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UP**

Kirklees Council

Marsden New Mills Redevelopment Scheme

Funding Application



Submitted: August 2022

Apply to the levelling up fund round 2

Submission details

Submission reference	LUF20669
Created time	Wed, 10 Aug 2022 09:30
Signed-in user	2d3b33e5-4e3a-4d75-9c0d-637350c9b8c7

What is the legal name of the lead applicant organisation?

Kirklees Metropolitan Borough Council

Where is your bid being delivered?

England

Select your local authority

Kirklees

Enter the name of your bid

Marsden New Mills Redevelopment Scheme

Does your bid contain any projects previously submitted in round 1?

No

Bid manager contact details

Full name	Simon Taylor
Position	Head of Town Centre Programmes
Telephone number	01484221000
Email address	simon.taylor@kirklees.gov.uk
Postal address	Kirklees Council Market Street Huddersfield West Yorkshire HD1 2EY

Senior Responsible Officer contact details

Full name	Joanne Bartholomew
Position	Service Director – Development and COVID-19 Recovery Programme
Telephone number	01484221000
Email address	joanne.bartholomew@kirklees.gov.uk

Chief Finance Officer contact details

Full name	Eamonn Croston
Telephone number	01484221000
Email address	eamonn.croston@kirklees.gov.uk

Local Authority Leader contact details

Full name	Cllr Shabir Pandor
Position	Leader of Kirklees Council
Telephone number	01484221000
Email address	shabir.pandor@kirklees.gov.uk

Enter the name of any consultancy companies involved in the preparation of the bid

Mott Macdonald
Dove Haigh Phillips
KPP Architects
Rex Procter and Partners

Enter the total grant requested from the Levelling Up Fund

£5604369

Investment themes

Regeneration and town centre	100%
Cultural	0%
Transport	0%

Which bid allowance are you using?

How many component projects are there in your bid?

1

Are you submitting a joint bid?

No

Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

Appendix O - LUF_Single_Project_Costings_and_Planning_Wkbook_v2.01_Marsden.xlsx

Provide bid name

Marsden New Mills Redevelopment Scheme

Provide a short description of your bid

The Marsden New Mills Redevelopment Scheme comprises of the redevelopment of a former mill located in Marsden village centre in Kirklees. The scheme will include the partial demolition of a former mill (and retention of the façade from a heritage point of view), with a new mixed-use site comprising of light industrial units and office space, built in its place. The scheme will also include new green landscaping around the boundaries of the site, with additional courtyard space to provide outdoor amenity for employees and residents.

The project will provide much needed employment and potential residential space in the attractive, but space constrained market village of Marsden and act as a legacy of the Transpennine Route Upgrade investment.

Provide a more detailed overview of your bid proposal

The Marsden New Mills Redevelopment Scheme is situated on a 3.75 acre

site directly in the centre of Marsden. The existing site comprises a substantial, part single and part multi storey mill complex (see Figure 1 – all figures and tables can be seen in Appendix B). The existing buildings are past their useful economic life and the site requires comprehensive redevelopment.

The proposed scheme will see the redevelopment of the existing historical mill, to deliver an approximate total of 58,500 square feet new commercial floor space (see Figure 2). This space is proposed to be split by:

- New industrial units - 28,000 sq ft
- Refurbished existing offices - 8,000 sq ft
- New build offices - 4,000 sq ft
- New mixed use build – 9,475 sq ft
- Refurbished mixed use ground floor mill – 9,000 sq ft

In addition to the commercial floor space, the redevelopment will be future proofed, having the potential to accommodate up to 30 new residential units or additional industrial floorspace.

In order to deliver the scheme, areas of the current site will be cleared, with parts of the original mill building retained as part of the redevelopment including the façade and turrets which are iconic to Marsden's roovescape. The redevelopment will include the refurbishment of the existing main mill buildings, with the construction of new buildings to house the mixed use, new industrial units and proposed housing units.

The redevelopment of the mill will be a legacy project of the Transpennine Route Upgrades and Northern Powerhouse Rail proposals, creating village centre living, attracting new businesses to Marsden due to the enhanced connectivity to/from the economic centres of Leeds, Manchester and Liverpool, retaining existing businesses, and boosting employment opportunities to local people, through the regeneration of existing buildings that form a central part of the local heritage. This in turn will have benefits for the centre of Marsden, increasing footfall and vitality in the village centre. The enhancements to the surrounding landscaping which will form part of the redevelopment, will further enhance the local area in Marsden's conservation area, creating an attractive architectural asset in tune with the local heritage.

Provide a short description of the area where the investment will take place

Marsden is a large village located in the Colne Valley within Kirklees, West Yorkshire. It is in the South Pennines close to the Peak District which lies to the south. Figure 3 shows the Marsden New Mills Redevelopment scheme within the context of Marsden village.

The New Mills site is located just to the east of the centre of Marsden, located in between (and served by) Brougham Road to the south and Warehouse Mill Road to the north. Surrounding land uses include residential, together with local services and facilities. The A62 is the primary main road serving the village, with Huddersfield located 6 miles to the north east and Manchester, approximately 15 miles to the south east.

The New Mills site is also located in Marsden's designated conservation area (see Figure 4) due to the village's special architectural and historic interest. The conservation area has a vulnerable status from Heritage England.

Figure 5 in Section 3.5 shows the boundary of the Marsden New Mills site.

Optional Map Upload

New Mills Location Map.jpg

Does your bid include any transport projects?

No

Provide location information

Location 1

Enter location postcode	HD7 6AZ
Enter location grid reference	53.601700707501514, -1.9255118709148917
Percentage of bid invested at the location	100%

Optional GIS file upload for the location

Select the constituencies covered in the bid

Constituency 1

Constituency name	Colne Valley
Estimate the percentage of the bid invested in this constituency	100%

Select the local authorities covered in the bid

Local Authority 1

Local authority name	Kirklees
Estimate the percentage of the bid invested in this local authority	100%

Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment	Commercial
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Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

No other funding bids have been produced for the Marsden New Mills project.

Provide VAT number if applicable to your organisation

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

The scheme will result in an uplift in social outcomes helping increase the local community's pride in Marsden as a place to live and work. Kirklees itself has a diverse community so inclusion is at the heart of what the Council does to benefit everyone's quality of life and reduce inequalities.

The decline of the former mill from a legacy symbol of Marsden's industrial past into a derelict site is causing blight on the village centre. The redevelopment proposed will remove outdated and poorly maintained spaces and deliver high quality and accessible facilities and environments helping support an improved sense of wellbeing and pride amongst the local community. The scheme will also offer a variety of local jobs that will help tackle income inequality/poverty in the area.

The scheme's physical accessibility will be designed to ensure those with additional accessibility requirements can enjoy and access the Marsden New Mills site. Improvements to the landscape within the site will be designed to the highest quality with appropriate facilities for all to enjoy.

Formal stakeholder and public engagement will take place as the scheme develops to ensure benefits are maximised to support equality, diversity and inclusive growth..

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

Does the support measure confer an economic advantage on one or more economic actors?

Yes

Provide further information supporting your answer

The proposal is to fund by way of a grant the carrying out of work to redevelopment an existing former mill building located in a conservation area.

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

Yes

Provide further information supporting your answer

It involves a grant for £5.604m.

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes

Provide further information supporting your answer

The scheme has the potential to make Marsden a more attractive location for businesses to locate and invest in compared to other locations in Kirklees.

Public policy objective principle

Demonstrate below how your bid meets this principle

- Investment in town centre regeneration leading to;
- Increase in accessible, well paid, local work opportunities;
 - Increase in economic activity;
 - Regeneration of a brownfield site;
 - Investment in heritage;
 - Increase of Pride in Place.

This derelict and vacant mill is the largest site of its' kind in both the Holme and Colne Valleys and as such offers a one-off opportunity for positively impactful regeneration. The mill has remained empty and unused for more than two decades with the building condition deteriorating with time. It is an edge of village centre location which currently is detrimental to Marsden town centre and conversely could bring very positive benefits if developed.

The size of works required is economically unviable for the owner owing to the funding gap. The grant funding would offer the opportunity for a project to be undertaken with the identified positive outcomes. There have been a number of attempts to redevelop the site without public subsidy which have failed. One such attempt was made and failed in 2005.

This funding bid is likely to be the only option to make the project viable and without this support, the site is predicted to be vacant for the next 30 years and continue to deteriorate and be an untapped regeneration opportunity for a Kirklees community.

The current proposal will deliver economic, cultural and potential housing opportunities as well as a boost to the sense of pride in place for local people, which fits with the Council's approach to investment in district centres. The local, well paid jobs are crucial to the sustainable economy model in the Kirklees Council Plan where wages are reinvested into local business and the potential future proofing for 30 additional houses clearly fits into the Kirklees ambition for more housing in the area.

With the location being in Marsden, this project also builds on the legacy of the Transpennine rail upgrade and taps into the Manchester and Leeds links.

The desired outcomes of the scheme are:

- To change the economic behaviour of the beneficiary so that they will invest in a derelict building which is currently a lost opportunity and could be an economic driver for the village centre;
- To remedy the market failure that means that the building and site are undeveloped and aren't being fully used as the investment doesn't 'stack up' as commercial investment project;
- To provide funding in a situation where this investment won't happen otherwise

The proposed project will lead to additional well paid, local jobs, investment in and by local businesses, new homes and opportunities for business start up. It will also remove an eyesore and improve pride of place for local people using a high profile brownfield site.

