic growth, working with regional and national partners
- Thriving people and communities
- Protecting the vulnerable and achieving inclusion

and also to the achievement of the following shared outcomes:

- Sustainable economy
- Well

#### **3.2 Financial Implications**

WYCA has agreed in principle to allocate £8.55m of capital investment to fund the package of site remediation and other enabling works for the Gasworks Street site, subject to approval of OBC and FBC. This includes development funding of £985,000 that has been utilised to support project development, feasibility work and business case costs, in advance of OBC/FBC approval by WYCA.

The funding is available over the four year period ending in March 2029. No match funding for the project is required from the Council. Any cost over-runs will need to be met through value engineering within the existing budget so appropriate industry-standard assumptions re construction, cost inflation and contingencies have been applied.

#### **3.3 Legal Implications**

The Council has entered into a grant agreement with WYCA in relation to the development funding provided to date and will enter into a further grant agreement following approval of the OBC. The grant agreement will stipulate a number of contractual obligations governing what the grant can be utilised for, delivery timeframes and other conditions.

The Council will comply with its Financial Procedure Rules and Contract Procedure Rules when exercising its delegations and when awarding all grants and Contract Procedure Rules and the 2023 Act when awarding contracts to third parties.

The Council must also comply with its public sector equality duty under section 149 of the Equality Act 2010 in relation to the management and delivery of the project.

As the Council has received funding from another public body the provisions of the Subsidy Control Act 2022 (2022 Act) and statutory guidance for UK Subsidy Control Regime are relevant. A subsidy occurs where a public authority provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. In line with the provisions of the 2022 Act the Council has assessed whether the grant for the Gasworks Street project should be considered a subsidy. Prior to receipt of the full grant award the Council will undertake a Subsidy Control Assessment in this respect. In the event that the grant award can be considered a subsidy, it is to be noted that the Government has established the English Investment Zones subsidy scheme for this purpose to support subsidy control compliance for Investment Zones including provision for “*grant funding for local infrastructure, research and innovation, skills, and business support.*”

#### 3.4 **Climate Change and Air Quality**

The project has the potential to make a positive contribution to the Council’s climate change and air quality objectives. These will include the adoption of active travel measures and sustainable design and construction principles. Further detail will be provided at RIBA Stage 3.

#### 3.5 **Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**

An IIA and Equalities Impact Assessment have been completed in draft in respect of the programme. There are potential risks associated with the scheme including:

- the wider economic climate could impact on the ability to bring forward the proposed development through delays in the procurement of a development partner, or in bringing forward the proposed development to provide suitable accommodation for health/life sciences occupiers; these risks are mitigated by the level of interest that the site has already generated; substantial levels of unmet/latent demand for industrial floorspace in the Huddersfield market area and ongoing market engagement/lead generation activity; and
- in acting as Accountable Body to WYCA for the grant, the Council will be required to ensure compliance with relevant eligibility, Subsidy Control, procurement and branding/publicity requirements, including by delivery partners, again with the potential risk of grant clawback in the event of non-compliance; this is mitigated by the Council’s extensive experience (and that of its delivery partners) in delivering similar capital projects and revenue programmes including previous European Union and UK Shared Prosperity Fund programmes which required a rigorous and ongoing focus on compliance.

#### 4 **Consultation**

A wide range of public and private sector stakeholders have been consulted in developing the programme, including WYCA and the University of Huddersfield. This has informed the development of the masterplan and delivery programme and also ensured

that the Council's proposals for the development of the site are aligned with the University of Huddersfield's vision for the NHIC.

## **5 Engagement**

The Council will continue to engage with participating businesses to ensure that ongoing delivery is informed by robust feedback. There has also been full engagement with the Council's Portfolio Holder for Finance and Regeneration.

## **6 Options**

### **6.1 Options Considered**

The Council could choose not to accept IZ funding for the delivery of the project. This would significantly limit the opportunities to provide support for start-up/scale-up businesses in the health, wellbeing and life science sectors and impact on the delivery of other elements of the IZ programme, including the Huddersfield Health Innovation Incubator proposed capital projects. It would also generate reputational risks for the Council in respect of its relationship with the University of Huddersfield, WYCA and other key stakeholders.

The Council has considered a range of options to facilitate the development of the site, including direct delivery; disposal by lease or sale; and the appointment of a private sector delivery partner. These are outlined in paragraphs 2.34 and 2.36. Appointment of a developer partner will facilitate access to development/investment expertise and funding, enable the Council to retain an appropriate degree of control over the development mix, delivery timeframes and other matters and facilitate shared risk and reward.

### **6.2 Reasons for recommended Option**

Accepting external funding and approving delivery of the programme will optimise the benefits of the project for businesses and residents.

## **7 Next steps and timelines**

Next steps will include:

- Submission of the OBC to WYCA (Q1 2026/27 financial year)
- Finalise procurement of detailed site investigations (Q1 2026/27)
- Commence preliminary market engagement, developer partner (Q1 2026/27)
- Approval of OBC (Q2 2026/27)
- RIBA Stage 3/FBC programme commences (Q2 2026/27)

## **8 Contact officer**

Chris Duffill, Head of Business and Skills [chris.duffill@kirklees.gov.uk](mailto:chris.duffill@kirklees.gov.uk)

## **9 Background Papers and History of Decisions**

[S2SEC Cabinet V6 - LMT.pdf](#)

[Cabinet Report - GR Project Delivery Funding - FINAL.pdf](#)

## **10 Appendices**

Appendix 1: Site plan

Appendix 2: CBRE report

## **11 Service Director responsible**

David Wildman, Service Director Skills & Regeneration.