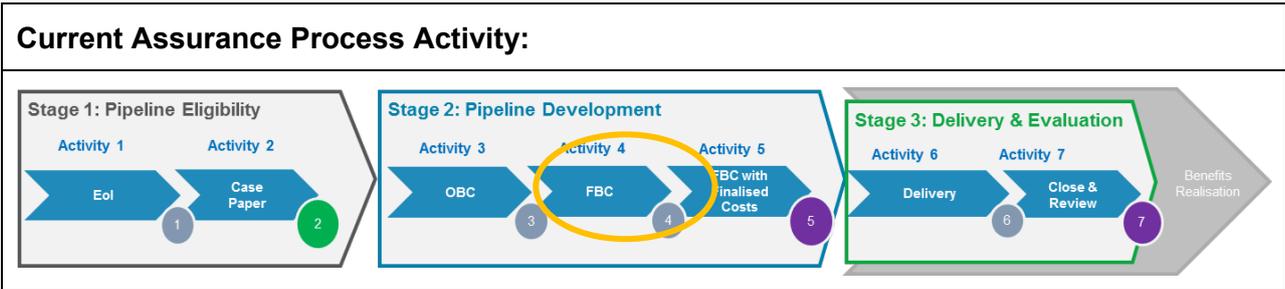


Section A: Scheme Summary

Name of scheme:	GBF Enterprise Zone: Langthwaite Business Park Extension
PMO scheme code:	CFP-008
Lead organisation:	West Yorkshire Combined Authority (CA) in partnership with Wakefield Council
Senior responsible officer:	Kate Thompson, Head of Economic Implementation (CA)
Lead promoter contact:	Jacque Bolton, Project Manager (CA)
Case officer:	Asif Abed, Appraisal Manager (CA)
Applicable funding stream(s) – Grant or Loan:	Local Growth Deal – up to March 2021 Getting Building Fund – up to March 2022
Growth Fund Priority Area (if applicable):	
Approvals to date:	Decision Point 3: Combined Authority Board approval, 4 September 2020 Change Request: Managing Director approval, 21 February 2020 (to acquire the site) Change Request: Managing Director approval, 21 May 2021 (to revise funding budgets following the scheme securing Getting Building Fund)
Forecasted full approval date (decision point 5):	December 2021
Forecasted completion date (decision point 6):	December 2022
Total scheme cost (£):	£6.409m
Combined Authority funding (£):	£0.417m Local Growth Deal £1.500m Getting Building Fund £4.492m Source to be determined
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0

Is this a standalone project?	Yes
Is this a programme?	No
Is this project part of an agreed programme?	Yes – Enterprise Zones



Scheme Description:

The Lanthwaite Business Park Extension Enterprise Zone is a site amounting to 9.45 hectares, located adjacent to the existing Lanthwaite Business Park in South Kirkby, Wakefield. The scheme will deliver enabling works to unlock opportunity for commercial development and is being delivered in two phases:

- Phase 1: Extension to Onward Way to create a new access road, including cycling & walking access off Broad Lane, by December 2021. Led by Wakefield Council.
- Phase 2: Site de-risking and infrastructure works across the site to bring forward two serviced units to the market capable of accommodating 9,290sqm of floorspace and unlock indirect investment for a further 11 units capable of accommodating 17,652sqm, an area of open green space within the site, the development of new habitat in the form of containment ponds from a sustainable urban drainage system, and a green corridor with walkway enabling two public footpaths to be linked at the long the side of Lanthwaite Beck, by December 2022. Led by the Combined Authority.

The site is in Combined Authority ownership following acquisition in 2020.



Business Case Summary:

Strategic Case

The Leeds City Region (LCR) EZ Programme supports the LCR Strategic Economic Plan (SEP) vision and the principle of 'good growth' by supporting delivery of innovation and the delivery of high-quality employment space in advanced and innovative manufacturing and complementary sectors.

This scheme supports the Local Plan Policy ES8 – Lanthwaite Grange Extension, South Kirkby, and the Wakefield District Economic Strategy.

The site has the potential to accommodate up to 26.942 sqm of commercial floorspace, subject to the final site masterplan and layout. By delivering the enabling works through Phase 1 and 2, it will support:

- A fully developed site capable of accommodating 650 gross jobs and generate a GVA of £83.2m.
- Potential to generate a capital receipt of £2.25 million for the Combined Authority from plot sales.
- Potential to realise Business Rates Return income of £11 million to the Combined Authority (as the accountable body on behalf of the Local Enterprise Partnership "LEP") by 2042.
- A 10% biodiversity net gain.