Proportionate and limited principle

Demonstrate below how your bid meets this principle

The grant would be for a proportionate element of the overall project to fill the gap left by the market failure and to encourage private investment in the scheme. The owners are investing the majority of the funding and the grant is to pay the funding gap in the scheme. The investment gap that the subsidy would be addressing is £5.604m for a £17.322m project with the other monies coming from the private sector and the mill owners, J E Crowther. Previous, un-subsidised schemes have failed and this funding bid is a unique opportunity to make the project viable.

The project financials submitted as part of the business case for the LUF bid show that this is a reasonable intervention and limited to what is necessary to enable the policy objectives above to be met (see Section 7 and 8).

The LUF bidding process requires Kirklees Council to submit a full business case for proper scrutiny by the government before any grant is awarded (i.e. this application). The project financials that form part of this business case give the evidence that the subsidy is limited to what is necessary to enable the policy objectives to be met (see Section 8). This will be the principle of only applying for gap funding to allow the project to happen.

The specific level of intervention is necessary to enable the site to be part cleared, refurbished and new build to offer an economically sustainable building and wider site. Without this level of intervention it remains a derelict site; with the investment it strengthens the village centre and it links to the wide Colne Valley. Previous private sector schemes have failed to happen so a subsidy is the only way to make a scheme viable. The business case shows the details of how the specific level of intervention is necessary (see Section 6).

Change of economic behaviour principle

Demonstrate below how your bid meets this principle

The subsidy will enable the investment plan for the site to be brought forward which is a change from the current behaviour of do nothing meaning the building and site deteriorating further. Without subsidy, the site will remain undeveloped and continue to deteriorate with the resultant detriment to public policy and the community.

The site has been left derelict for over 20 years and nothing has been done. As a private business, if there was any other way the value of the site could be realised they would have acted to regenerate the site and gain some pay back many years earlier. There have been other attempts, including one in 2005, which were unsuccessful owing to the funding gap. The site will remain derelict and an untapped resource without this subsidy.

Compensation of costs otherwise funded by beneficiary principle

Demonstrate below how your bid meets this principle

A full business case is being developed as part of the bid that will detail the costs and demonstrate the viability gap and the areas that the grant will pay for (see Section 6). There will also be substantial government scrutiny of the costs as part of the LUF bid process.

The business plan part of the LUF grant submission will include evidence on the costs involved in the project and the elements to be funded by this grant. This evidence will be scrutinised by the government department assessing the application.

Appropriate policy instrument principle

Demonstrate below how your bid meets this principle

The recipient is already investing into the project the funding it can access, including private finance. There is no other funding source available for the investment needed and without the subsidy the project fails.

Public sector purchase has been considered and is unachievable. The Council is not in a financial position to buy the property and the required Compulsory Purchase Order process is lengthy, complex and disruptive. This Council buying approach is very much a case of 'doing to' rather than 'working with' the private sector, whereas the subsidy is a method to support the private sector to make the project happen and builds positive relationships with the developer with the Council as an enabler.

The private sector has tried to undertake a number of schemes, which have failed owing to the funding gap.

Competition and investment principle

Demonstrate below how your bid meets this principle

The subsidy will be aimed at the site and building to enable the physical regeneration rather than the business operation on the site. This offers the tangible benefits of visual and physical change which have a long legacy. The subsidy will be assessed under the government's Levelling Up programme, which is part of the Queens Speech package so there will be a check and balance that this will achieve the policy objectives. The impact is likely to be a positive one on investment or competition as more opportunities are offered at the site and surrounding areas.

Clear written legal obligations will be given to the recipient by Kirklees Council to help reduce market distortion. We will be responsible authority/accountable body for the funding and will set out a clear pathway with developers on how the money is spent and that spend evidenced.

Net positive effects principle

Demonstrate below how your bid meets this principle

The negative impact will be limited as there is no comparable site or similar competitors. We know there is demand for commercial space for these types of development, based on experience at Park Valley, Lockwood. The positive impacts will include town centre regeneration, increased local job opportunities, increased economic activity, more housing, brownfield site regeneration, better local shops and facilities and increased pride in place. These are huge benefits and there are no obvious or significant negatives to the scheme.

Will you be disbursing the funds as a potential subsidy to third parties?

Yes

Upload a statement of compliance signed by your Chief Finance Officer

Statement of compliance document

Appendix A - Proforma 5.docx

Has an MP given formal priority support for this bid?

Yes

Full name of MP

Jason McCartney

MP's constituency

Colne Valley

Upload pro forma 6

Appendix C - Proforma 6.pdf

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

Engagement has taken place with key local stakeholders, including Jason McCartney MP for Colne Valley, local ward members, and local businesses, including the Co-Op.

This engagement has shown keen support for the proposed redevelopment of the mill site, with the Co-Op suggesting that they are keen for a new larger site in Marsden village centre. Proforma 6 is included as Appendix C outlining Jason McCartney MP's support for the scheme.

Formal engagement has taken place with Historic England due to the former mill's location in Marsden's conservation area and the heritage importance of the site. This engagement has been undertaken jointly by the site owner J E Crowther and officers from Kirklees Council on several occasions in 2021 and 2022 (see Appendix D) to discuss the potential of the site for redevelopment. This has included an extensive site visit and obtaining Historic England's development advice on the proposed plans and advice on elements of the strategic case for this LUF bid.

Support for the scheme has also been provided by West Yorkshire Combined Authority and Network Rail due to the legacy of heavy rail investment proposed at Marsden station as part of the Transpennine Route Upgrade. Letters of support are included in Appendix E.

At present, no wider public engagement has been undertaken other than informal initial conversations with Marsden Community Trust who are supportive (see Appendix E) given the site's importance in the regeneration of the village centre. It is seen as having a lynchpin role both in terms of use of the site and also the confidence it would bring to the rest of the village centre. Wider engagement and public consultation is scheduled to take place for the development proposals in advance of any planning application being submitted. The planned approach is to carry out an initial stakeholder mapping exercise to fully understand who the key groups are to engaged with, before reaching out to obtain their feedback. This will be captured in the scheme's Communication Plan. Any feedback received on the site will be incorporated into the final scheme designs to ensure the scheme is sympathetic to the local village, its history and heritage.

A separate, but complimentary engagement in Marsden is to be undertaken by Kirklees Council in September/October 2022 using the "Place Standard" engagement tool. The tool supports the Council in talking with local communities to explore the issues and opportunities in an area and is a process based on ongoing conversations, rather than a formulaic questionnaire type approach. An initial meeting on using the Place Standard involved 50 local people and interest is high in Marsden around engagement. Other areas in Kirklees using this approach have had around 1,000 formal responses to these conversations which have helped shaped the future priorities for their place.

The Council will look to link in where appropriate with the consultation undertaken as part of this project. For example, the possibility will be explored of linking the Place Standard engagement with the project consultation.

Has your proposal faced any opposition?

Whilst only targeted stakeholder engagement has taken place to date, no significant concerns or opposition have been raised.

However, it is acknowledged that due to the location of the mill, and its heritage value, there is the potential for sensitivities for those living in Marsden. For example, former mill workers who live in Marsden who may not be supportive of some of the proposed demolition and repurposing of the site. Local residents will be engaged with to bring their views on board, to ensure the final scheme design is sympathetic to the local village, its history and heritage.

The scheme is also planning to carry out wider engagement and public consultation in advance of any planning application being submitted. The

planned approach is to carry out an initial stakeholder mapping exercise to fully understand who the key groups are who will need to be engaged with, before reaching out to obtain their feedback. This will be captured in the scheme's Communication Plan.

A separate, but complimentary exercise for engaging with the residents of Marsden will be undertaken by Kirklees Council, using the "Place Standards" tool (see the response in the previous question). The Council will look to link in where appropriate with the consultation undertaken as part of this project. For example, the possibility will be explored of linking the Place Standard engagement with the project consultation.

Do you have statutory responsibility for the delivery of all aspects of the bid?

Yes

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

Marsden is a large village in the Colne Valley which grew wealthy during the 19th century from the production of woollen cloth. One such site was New Mills with its towers a locally significant landmark, contributing to the roovescape of Marsden. The village's association with the textile industry continued until 2003 when production ceased.

Marsden is a district centre in Kirklees with a population of 4,444 people (ONS, 2020) providing for day-to-day shopping needs. Good rail links to Manchester, Huddersfield and Leeds and the Huddersfield Narrow Canal act as assets making Marsden an attractive place to live and work.

Marsden's assets are also impacting on its growth with the village's expansion constrained by steep valley sides and green belt (see Figure 6). European protected habitats and species and few brownfield opportunities in the local area further constrain potential growth. Other than the former mills, there is little evidence of unoccupied buildings in the village.

These challenges for growth mean there are limited opportunities for people to work and shop locally with the good rail links benefitting Marsden's residents, but detrimental to Marsden itself, as highlighted by economic and travel to work data.

The economically active population in Marsden was 71.1% in 2011, compared to the Kirklees average of 62.5% (ONS, 2014). More recent data continues to show high economic activity in Marsden with the total claimant count 2.9% in May 2022, compared to 4.4% and 3.9% in Kirklees and England (Department for Work & Pensions, 2022).

