

Report of the Strategic Director, Place to the meeting of Regeneration Overview and Scrutiny Committee to be held on 18 July 2023

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Subject: Keighley Towns Fund, Development Investment Fund

Proposal to remediate land at Beechcliffe, Keighley

Summary statement:

This report provides an overview on the proposal to progress with the procurement to deliver full site remediation of a Council owned site in Keighley known as 'Beechcliffe' to provide an opportunity for development of a new industrial park.

EQUALITY & DIVERSITY:

The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. The funding and projects identified will create jobs, promote economic growth.

The redevelopment of this site will increase the stock of Keighley's industrial accommodation and provide employment opportunities for all residents.

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Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- This report provides a brief overview of progress with the procurement to deliver site remediation of an allocated employment site in Keighley known as the Beechcliffe site and shown in Appendix 1. Committee should note the intended spend is likely to be in excess of £2m and an initial allocated budget is circa £7m.

2. BACKGROUND

2.1 Programme Update

In September 2019 Keighley and Shipley were selected by government as two of 101 places across England eligible for up to £25m of Towns Fund. This entitled Keighley and Shipley to develop proposals for an investment plan to deliver government ambition of 'levelling up' places across the UK.

A Town Investment Plan was subsequently developed which provided further detail on specific projects to be delivered through the Towns Fund Programme.

The Keighley TIP was particularly ambitious and despite the initial suggested cap of £25m per town, a bid in excess of this was submitted and in June 2021 a total fund of £33.6m was awarded to deliver projects in Keighley.

Of this £33.6m a sum of £14m was allocated for a programme of activity known as the 'Development Investment Fund'. This very specific fund is targeted towards remediation and redevelopment of identified brownfield sites and properties which increase the supply of business accommodation in the Keighley Towns Fund area.

One private sector project is currently being delivered through the DIF programme – Providence Park on Dalton Lane, Keighley and Beechcliffe will be a scheme to remediate a brownfield site, provide highway access and ultimately deliver a new industrial park providing up to 150,000 sq ft of new business accommodation.

2.2 Project Outline

The project will be delivered in two distinct phases. Phase 1 will be feasibility work to ascertain the level of work required to secure planning permission, remediate the site, construct an access road. This stage will also provide an initial cost estimate and options.

If the initial costs are within the identified budget phase 2 will be the physical works to prepare the site for development of a new industrial park.

Whilst the cost of the scheme is to be determined there is flexibility within the DIF programme to value engineer the project. At this stage we are confident a project can be delivered within an initial cost envelope in the region of £7m of the Towns Fund DIF budget allocation.

Should after the initial phase 1 feasibility stages it becomes apparent any project will require funds well in excess of the initial funding envelope a review of the project will be undertaken to consider alternative delivery models.

3. OTHER CONSIDERATIONS

3.1 Proposed Procurement Method

Delivery of a scheme such as this can be undertaken in a number of ways from separating the two phases, with phase 1 being undertaken by a design team before procuring a delivery contractor, or a design and build process where both elements are delivered by one appointee.

Due to the extensive nature of the works, the value of the contract and the timescale to deliver a completed scheme the preferred approach is to utilise a framework agreement using established frameworks for civil engineering works.

Examples of these include SCAPE and PAGABO. SCAPE has recently been used to deliver remediation of land at Parry Lane which will be developed as a new business park by a third party developer. PAGABO is the preferred option for delivery of the City Village redevelopment. It should be noted that these national frameworks have been established to maximise delivery of social value through their contracts.

Procurement will advise on the process for securing a suitable partner for delivery of the project.

2 forms of contract are generally considered for schemes such as Beechcliffe. These are:

NEC3 Option A – a fixed price contract. Whilst this gives a set contract price at tender, contractors are likely to price in for an element of risk due to potential inflation in the construction industry and potential unknown costs due to the nature of the site.

NEC3 Option C – a contract where a target price is set and aimed for, there are mechanisms in place to share, or limit the risk of price increase and share the benefit of savings below the target cost. This does not give price certainty, but helps potentially mitigate some of the risk of inflation. This contract requires a contract manager to assess the incurred costs and mitigate overspends, whilst maximising savings

Due to the potential for unknown costs Option C is likely as this reduces the risk priced into an Option A contract.

4. FINANCIAL & RESOURCE APPRAISAL

- Funding for the project will be from the Development Investment Fund of Towns Fund and whilst the cost of the project has not been ascertained at this stage a budget of up to £7m has been earmarked for the project.

Finance and procurement will be engaged during the procurement process to ensure best value.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1** The Towns Fund budget is available for a limited period with all works needing to be completed by 31 March 2026. Progress will need to be maintained to meet the deadline.
- 5.2** Whilst the vast majority of the site is Council owned a very small piece of land, circa 50 sq m is owned by Yorkshire Water – edged blue on the plan in Appendix 1. A scheme could be delivered without this land, but discussions are ongoing with Yorkshire Water to secure ownership of their land and have clean title across the whole of the site.
- 5.3** The site is allocated for employment uses. Outline planning permission for the proposed scheme and full planning permission for any highway works will be required for the proposal.

6. LEGAL APPRAISAL

- Legal advice will be taken on the procurement and the contract documentation for delivery of the project.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

The project will see redevelopment of a significant brownfield site to provide modern industrial accommodation which will be built to a minimum of BREEAM very good standards. Redevelopment of brownfield sites takes pressure off the requirement to allocate greenfield sites for similar developments.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

Modern accommodation will be built to BREEAM very good standards as a minimum

Companies on the frameworks have a duty to record an estimate of greenhouse gas emissions generated from projects they are delivering. This includes but not limited to emissions generation as a direct result of undertaking the works and also those of visitors to site and deliveries.

7.3 COMMUNITY SAFETY IMPLICATIONS

- The site currently has a public footpath running through the site which will be improved to provide a safer route between Hard Ings Road and Utley areas of Keighley.

7.4 HUMAN RIGHTS ACT

- There are no Human Rights implications arising from this report.

7.5 TRADE UNION

- There are no trade union implications arising from this report.

7.6 WARD IMPLICATIONS

- The project is taking place in Keighley Central ward. District and Town Councillors are represented on the Towns Fund board

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

- n/a

7.8 IMPLICATIONS FOR CORPORATE PARENTING

There are no known corporate parenting implications arising from this report.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Implementation of the Beechcliffe project will not affect current processes in place to ensure privacy of personal data

8. NOT FOR PUBLICATION DOCUMENTS

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- None

9. RECOMMENDATIONS

That the committee:

- 9.1** Notes this report outlining the delivery of the redevelopment of Beechcliffe to achieve the aims of the Keighley Towns Fund Development Investment Plan programme.
- 9.2** Notes the proposed procurement routes for delivery of the project to remediate land at Beechcliffe to enable development of a new business park, the anticipated envelope of costs (including new highway construction) for the work will be £7m.

10. APPENDICES

Appendix 1 – red line boundary of site with Yorkshire Water land edged blue

11. BACKGROUND DOCUMENTS

Executive report 7 December 2021 – Towns Fund for Shipley and Keighley which sets out allocation of £14m of funding for the Development Investment Fund programme.

APPENDIX 1