Regarding Clean Growth, the scheme seeks to reduce its construction carbon footprint through its cut and fill design, negating the need to remove muck or bring in muck offsite and the need for vehicle trips. Whilst in line with emerging national policy one of the design objectives of the scheme is to increase biodiversity on the site, which it intends to do through creating an open green space within the site, the development of new habitat in the form of containment ponds from a sustainable urban drainage system, and a new green walkway alongside the beck. Furthermore, the retaining structures on site will maximise the use of gabions and timber to promote habitat creation for flora and fauna on site.

	<p>The scheme also supports inclusive growth by unlocking employment opportunities within the deprived areas of South Kirkby and South Elmsall, which will also be accessible by bike or walking, reducing the reliance on car ownership and at the same time encouraging a healthy lifestyle.</p>
<p>Commercial Case</p>	<p>The market demand assessment demonstrated that there is insufficient good quality employment land and modern space to meet the requirements of both developers and businesses. It shows there is market demand that can be absorbed across West Yorkshire, including the Wakefield District which benefits from proximity to the M62, M1 and A1.</p> <p>Engagement has been had by the Combined Authority's Trade & Investment team with several interested parties looking to occupy the site, and despite the Covid19 pandemic and the challenges brought about by Brexit, the discussions had to date as well as the property market advice received suggests the commercial property market is still buoyant.</p> <p>Wakefield Council will deliver the extension to Onward Way to enable an Access Road into the site, procuring the works off the Leeds City Council framework. An appointment is expected by September 2021. The Combined Authority will deliver site de-risking and infrastructure works across the site including remedial earthworks, services, balancing ponds and roads, with two serviced development plots to bring to the market. Balfour Beatty has been appointed on a NEC4 Contract off the SCAPE framework to deliver Phase 2.</p> <p>Once the site is in a developable state following the enabling works, the anticipation is that the Combined Authority would procure agents to dispose of parcels of land to the market. This would be procured via OJEU/Public Contracts Regulations 2015 compliant process. It is likely that a disposal to a developer would be done using a building lease arrangement in order for the Combined Authority to retain some control until completion. This will also ensure that development and outputs are being captured before March 2025</p>
<p>Economic Case</p>	<p>A Long List of options were considered covering working with private sector partners or taking a more direct approach in delivery. Given the focus on acceleration of delivery through the Enterprise Zones programme and the Combined Authority being the landowner in this instance, the Short List focused on options where the Combined Authority takes the lead in delivery.</p> <p>The options considered reflected what can be done in the timeframe, focusing on site preparation and infrastructure rather than above ground development, with each option scored against defined Critical Success Factors (CSF's).</p> <p>The preferred option will see the delivery of the access road and site de-risking and infrastructure works and bring two serviced plots adjacent to the access road to market for development.</p>

	<p>The value for money (VfM) assessment projects the enabling works in isolation to generate a Poor VfM, however when the GVA and Land Value Uplift impacts following indirect investment are assessed the VfM improves significantly to a Very High classification, supporting the case to invest in the enabling works.</p>
<p>Financial Case</p>	<p>The total project capital cost estimate is £6.409m with Delivery and costs phased in to two parts:</p> <ul style="list-style-type: none"> • Phase 1 <ul style="list-style-type: none"> - total cost £1.246m - includes risk allowance of £0.187m • Phase2 <ul style="list-style-type: none"> - total cost £5.163m - includes risk allowance of £1.169m <p>Scheme costs of up to £1.917m to March 2022 will be funded by the Combined Authority's Local Growth Deal Fund (£0.417m) and the Getting Building Fund (£1.500m), with a funding strategy for further costs of up to £4.492m beyond March 2022 in the process of development.</p> <p>Once the commercial units are fully developed and occupied, the Lanthwaite Enterprise Zone site has the potential to generate £11m in Business Rate Returns to the Combined Authority by 2042.</p> <p>Being the landowner, the Combined Authority will stand to receive capital receipts totalling £2.25m from any future sale.</p>
<p>Management Case</p>	<p>The scheme is being developed through the existing Enterprise Zone project delivery team and governance arrangements at the Combined Authority, in partnership with district partner Wakefield Council.</p> <p>The delivery programme anticipates completion to site access works (Phase 1) led by Wakefield Council by December 2021, with the site de-risking and infrastructure works (Phase 2) to be delivered by Balfour Beatty by December 2022.</p> <p>Planning has determined the Phase 1 works as permissible under Permitted Development, whilst the scheme is seeking to secure Outline Planning approval for Phase 2 works. Determination is expected in September 2021.</p> <p>The monitoring & evaluation (M&E) of scheme benefits, outputs, and outcomes will be undertaken as part of the Enterprise Zone programme M&E plan currently in development.</p>