2011 Census Travel to work data (see Table 1) shows Marsden is a net commuting exporter with residents accessing opportunities in Huddersfield, Greater Manchester and West Yorkshire, all connected by rail from the village.

A market demand assessment (see Appendix G) highlights demand for commercial space within Marsden, but with no supply forthcoming, the potential productivity and employment benefits to Marsden are not realised.

A lack of space for development in Marsden is highlighted in the Kirklees Local Plan which identifies a housing capacity of 95 dwellings with no specific reference made to employment development and meeting local employment needs. With housing supply not meeting demand the mean house price from October 2020 – September 2021 in Marsden was £236,162, over £22,000 higher than the Kirklees average creating affordability problems for local people (Land Registry, 2022).

In summary, without intervention:

Growth will be constrained in Marsden with the New Mills site, a previous asset symbolising a positive image of Marsden, remaining in a state of disrepair, acting as blight on the village centre and not fulfilling its potential as a catalyst for regeneration

Marsden will continue as a commuter village with highly skilled individuals working elsewhere due to a chronic lack of employment space in the village, impacting on local economic growth and productivity

Explain why Government investment is needed (what is the market failure)

To assess the development viability of the New Mills site, a development appraisal has been undertaken by Dove Haigh Phillips, a property consultancy on behalf of the site owner J E Crowther. The full development appraisal is included in Appendix H.

A development appraisal has been undertaken for three development options for the site. The detail of these different options and the rationale for Option G as the preferred option is set out later in Section 6.

The rental income has been capitalised at an all risks yield of 8% for the commercial elements and 7.50% for the new build retail element. Rent free periods of 3 months have been allowed and usual investment purchase costs have been deducted. Residential sale values have been entered at £250 per sq ft. Costs for the scheme include the main build costs, infrastructure works, development contingencies, main contractor overheads and profits and professional fees.

The results of the appraisal confirm that without third party intervention, all three options for the development of the property are unviable with the costs higher than the GDV. Table 2 show the GDV, cost and viability gap for each of the options showing the GDV is greatest for Option G, as are the costs whilst Option F has the smallest viability gap at £5.79m.

Due to the high scheme costs, J E Crowther cannot justify delivering the scheme without third party investment due to the size of the deficit. This is especially the case for this scheme due to the risk being too high with the nature and age of the existing buildings on the site alongside the current wider issue of cost uncertainty for materials. However, the importance of redeveloping the New Mills site for Marsden and future regeneration and growth in the village has been acknowledged by the Colne Valley MP and local councillors who are in full support of LUF funding being used to help fill the deficit and repurpose and revitalise the former mill. J E Crowther are also providing match funding for the scheme as shown in Appendix E to highlight their commitment in the development coming forward for the benefit of Marsden.

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

Proposed investment

The scheme is seeking to invest in the redevelopment of the New Mills site to convert the former mill into a mixed use site comprising of:

- 28,000 sq ft of new industrial units
- 8,000 sq ft of existing refurbished office space
- 4,000 sq ft of new build office space
- 9,475 sq ft of new build mixed use (retail) space
- 9,000 sq ft of refurbished mixed use space
- Future proof two floors of a building by delivering the shell, allowing for potential residential use in the future or expansion of the commercial/industrial units (15,300 sq ft)

The proposed interventions will address the challenges and barriers discussed in Section 4.3.1 by:

- Redeveloping one of only a few unoccupied sites in Marsden

- Providing high quality employment space in the centre of Marsden for small and medium sized businesses – this will attract new business to Marsden helping reduce the need for local residents to travel for work, helping level up economic growth and productivity in Marsden
- Having the potential to provide housing stock in Marsden - the proposed number of residential units the site will deliver will provide approximately 30% of Marsden's total housing allocation in the Kirklees Local Plan
- Providing high-quality mixed-use space for retail – according to the Kirklees Town Centre Audit Programme, in 2014 Marsden had 32 retail units totalling approximately 26,500 sq ft of floorspace (Kirklees Council, 2016). The scheme proposals will provide 9,475 sq ft of new retail floorspace equating to a 35% increase in Marsden. This will provide additional opportunities for people to shop locally.

Due to the constraints of Marsden as mentioned earlier in Section 6, other than the former mills there is little evidence of unoccupied buildings meaning there are limited other sites to develop. The proximity of New Mills to the village centre also strengthens into position as the preferred option given the connection to the rail network (and proposed Transpennine Route Upgrade works and Northern Powerhouse Rail proposals) enabling connectivity to/from economic centres such as Leeds, Manchester and Liverpool, as well as the opportunity to significantly improve the pride of place in Marsden village centre.

Several different options have been considered for the redevelopment of the New Mills site. Three main options have been considered by the site owner J E Crowther and a project team comprising of Dove Haigh Phillips, a property consultancy firm, KPP Architects and quantity surveyors' Rex Procter and Partners.

Information on the three options is provided in Table 3 with Figures 6-8 illustrating the proposals for each option.

A consideration of the benefits and disbenefits of each option was undertaken by J E Crowther and the project team. Table 4 presents the results of this assessment.

To supplement the qualitative assessment, a development appraisal of each option was undertaken by Dove Haigh Phillips (as discussed earlier in Section 6 with full details included in Appendix H). Table 5 presents a summary of the results.

In summary, Option G is identified as the preferred option as it results in the full redevelopment of the New Mills site. This enables a mixed-use site to be provided including commercial, retail and residential units helping deliver the highest benefit to society even though there is a viability gap.

Upload Option Assessment report (optional)

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

Evidence demonstrates the capacity of former mill buildings to accommodate new and exciting uses, attracting investment in area-wide regeneration, creating jobs and accommodating the homes and businesses of the future (Historic England, 2017). They can also play a positive role in forging community identity, providing inspiring places in which people can live, work and relax. Cushman and Wakefield on behalf of Historic England (2016) calculated that there are approximately 1,350 underused or vacant mills in West Yorkshire alone. Bringing a vacant or under used mill of around 27,000 sq ft (Gross Internal Area) back into productive use could generate a significant benefit for the local area. Applying standard densities to this floor area indicates it could generate:

- 115 net additional jobs (equivalent to £4.7million of Gross Value Added per annum), or
- 20 new homes

The proposed New Mills redevelopment is set to deliver a 74,000 sq ft mixed use site highlighting the potential economic outcomes of the scheme, just one strand of outcomes the project is set to deliver.

The full Theory of Change can be found in Appendix I, which illustrates the scheme objectives, the socioeconomic context within which the scheme sits, and the scheme's inputs, outputs, outcomes and impacts. The Theory of Change therefore demonstrates what the scheme will deliver and the change this will stimulate, linking back to the overall objectives of the scheme and how the outputs, outcomes and impacts all align to the overall vision for the Marsden New Mills site, linking again to the context and socioeconomic challenges identified earlier for Marsden.

Table 6 illustrates the intended outputs the scheme will deliver and how these will work to achieve the expected outcomes and lastly, the impacts these will both have on Marsden and the local community.

Theory of change upload (optional)

Appendix I - Marsden New Mills Theory of Change.pptx

Set out how other public and private funding will be leveraged as part of the intervention

Private sector funding will be leveraged through a delivery partner for the development of the site and from J E Crowther in the form of £2.5m of match funding as outlined in Appendix E.

The delivery partner is anticipated to contribute £9.2m which we are classing as match funding to deliver the project.

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

Kirklees Local Plan 2013-2031

The New Mills LUF scheme contributes to the Kirklees Local Plan through its goals on the protection of green areas in Kirklees, as well having the potential to contribute to the district's housing growth targets of 32,867 new dwellings between 2013-2031. Due to Marsden being completely surrounded by the green belt, the potential for the construction of new dwellings on a brownfield site will allow for the growth of Marsden without infringing on the green belt or green areas in the town. The potential construction of up to 30 dwellings on the site will also help deliver approximately 30% of the housing requirements set out in the Local Plan for Marsden.

The challenge of limited opportunities for people to work and shop locally in Marsden as outlined in the local plan will also be alleviated by the scheme with the mixed-use development providing retail and commercial spaces, attracting new businesses and start-ups to the village.

Securing the future and heritage of the mill which played an important role in Marsden's industrial past directly meetings Policy LP35 with the redevelopment of the mill aiming to retain the element of the historic environment which contribute to the distinct identity of Marsden and the wider Kirklees area.

Kirklees Economic Strategy 2019-2025

The New Mills LUF scheme will help directly meet two goals set out in Kirklees Economic Strategy 2019-2025 through the construction of new business space and the potential for dwellings on the former mill site. Firstly, the scheme supports Action Programme 8 (Deliver the Big Build) which aims for more housing within heritage and town centre buildings alongside business. Secondly, the scheme directly contributes to Action Programme 12 (South Kirklees and Rural Areas) which aims to ensure that there are small scale business premises and enterprise hubs to enable small businesses to start up

and grow – with a focus on the use of vacant / underused buildings including mills in rural Kirklees. Meeting these aims will aid with alleviating economic growth and productivity constraints in Marsden.

Kirklees Draft Economic Recovery Plan 2020-2023

The New Mills LUF scheme aligns with Kirklees Council's priority to support the regeneration and growth of communities in Kirklees by investing in Marsden village centre. The redevelopment of the former mill will provide a space for people to live and do business, contributing to job creation post-pandemic in Marsden and an inclusive and productive economy in Kirklees.

Other local strategy alignment

The potential construction of up to 30 much needed new and high-quality residential units in Marsden (by future proofing the site) covers all three priorities in the Kirklees Council Housing Strategy 2018-2023 of housing need, housing quality and housing growth. The potential new housing also helps contribute to the West Yorkshire Mayoral Pledges (2021) and the Draft West Yorkshire Economic Recovery Plan (2021) which both aim to build more affordable and sustainable homes.

Explain how the bid aligns to and supports the UK Government policy objectives

Levelling Up White Paper (2022)

The Marsden New Mills scheme will help meet three of the missions set out in the Levelling Up White Paper. Firstly, Mission 1 Living Standards, which will be achieved through the new employment opportunities delivered at the site in the form of retail, office and industrial spaces, boosting productivity in Marsden. Second, Mission 9 Pride in Place, which will be achieved through the regeneration of a currently derelict building in the centre of Marsden, breathing new life into a former mill that defines the industrial past of Marsden and Kirklees. Finally, Mission 10 Housing, which will be achieved by future proofing the site for the construction of up to 30 new dwellings, helping provide additional housing stock in Marsden which is constrained by the green belt and natural geography surrounding the village.

National Industrial Strategy

The Marsden New Mills scheme aligns with the Industrial Strategy vision of “the best place to start and grow a business”. Marsden is currently not realising its full potential due to a lack of high-quality commercial space, limiting local people's work opportunities. The scheme has a role to play in boosting the local economy by providing high-quality employment space for existing and new businesses to start-up and/or grow, help drive productivity growth in Marsden. The redevelopment also has the potential to act as a catalyst for wider regeneration in Marsden, enabling transformational effects on the people, businesses of Marsden and Marsden as a place itself.

National Infrastructure Strategy

The Marsden New Mills scheme aligns with the National Infrastructure Strategy commitment of providing £100 million in 2021/22 to support housing delivery and regeneration, including unlocking brownfield sites and regenerating estates. It also aligns with the commitment to invest in infrastructure to support economic regeneration and create new employment opportunities in the towns across the UK by creating new office space and industrial units.

Homes England Strategic Plan 2018/19-2022/23

The future proofing of the project to convert some of the disused mill into new dwellings helps meet two of the strategic objectives set out in the Homes England Strategic Plan 2018/19-2022/23. Firstly, the scheme will unlock land that the market will not in an area where new housing is needed, as the brownfield site has remained derelict since the production of textiles ceased in 2003 with no investment despite its village centre location. Secondly, it will target investment into a location where new homes are needed but the market is not acting, due to the restrictions of the natural environment and green belt.

Leeds City Region Strategic Economic Plan 2016-2036

The Marsden New Mills scheme aligns with the Strategic Economic Plan's

(SEP) strategic priorities of Growing Business and Skilled People, Better Jobs by providing additional commercial space in Marsden where they are currently lacking, helping contribute to inclusive, good growth in the village and wider Leeds City Region. The high-quality employment spaces the site will provide will attract businesses, helping improve productivity and deliver better jobs in the city region.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

This LUF bid aligns with two transport related investments and a heritage project planned in Marsden. Each is discussed in turn below.

Transpennine Route Upgrade

The Transpennine Route Upgrade (TRU) involves major investment in the railway between York and Manchester with the aim of creating a more reliable railway with greater punctuality, more trains and improved journey times (see Figure 10).

TRU works proposed at Marsden rail station include:

- Three new electrified track alignments
- Three Access for All platforms
- Lengthened platforms and new platform furniture

TRU will benefit the scheme by enhancing Marsden's connectivity to the rail network, increasing the village's attractiveness as a place to start-up/relocate a business, ensuring there is strong demand for the high-quality employment space the project will provide.

Northern Powerhouse Rail

It was revealed in the Integrated Rail Plan for the North and Midlands that the Government proposes that 40 miles of newbuild high speed line between Warrington and Marsden is delivered as part of the Northern Powerhouse Rail (NPR) proposals (Figure 11). NPR will support the New Mills redevelopment by further enhancing Marsden's attractiveness as a place to locate a business with the new employment space accessible via rail to the Liverpool City Region, West Yorkshire and Greater Manchester which represent the three largest economic areas in the North.

Marsden Mechanics

The Marsden Mechanics listed building located in the town centre has been awarded a grant of £194,000 by the National Lottery Community Fund recognising it as a social and cultural hub for the local community. The investment will go towards the refurbishment of the building with the long-term ambition being to host community services, increasing footfall and improving its economic performance. The LUF scheme aligns with this project as it will further enhance Marsden's heritage and add value to the local community.

Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White Paper Missions (p.120-21)

Living Standards
Pride in Place
Housing

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

Living Standards
The development of new employment opportunities at the New Mills site in the form of retail, office and industrial spaces will help increase levels of local employment and productivity in Marsden.

Pride in Place

The regeneration of the currently derelict former mill in the centre of Marsden, will breathe new life into the heritage site that defines the industrial past of Marsden, enhancing people's satisfaction with the village centre.

Housing

The redevelopment of the brownfield site will provide the potential to provide up to 30 high quality, fit for the 21st century dwellings in Marsden village centre as part of the future proofing of the development.

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

Productivity

ONS data from 2022 shows that GVA per person in Kirklees and Calderdale in 2020 (£19,343) is below the average for West Yorkshire (£24,467); England (£29,757); and the UK (£29,063). Growth in GVA per head between 2015 and 2020 in Kirklees and Calderdale (9.2%) was equal to the West Yorkshire average but slightly below the England and UK averages for (both 9.5%).

Lack of employment space

The 2016 Rural Economy in Kirklees report highlights space constraints in the Colne Valley as a challenge to growth, with protected species and habitats, green belt land, and steep valley sides constraining the locations in which development can occur. Whilst brownfield sites have proven to be more viable options, there are few local opportunities (Kirklees Council, 2016).

The report also identified that there was a high volume of SMEs and micro businesses in rural centres such as Marsden, yet the lack of dedicated business premises in these areas present a barrier to growth. In addition to this, employment land across the district has been lost to housing, further constraining the ability to provide premises for SME's and micro businesses.

Loss of skilled personnel

Marsden is a net exporter of labour with 801 individuals entering the area for work whilst 3,927 travel further afield according to the 2011 Census (ONS, 2014). West Yorkshire (minus Kirklees) and Greater Manchester, the closest counties to Marsden, see a net inflow of 765 individuals from the village.

Housing

There are around 2,100 houses in Marsden, with data from Kirklees Council (2022) showing that 96.1% of these were occupied in 2021 and a total of 84 property sales were made in the year to September 2021. Whilst a similar level of property occupation is seen across Kirklees as a whole (96.6%), the average house price in Marsden is over £22,000 higher therefore showing the demand for housing in the village (Land Registry, 2022). Since February 2021, house prices in Kirklees have increased by 9% and whilst this is slightly above the 8% increase seen across West Yorkshire, an increase of 11% was seen across England as a whole. Overall, a low number of houses up for sale each year, rising house prices, and higher prices than surrounding areas in Kirklees, create issues for locals wishing to stay in the area and for the local businesses who employ them.

The difficulty of increasing housing stock in the village, which would alleviate some of the aforementioned issues, is shown by the number of council tax properties. Between 1997 and 2021 the number of houses in Marsden increased by 145 (13%) whilst Huddersfield Town Centre has seen growth of 266% within the same time frame (ONS, 2021).

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

A range of sources, evidence and data are used and presented within this application which support multiple findings and for different purposes. The data, surveys and evidence used and presented in this bid are largely drawn from official sources independent of and impartial to the project to be funded.

We have endeavoured to use the most recently published data available, accounting for more recent unpredictable changes driven by Covid-19

wherever possible. Census 2011 data has only been used where no other reliable data exists, such as for travel to work patterns, as this data remains the most comprehensive source at this point.

The 2020 regional GVA statistics used are the latest available datasets having been released in May 2022. These provide an easy comparison of GVA between districts, counties, and countries, whilst ensuring all comparisons use data was calculated using the same methodology.

The Marsden Overview Report provided by the Kirklees Observatory is a local government website providing up to date statistics for Marsden from a number of sources, as well as providing comparisons with Kirklees and England where available. This has provided information not readily available from other online sources such as the Kirklees Customer and Exchequer Service (Council Tax). Every piece of data on the observatory site is clearly described and sourced.

Although the Land Registry data calculates house prices differently on the UK House Price Index to how they are presented within the Kirklees Observatory, comparisons have not been made between these two datasets. Instead, comparisons were made between Marsden and Kirklees using the Kirklees Observatory data and then also between Kirklees, West Yorkshire, and England using UK House Price Index data. Property price data from both sources may be skewed by the sale of a few high value properties, especially when there were less than 100 sales in Marsden in the year examined. The data comparing Marsden and Kirklees uses a yearly average whereas the data regarding Kirklees, West Yorkshire and England has used the average for a single month, with these larger areas less susceptible to individual property sales skewing the results.

The Kirklees Rural Economy Review 2016 report is used to present evidence of difficulty in providing commercial and residential development in Marsden was produced for Kirklees Council. The report is the latest available providing an overview of the rural economy in the district, of which Marsden and the Colne Valley are significant components. Other economic reports produced by Kirklees Council are less focused on the rural economy of the district and therefore do not necessarily reflect the issues facing Marsden as readily.

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

The data and evidence chosen is appropriate to the area of influence of the interventions. Where possible, data regarding Marsden or the Middle Layer Super Output Area in which Marsden sits has been utilised, as has been done when using travel to work data from the 2011 Census or other data from the Kirklees Observatory and Kirklees Rural Economy Review.

However, there are instances where data is unavailable below a local authority scale and therefore Kirklees, the Local Authority in which Marsden is located, has been used instead.

At a wider geography, evidence has been derived from current local and national government strategies and plans which effectively provide context for the bid and allow for a narrative of how closely the bid aligns with and supports wider government investment programs on a national and local scale.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

Demand for employment space in Marsden

A market demand assessment undertaken by Dove Haigh Phillips (see Appendix G) shows that between January and May 2022, there were enquiries for between 21,000 and 35,000 sq ft of commercial premises from businesses which could potentially be based in Marsden. These include companies with

differing requirements including storage, medical treatment rooms, workshops and office space. The Marsden New Mills redevelopment scheme will provide high quality commercial units, along with office and mixed use space helping accommodate the demand for employment space, attracting new businesses/entrepreneurs and existing businesses into Marsden.

A recent case study of local demand for business space in rural Kirklees is provided by Park Valley Business Park and the Mending Rooms in Lockwood. The Park Valley scheme involved four phases of newly constructed industrial units totalling 61,973 sq ft. The first phase of units were fully let 3 months after project completion, with the following 3 phases pre-letting prior to project completion. This demand occurred whilst construction was ongoing as there was a vacuum in the market for this quality of product. This is similar to the redevelopment of the listed Mending Rooms which delivered 20,600 sq ft of offices. The development was completed during the Covid-19 pandemic in November 2020 with half of the office space let before project completion and fully occupied by August 2021.

Labour Supply Benefits

Whilst there is high economic activity amongst Marsden's population, there are high levels of commuting due to a lack of local opportunities and good rail links to economic centres such as Huddersfield, Leeds and Manchester. The redevelopment of the former mill will provide local employment space and opportunities in Marsden reducing the need to travel, helping enhance local productivity and employment rates. Using the employment space values, an assumption of 2.5 full time equivalents (FTEs) per unit and a conservative 90% occupancy rate, it has been forecast that the scheme will generate 150 additional jobs in Marsden.

Wider Land Value Uplift

The decline of the former mill into a derelict site is causing blight on the village centre of Marsden, having a negative impact on land value and house prices in Marsden. The regeneration brought about by the scheme will result in the value of the land use change increasing for residential properties within and surrounding the village centre as well as providing much needed housing stock in the village. A CBRE regeneration research study in London states a 3.6% premium on land value appreciation as a result of regeneration projects in the area (CBRE, 2019). In order to be cautious and not risk overstating benefits, the impact of the Marsden New Mills Redevelopment scheme on local residential properties has been limited to 1% per annum.

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

Wider Land Value Uplift

To appraise the wider land value uplift benefits, MHCLG appraisal guidance has been used. The value of residential properties within Marsden village have been assessed for their existing value. To calculate the LVU taking place, assumptions have been based on the value of regeneration uplift based on a CBRE regeneration research study (CBRE, 2019). This research states a 3.6% premium on land value appreciation as a result of regeneration projects in the area. In order to be cautious and not risk overstating benefits, the impact of this scheme on local residential properties, which conventionally have higher land values than commercial land, is limited to 1%.

To calculate the current value of residential properties in Huddersfield, Price Paid data from the HM Land Registry was collected for the preceding 12 months.

The total value of housing contained within Marsden village was aggregated and using the standard assumption for the appreciation of land values of 5% per annum, in line with guidance from the MHCLG, the future uplift value of dwelling stock within Marsden was calculated.

90% additionality is assumed for this benefit. This is based on:

- 0% Deadweight – as a Do Minimum scenario is used.
- 10% Displacement – based on Additionality guide Table 4.8 from the HCA

Additionality Guide. As the residential housing has already been developed and is in place, this benefit is not displaced from other areas.

- 0% Substitution – None identified.

This results in a net additionality of 80%.

Labour Supply Benefits

Given the current state condition of the facilities in the area it is expected, without a capital investment, they would continue to deteriorate, and this would have a negative impact on the level of employment in the area.

MHCLG guidance gives an approach for quantifying the fiscal benefits of moving locally unemployed workers into employment. The guidance utilises TAG A2.3 (Appraisal of Employment Affects) to calculate welfare impacts over and above user benefits to the Exchequer.

67% additionality is assumed for this benefit. This is based on:

- 0% Deadweight – as a Do Minimum scenario is used.
 - 25% Leakage – based on 2011 Census travel to work flows showing 25% of Kirklees jobs being filled by non-Kirklees residents
 - 10% Displacement – based on Additional guide Table 4.8 from the HCA Additionality Guide
 - 0% Substitution – None identified
-

Explain how the economic costs of the bid have been calculated, including the whole life costs

The costs for the Marsden New Mills scheme have been prepared by Rex Proctor and Partners (construction costs only), Dove Haigh Phillips (professional fees) and Mott MacDonald (risk). All costs have been prepared using Q2 2022 prices.

The scheme costs include:

- Construction costs – including contractor preliminaries and overhead and profits
- Professional fees
- Risk – informed by the scheme's quantified risk register (see Appendix J)
- Inflation

The total scheme costs are summarised in Table 7, totalling £17,322,000. Using the total scheme base costs, these have been profiled out to create a spend profile that reflects when the scheme will be delivered, and when spending will be incurred. This is split by funding source. A discount rate of 3.5% has been applied to the profile of costs. This is a public sector discount rate which, as set out within the HM Treasury Green Book and adjusts for social time preference (defined as the value society attaches to present, as opposed to future, consumption).

Optimism bias has been applied to the costs in the economic case to allow for the consistent and observed phenomena of over-optimistic cost estimation. Risk contingencies are removed and an optimism bias has been applied to the project of 13%. This reflects an acceptable value for a Standard Buildings project type (see Table 1 in the Supplementary Green Book Guidance for Optimism Bias) which best describes the type of interventions being delivered as part of the scheme. The costs are discounted to estimate the net economic costs in 2022/23 values as shown in Table 8, totalling £17,267,184.

Describe how the economic benefits have been estimated

The monetised economic benefits relevant to the scheme are:

- Wider Land Value Uplift
- Labour supply

A summary of the assumptions used, and outcomes is provided below for each benefit

Wider Land Value Uplift

To appraise the wider land value uplift benefits, MHCLG appraisal guidance has been used. The value of residential properties within Marsden village have been assessed for their existing value.

To calculate the current value of residential properties in Marsden, Price Paid data from the HM Land Registry was collected for the preceding 12 months. The average for each property type was applied to the dwellings counts identified within Marsden village. The relevant calculations are shown in Table 9.

The total value of housing contained within the catchment area was aggregated and using the standard assumption for the appreciation of land values of 5% per annum, in line with guidance from the MHCLG, the future uplift value of dwelling stock within Marsden was calculated.

In the scheme scenario, it is assumed that the 1% regeneration uplift begins in the period of 2022/23 and is applied for 10 years per annum. The overall uplift in residential values from the scheme is calculated as £28,549,233 (once discounted by 3.5% each year).

Labour Supply Benefits

Given the current state condition of the facilities in the area it is expected, without a capital investment, they would continue to deteriorate, and this would have a negative impact on the level of employment in the area.

MHCLG guidance gives an approach for quantifying the fiscal benefits of moving locally unemployed workers into employment. The guidance utilises TAG A2.3 (Appraisal of Employment Affects) to calculate welfare impacts over and above user benefits to the Exchequer.

These are the tax revenues resulting from labour supply impacts and can be estimated as 40% of the resultant change in GDP. This tax revenue impact reflects both the increase in tax revenue (income tax, national insurance contributions and corporation tax) and the reduction in out-of-work subsidies.

Through safeguarding jobs, the intervention will have a positive effect, ensuring workers remain in employment due to the scheme. This welfare gain is estimated through the following steps:

- Estimate the number of jobs safeguarded by the improvements
- Apply an induced multiplier of 1.05 to account for induced from the direct employment at Marsden New Mills
- Calculate the net additional jobs for all jobs based on:
 - A leakage factor of 25% based on 25% of Kirklees jobs being filled by non-Kirklees residents
 - A displacement factor of 10% as per HCA additionality guidance
 - A deadweight factor of 0%
 - A substitution factor of 0% as this is not identified as an issue for this scheme
 - This leads to an additional value of 67%
- Apply an estimate that 90% of jobs will be safeguarded as a result of the scheme
- Calculate the GVA per worker estimate for FTEs at employment risk to provide a GVA loss figure
- Apply TAG welfare impact factor of labour market entrants/re-entrants of 40%. This leads to a welfare impacts in fiscal terms of tax loss/welfare cost per annum which has been applied for five years after the beginning of the operational period, as per MHCLG guidance.

The total value of the benefit once discounted is £2,402,394.

Provide a summary of the overall Value for Money of the proposal

As set out earlier in this section, the Value for Money (VfM) of this proposal has been assessed using a range of benefits, the monetised benefits in the appraisal are shown in Table 10 totalling £30,971,627. When removing the private sector costs from the benefits, the present value of benefits are £19,369,221.

The present value cost of the proposal, including all sections of the scheme is

shown in Table 11, totalling £5,664,684.

This results in a Benefit-Cost Ratio (BCR) of 3.4 meaning that the overall scheme represents a 'high' Value for Money as the BCR is between 2 and 4.

Upload explanatory note (optional)

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR	3.4
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Adjusted BCR	3.4
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Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

The Marsden New Mills Redevelopment scheme has the potential to act as a catalyst for regeneration in Marsden. The project will have a positive impact on its external image which will help to attract businesses, additional footfall and kickstart development for the rest of the village. This increase in investment will help to stimulate the revitalisation of the local economy and help to ensure its future prosperity by making Marsden a more attractive place for residents, visitors and businesses.

The scheme will also enhance the townscape of Marsden by converting the rundown, derelict mill into high-quality buildings in Marsden's conservation area, creating an attractive architectural asset in tune with the local heritage. This assessment is supported by Historic England who have visited the site, commented on the proposals and shared advice on elements of the Strategic Fit section of this bid. The improved landscaping of the site including new trees and an open yard area are likely to have public realm benefits for employees and further benefit retail rents and residential property prices (as measured by TfL's Valuing Urban Realm Toolkit) which have not been monetised to ensure the appraisal is conservative.

The uplift in social outcomes of delivering this project is key to levelling up opportunities in Marsden. The improvements will ensure Marsden is characterised by high-quality environments, removing outdated and poorly maintained spaces whilst developing facilities that will support an improved sense of wellbeing and pride for the whole local community.

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

Key risks and uncertainties which could affected the Value for Money for this project are:

- The costs of the project increase. A 20% risk allowance of the total build costs and professional fees has been included to account for cost increases. Nevertheless a sensitivity test using a higher optimism bias (51% instead of 13%) has been used – the upper bound for Non-standard Buildings in the Supplementary Green Book Guidance for Optimism Bias. This results in a BCR of 2.0.
- The anticipated land value uplift not materialising. Whilst a conservative 1%

per annum uplift in house prices within Marsden has been used, a sensitivity test accounting for only 70% of the overall Wider Land Value Uplift overall benefit has been undertaken, resulting in a BCR of 1.9.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table	Appendix K - AST.xlsx
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Additional evidence for economic case

None selected


Confirm the total value of your bid

Total value of bid	£17322000
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Confirm the value of the capital grant you are requesting from LUF

Value of capital grant	£5604369
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Confirm the value of match funding secured

Evidence of match funding (optional)	 Appendix E - Letters of support.pdf
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Where match funding is still to be secured please set out details below

Additional match funding will be secured through the appointment of a delivery partner alongside J E Crowther to deliver the Marsden New Mills site who are anticipated to contribute £9.2m. Discussions have taken place with potential development partners to understand appetite for the scheme with an outcome to be confirmed once the outcome of the LUF bid is known. If a delivery partner is not found, J E Crowther has the relevant experience, capacity and funding available to develop the site themselves with the group having many years' experience in successful residential and commercial units in Marsden, as indicated in Appendix F.

Land contribution

If you are intending to make a land contribution (via the use	The land which the New Mills site sits on is currently owned by J E Crowther who are providing the match funding contribution for the regeneration of the
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of existing owned land),
provide further details below

site. An independent valuer, Dove Haigh Phillips has calculated the true market value of the land as £5.4m (a letter outlining the valuation is included in Appendix L). There are no restrictions on the use of the land.

Upload letter from an
independent valuer

Appendix L - Independent Land Valuation.pdf

Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

N/A

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

Rex Procter and Partners has prepared the cost information contained within this submission. They are a private construction consultancy services including quantity surveyors and are registered by the Royal Institution of Chartered Surveyors (RICS).

Rex Procter and Partners are currently working on a number of complex infrastructure and public realm projects which are government funded via Levelling Up Fund, Town Deals and Transforming Cities. This gives Rex Procter and Partners access to unprecedented levels of "live" project cost data for construction costs including oncosts such as design/project management fees, legal and third party costs etc.

Rex Procter and Partners are typically required to prepare estimations of cost upon which important decisions are made in respect of affordability, viability and value for money. Initially these estimates are based on limited design information. Rex Procter and Partners has therefore invested in dedicated in-house resources to collate construction costs from all of the projects which they are involved in. It is from this benchmarking cost data that robust base construction costs have been prepared.

Rex Procter and Partners' benchmarking cost data not only allows them to prepare robust estimates of construction costs, but it also enables them to comment on:

- Current market levels of Contractor Preliminary Costs and OH&P
- Fees associated with Early Contractor Involvement (ECI)
- Programme durations
- Procurement and tendering strategies
- "Sunk" costs including comment on likely expenditure prior to scheme appraisal

To supplement their benchmarking cost data, Rex Procter and Partners market test key components and elements and engage and obtain quotations from specialist subcontractors in order that real-time cost advice is provided on alternative design solutions, materials and construction methods. This has been invaluable during the current volatility being experienced by the construction industry in respect of increasing energy prices and the impact of the production of materials.

Rex Procter and Partners also has access to industry publications including the Building Cost Information Service (BCIS) and Spons. Rex Procter and Partners produce construction costs in accordance with industry best practice and use recognised formats developed by National Highways, RICS etc.

For the construction costs, Rex Procter and Partners has used a unit cost (per sq ft) to estimate the overall building costs with preliminaries and contractor overheads and profit incorporated into the unit costs. This is also the case for the demolition/external works/infrastructure costs with a 17% allowance included and added to the total of the construction estimate (see Appendix M).

In accordance with industry best practice and specifically the RICS New Rules of Measurement (NRM), contingency allowances have been considered for the following:

- Design Development
- Construction Risks
- Employer Change Risks
- Employer Other Risks

A total percentage addition of 20% has been allowed based on a properly considered assessment of risk, taking account of the completeness of the design and other uncertainties such as the amount of site investigation completed to date. The quantified risk register is included as Appendix J.

An allowance of 21% of the total construction costs has been included for professional fees associated with external design consultants, project and cost management, planning supervisor, surveys and investigation reports.

The possible effects of future inflation have also been considered on the rates and prices over the programme duration. The BCIS Tender Price Index (TPI) dated May 2022 has been used to calculate the inflation estimate of 8.4%.

Provide information on margins and contingencies that have been allowed for and the rationale behind them

The cost estimates provided by Rex Proctor and Partners and Dove Haigh Phillips include the following allowances, margins and contingencies:

- Preliminaries and overheads and profits: a 17% allowance of the construction sub-total has been included as a separate line in the cost breakdown for the demolition/external works/infrastructure. For the actual building works, preliminaries and overheads and profits have been incorporated into the unit costs (per sq ft) for the different building types.
- Professional fees, design fees and surveys: an allowance of 21% of the overall construction costs has been included for fees associated with external design consultants, project and cost management, planning supervisor, surveys and investigation reports.
- Inflation: an 8.4% allowance for future inflation has been included on the rates and prices over the programme duration. The BCIS Tender Price Index (TPI) dated May 2022 has been used to calculate the inflation estimate of 8.4%.

Risk

Contingencies for risks and uncertainties for all elements of the scheme have been calculated by producing a quantified risk register (see Appendix J). The risks register was produced between Kirklees Council, Mott MacDonald and Dove Haigh Phillips to produce a robust contingency value in which all potential risks to scheme development and delivery were considered. The risk contingency value is £2.66m equating to 20% of the scheme's construction and fees costs.

Describe the main financial risks and how they will be mitigated

Table 12 shows the main financial risks for the Marsden New Mills Redevelopment Scheme and how these will be mitigated.

Further details of all the project risks can be found in the project risk register (attached in Appendix J).

As mentioned in Section 6.1.7, the total estimated cost of the scheme includes a £2.66m contingency for risks and uncertainties.

How cost overruns will be dealt with

In general terms, any cost overrun will be underwritten by Kirklees Council who will resource additional monies from appropriate sources.

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

The LUF grant will be shared with the owner of the Marsden New Mills site to help fill the viability gap for the redevelopment of the former mill. Details on J E Crowther are provided below:

- Partner name and address: JEC Investment Company Limited, Bank Bottom Mills, Marsden, Huddersfield, HD7 6HR (Company Register no 580587)
 - Role in the bid and what their grant will fund: Owner of the New Mills site and will lead the redevelopment of the former mill. The grant will fund the viability gap that exists to help redevelop the site which has the potential to act as a catalyst for wider regeneration in Marsden
 - LUF funding partner will receive £5.604m
 - Funding method: Kirklees Council will draw up a grant agreement with J E Crowther to protect the LUF funding. More information on matters that a grant agreement will cover are included in the next question.
-

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

An initial due diligence assessment has been undertaken by Kirklees Council on J E Crowther. This involved using information from Companies House (public records) and a credit reference agency. The assessment found that J E Crowther is intrinsically linked to the companies JEC Investment Company Ltd and John Edward Crowther Holdings plc which both have a strong credit ratings and cash holdings. At present, the Council has no concerns about J E Crowther though further due diligence, including seeing full trading and profit and loss statements for each company will be required if the LUF application is successful. Prior to understanding the outcome of this bid, further work will be undertaken to understand the relationship between Kirklees Council and J E Crowther and the drawing up of a grant agreement to reduce any potential delays once a funding decision is known.

Kirklees Council has substantial experience of drafting and managing grant agreements for similar projects to protect public funds. Matters that a grant agreement would cover include but are not limited to:

- Clearly defined roles and responsibilities of all parties, including that Kirklees Council is simply passing on the grant and are the accountable body for reporting to the funding provider;
- Clear grant monitoring and reporting requirements in order to meet the required objective purpose of the grant, including agreed outputs, benefits, spending targets, how claims are made/evidenced and timescales;
- Provisions for withholding, suspending and repayment of the grant being the responsibility of the developer not Kirklees Council;
- The implications/sanctions if the agreed outputs, spending targets and timescales are not met by the developer/project.

Full details on the initial due diligence assessment can be found in Appendix N.

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

Key contracts to be procured

The main contract to be procured will be the Design & Build contract to

construct the redevelopment of the Marsden New Mills site.

Pre-market engagement/research activity

No pre-market engagement has been undertaken at this stage. J E Crowther has requested discretion on this matter until a way forward is more established and wider stakeholder and public engagement has taken place. However, engagement has been undertaken with a demolition contractor to gain an appreciation of the appetite for taking on the work and an indicative cost which has been included in the overall construction cost estimate.

Whilst no other market engagement has been undertaken with contractors, similar schemes have recently been delivered in West Yorkshire, such as Sunny Bank Mills, highlighting that there are relevant skills, capabilities and firms willing to undertake the work.

Procurement routes

Construction

For the construction of the scheme, two procurement approaches have been explored: Design & Build (D&B) and a traditional two stage approach. A consideration of the advantages and disadvantages has been undertaken for both procurement routes with Table 13 summarising this.

The preferred procurement approach for the project is a Design & Build contract. Whilst the tender cost could be higher than a two stage tender process, the agreement of a tender price at an early stage and significant risk transfer to the contractor is seen as beneficial given the potential risks associated with redeveloping a former mill (see Figure 12). This approach is also one which J E Crowther has successfully used previously in the development of residential units and new builds elsewhere in Marsden. This procurement approach has also been used recently for other similar developments in West Yorkshire (Sunny Bank Mills in Leeds for example) highlighting that there are firms that have the experience and willingness for the New Mills redevelopment scheme.

The project panel consisting of senior members of J E Crowther plus the financial director and property/legal advisors will prepare and oversee the invitation; submission selection, evaluation, award and implementation of the scheme with a project manager being appointed, with overall responsibility.

Procurement for the Design & Build contract will be via an open process through advertisement in Contracts Funder and on the New Mills project website.

All responders will be issued with the following to allow the preparation and submission of a robust bid:

- Detailed project description and aims
- Detailed specifications for all works
- Planning approval documents
- Fully coordinated drawings and specification
- BREEAM pre assessment documents
- Health & Safety documentation
- Asbestos Report
- Building Regulations Plans Approval document
- Draft Warranty documents
- Draft Building Contracts
- Draft Outline Programme
- Draft warranty documents
- Selection and scoring criteria
- Draft outline programme – outlining critical delivery dates
- Tender documentation

The tender package will identify the particular sustainability and net zero, historic building and environmental demands of the package and request detailed policy documents from the contract with regards to these. The tenderers will be required to provide the following information as part of the tender submission:

- Completion of tender documentation, indicating overall tender price and full elemental breakdown of this cost.
- The relevant experience of the organisation and qualifications of individuals who will be assigned to the Project. The experience must be relevant to the

scale of the project, redevelopment works, creation of residential units and commercial space and BREEAM compliance.

- Company employment policies.
- Company Health & Safety policy and a brief outline of their Health & Safety approach to this particular project
- Company environmental policy in general, and their specific approach to net zero in relation to how their construction methods and materials are contributing to reducing carbon impacts
- Company Accounts for the previous three years

The project panel will review the submission against the identified selection criteria and will undertake due diligence on the tenders with reference to their Health & Safety Records (including breaches recorded by the Health & Safety Executive). They will also review the Contractor's accounts, and check against any breaches of the Employment Laws.

The tenderers will be assessed on their costs and their ability to deliver the project efficiently within programme and with sufficient financial strength to conclude.

Professional services

Other services not covered by the design and construction procurement will be required with the extent of these professional services fully determined through the pre-application for the scheme.

Procurement for professional services relating to the development of the scheme such as the planning application, structural engineer and principal designer.

Procurement of professional services will be via an open process through advertisement in Contract Finder and on the Project's website. This will seek interest from parties with relevant professional experience.

All responders will be sent the following to allow preparation and submission of a robust bid:

- Detailed Project description and aims
- Planning approval documents
- Outline drawings and specification
- BREEAM pre assessment documents
- Draft warranty documents
- Selection and scoring criteria
- Draft outline programme – outlining critical delivery dates
- Tender documentation

The tenders will be required to provide the following in response:

- Completed tender documentation, indicating the fee proposal including payment schedules
- Demonstration of relevant experience both as a company and the individuals proposed to work on the schemes, including qualifications, period employed etc.
- For this project there will be required to identify successful example including works on listed buildings, large scale refurbishment works, BREEAM compliant projects, commercial space creation and draft programme of delivery
- Environmental and Employment policy
- Health & Safety policy
- Company accounts for the previous three years

The tender returns will be via sealed postal bid, on a date and time prescribed. No late bids will be considered. The bids will be opened in the presence of all members of the Panel and initial list of the bids recorded. The Project Panel having set up in the tender selection criteria will assess the tender submission against these parameters, in order to establish which bidder would be best suited to the delivery of the scheme at best value, in terms of lowest cost, experience and quality in delivery and timescale.

Procurement timescales

Key milestones relating to the construction procurement are listed below. These are captured in the programme which can be found in the Costing and Planning Workbook (see Appendix O).

- Prepare tender documents: July – September 2023
- Tender period: October – November 2023

- Tender analysis: December 2023
- Appoint contractor: December 2023/January 2024

As indicated above, the full scope of the professional services required is unlikely to be known until the pre-application for the scheme begins therefore the breakdown of timescales for the procurement of these activities are not listed.

Social Value

J E Crowther is committed to maximising social value through its contracts. The high value of the New Mills contract provides a unique opportunity to deliver value to the local communities in the vicinity.

Through the procurement of the Delivery Partner for this scheme Kirklees Council will seek to achieve evidence based Social Value benefits for local communities, based upon the National Themes, Outcomes and Measures (TOMs) as defined under the National Social Value Measurement Framework.

The scope of the Social Value will focus on ensuring the Delivery Partner provides benefits which it would not have provided otherwise. For instance, this can go beyond simply using the local supply chain (which can be beneficial for the contractor regardless), but to develop the skills of those suppliers to help them transition into regional suppliers.

Risk

Construction projects with critical timeframes routinely carry a range of risks from their inception and J E Crowther continue to review their approach to ensure these risks are effectively managed. A priced risk register (see Appendix J) has been developed in conjunction with partners to ensure all the risks for the project have been identified together with the relevant owner of the risk. The priced risk register has been used to inform the level of contingency to be provided.

Once the contract begins, monitoring of the project will be via pre and post contract meetings with relevant minutes. Formal costs and progress reports will be provided. This will have oversight provided by the Project Panel and particularly the appointed day-to-day Manager and the Legal Advisor who will report at key stages, to ensure quality and manage/mitigate supply chain risks.

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

The procurement and contractor management will be managed by Rex Procter and Partners (RPP) who will act as the Employer's Agent on behalf of J E Crowther.

RPP has extensive experience of working with JCT suites of contract (the proposed contract for this scheme). As a RICS-accredited practice, RPP is required to be up to date with contract knowledge and are assessed on this, and a number of other criteria yearly, to ensure they provide the best advice to clients. In addition, 98% of their professional staff are RICS chartered, which requires them to undertake continuous professional development yearly to maintain their accreditation. RPP support their staff by providing in-house or external training sessions, including regular training on Contracts.

RPP also have an in-house specialist, Director of Contract Services, Michael Dunn, who provides advice to clients on matters regarding contracts, along with staff and client training sessions. Michael has provided advice to government bodies, local authorities and private clients on the use of the JCT and NEC suite of contracts.

Table 14 contains recent examples demonstrating RPP's procurement and contract management experience of JCT contracts.

Are you intending to outsource or sub-contract any other work on this bid to third parties?

The core of the project management work will be undertaken by independent consultants who are already part of J E Crowther's project team. They are individuals from Rex Procter and Partners, KPP Architects and Dove Haigh Phillips who have previously worked together in delivering similar mill redevelopment projects in West Yorkshire such as Sunny Bank Mills and Park Valley/Mending Rooms and therefore their expertise has been sought by J E Crowther for the New Mills scheme.

The intention is to sub-contract and outsource several packages of work on the bid as the core project team has identified capability gaps due to the complex nature of the Marsden New Mills Redevelopment Scheme.

The work packages to be sub-contracted include:

- Heritage advisory – to provide technical expertise in the engagement with Historic England. It should be noted that this role has recently become filled by Bowman Riley.
- Structural engineer
- Principal Designer
- Mechanical and Electrical engineers
- Sustainability consultant
- BREEAM assessor
- Highway consultant
- Noise and air quality consultant(s)

The full scope of the professional services required is unlikely to be known until the pre-application for the scheme begins so there may be additional contractors.

Professional services contractors will be procured as discussed previously in Section 8 via an open process through advertisement in Contract Finder and on the Project's website.

The work package to be outsourced include:

- Design & Build contract – along with a main contractor to design and deliver the site, this will include subcontractors to input into planning, ecology, demolition and public relations/stakeholder management

The Design & Build contract will be procured as discussed previously in Section 8 via a single stage competitive tender process with a robust set of Employers Requirements for pricing comprising of fully co-ordinated drawings and specifications.

A Joint Contracts Tribunal (JCT) Design & Build 2016 contract will be used as it is designed for construction projects where the contractor carries out both the design and the construction work. The contract is widely used and offers tried and tested wording on which to base a solid contract whilst providing the opportunity to amend the contract to suit this project. Benefits of employing a JCT contract include:

- Standardisation and protection over common issues – due to JCT contract having coming about over years, as such they take into account most issues that can reasonably be expected to occur. This offers assurance to both sides of a baseline of risk management
 - Recognisable and equitable allocation of risk – due to the standard formatting of JCT contracts, both parties will typically be familiar with the risks of a project and how they are distributed. The JCT ensures these risks are split equally across both parties, so the terms are not more favourable to one side than the other.
 - Dispute resolution - a JCT contract contains provisions on how to deal with disputes. These provisions will often nominate an arbitrator or adjudicator who can make decisions as to the accountability of the parties. The contract therefore allows the parties to avoid more costly and drawn-out court proceedings.
 - Dangers surrounding the industry are addressed – a JCT contract protects employers against poor contractors with provisions of the agreement covering most eventualities.
-

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

There will be a formal JCT Design & Build contract in place as discussed previously in Section 8 which will be administered by the employer's agent, Rex Procter and Partners. The contract will stipulate the start and completion dates for programme activities, an appropriate level of liquidated and ascertained damages and regular progress reporting/site meetings to monitor quality and programme.

To help ensure that a supplier who can deliver the contract is identified, a pre-qualification questionnaire will be used to ascertain the suitability of a contractor or supplier. Following this, as part of the tender documents, company accounts for the previous three years will be requested as part of the tender submission for the works to undertake financial checks to help ensure the company contracted is suitable.

Rex Procter and Partners will set out and agree the requirements in and contractual obligations with the contractor before the procurement process is complete. This will take account of the current volatility in the construction market and will be reviewed to ensure that contingency arrangements are put in place as far as practicable. The expectations from the contractor at the initial stage will include details on principal parties, obligations, scope, scheme timetable, payment mechanisms, quality and security.

Clauses 4.7 to 4.11 of the JCT Design & Build Contract will be used in relation to payments. This payment mechanism is compliant with the most recent UK legislation from 2009, the Local Democracy, Economic Development and Construction Act

Rex Procter and Partners as the employer's agent will ensure quality of the work and will procure the works on behalf of the site owner J E Crowther. The other consultants currently acting on behalf of J E Crowther, Dove Haigh Phillips and KPP Architects will work with Rex Procter and Partners to ensure the scope and design of the scheme is achievable and therefore the delivery of the scheme will be successful. J E Crowther, the aforementioned advisors and contractors will meet regularly to discuss progress and risk, reviewing and updating the project risk register accordingly. The current project risk register is included as Appendix J.

Set out how you plan to deliver the bid

The ultimate responsibility for the delivery of the Marsden New Mills Redevelopment scheme will be with J E Crowther, the former mill owner. J E Crowther has appointed a dedicated team of highly knowledgeable and experienced subject matter experts who will be supported by specialist contractors and subconsultants where required.

The project governance board will oversee the development of the project right through from early conception and the development of the business case through to construction and project completion. The project governance board will among others consist of:

- J E Crowther and their team of advisors, including Rex Procter and Partners are employer's agent.
- A construction project manager.
- The leader of a consultant design team.

Rex Procter and Partners as employer's agent will be responsible for monitoring, reporting and communicating the progress of the project as well as managing the project budget and finances.

Other areas of the project which are crucial to successful completion, and where specific roles and responsibilities will be assigned include:

- A conservation/heritage advisor due to the location of the development within Marsden's conservation area

- Planning consultants to assist with the development and submission of the planning application
- Ground investigations
- Demolition

Key milestones in the project and the timeline for their completion are set out in a detailed project programme (see Appendix O – Costings and Planning Workbook Table D P1 Delivery Milestones). Key milestones in the project which have been identified in the programme are:

- Scheme consultation period – February 2023
- Development of outline design by KPP Architects – January 2023 – March 2023
- Planning pre-application and planning permission developed with the planning application completed by KPP Architects – November 2022 – March 2023
- Planning permission approval – July 2023
- Procurement period including preparation of tender documents, tender period and tender analysis – July – December 2023
- Contractor appointed – December 2023
- Start on site – January 2024
- Demolition – February 2024 – October 2024
- Construction completed – March 2025

Following the funding decision, a work breakdown structure for each main work activity will be developed, while a separate matrix will identify the stakeholders that will be responsible, accounted, consulted and informed about all work activities as the project progresses.

A dedicated stakeholder management group will be established specifically for the project. This group will be responsible for the development of a detailed stakeholder management plan, and complimentary communications plan, to ensure effective consultation with all project stakeholders. This will include a public consultation on the proposed development in February 2023. Stakeholder engagement has already taken place with a range of stakeholders including the Colne Valley MP Jason McCartney, local ward members, local businesses, Historic England and Marsden Community Trust. See Section 6 for further detail.

Risks to the project will be managed via processes outlined in a detailed risk management plan. This will include a 'live' risk register, the output of which will be used to determine appropriate levels of budgetary and schedule contingency at pre-tender estimate and throughout the project life cycle. The current risk register for the project is included as Appendix J.

Management of the performance of the delivery partners will be carried out by the project board. The method to be employed to ensure satisfactory performance of the main works contractor and any appointed subcontractors will include:

- Technical due diligence of the proposed detailed design to be carried out by in house engineers and technical specialists.
- The development of a quality plan to be detailed within the project execution plan.
- The agreement, use and monitoring of key performance indicators set out in the main works contract.
- The development and implementation of a benefits management plan. This will include regular reviews of the project at project gateways to ensure it is still on course to ensure the delivery of benefits set out in the business case.
- Inclusion of KPIs in the project contract, business case and benefits management plan to be monitored regularly and at gateway reviews

In addition to planning permission for the proposed development, other consents identified as being required include a conservation area consent for the demolition of part of the mill due to its location in Marsden's conservation area and statutory highways powers such as a traffic regulation order (TRO) to allow for construction. Obtaining the required consents will be managed by the project board with support from the board's advisors and subconsultants where appropriate.

Demonstrate that some bid activity can be delivered in 2022-23

Bid activity that will be delivered in 2022-2023

- Development of the outline design for the scheme. This will be informed by the stakeholder and public consultation undertaken in 2022-2023 to stakeholders with an opportunity to shape the scheme at this early stage
- Preparation of the pre-application for the project and its submission culminating in the preparation and production of the planning application for the site which will be submitted at the start of April 2023

This is reflected in the programme for the scheme which can be found in Appendix O – Costings and Planning Workbook Table D P1 Delivery Milestones.

Risk Management: Set out your detailed risk assessment

A key element of project management is the identification and management of risks. A risk assessment workshop was undertaken for the project in June 2022 to ensure that the barriers and level of risk to delivery are identified with appropriate mitigations resulting in the production of a risk register.

The risk assessment included:

- Identifying delivery risks;
- Assessing risks by using a risk evaluation matrix to calculate risk ratings based on probability and impact;
- Addressing and responding to risks by tolerating, treating, transferring, terminating them or taking an opportunity and then providing clear mitigation or elimination actions. Risk owners are also identified;
- Quantifying outstanding risks which cannot be eliminated using the Monte Carlo analysis and monies attributed to cover these should they occur

This process is intended to ensure that all those with a role in the delivery of this project:

- Understand the nature of the risks faced;
- Are aware of the extent of these risks;
- Identify the level of risk that is acceptable;
- Recognise ability to control and reduce risk;
- Recognise where risk cannot be controlled; and,
- Take action where possible and when it would be the best use of resources.

Key risks (and proposed mitigation) identified at this stage of scheme development for the New Mills project are in Table 15. The full risk register can be found in Appendix J.

Risk will be managed proactively throughout the development and delivery stages of the project. Remaining risks will be proactively monitored and managed throughout the delivery of the project using the working risk register. The risk register will continue to be developed and updated as the project progresses. Monthly risk reduction and opportunity meetings will be held throughout the construction phase jointly between the Designer, Contractor and core project team including J E Crowther, KPP Architects and Rex Procter and Partners.

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

Whilst J E Crowther will maintain oversight of the project, Kirklees Council will be involved in the development and delivery of the New Mills site to ensure the scheme supports the realisation of local policy and delivers the widest societal benefits to Marsden. The Council officer who will ultimately be responsible for this is the Director of Development, Joanne Bartholomew. She currently has responsibility for over 500 staff, a £20m revenue budget and a £650m capital

investment programme. Key responsibilities relevant to this project include:

- Development and Master Planning - Responsibility for the Blueprint for Huddersfield and Dewsbury, overseeing the implementation of our major regeneration programs as well as key initiatives such as the small centre's program and our work to progress the Station to Stadium Gateway. Strategic oversight of the remaining key regeneration projects, in particular the Cultural heart ensuring that projects are properly structured, resources are allocated, program management methodologies are being followed and that the ultimate delivery will deliver the ongoing service outcomes.
- Housing Growth and Regeneration - Identify and build relationships with public and private sector partners to help deliver significant housing growth across the district putting in place a strategic pipeline and supporting funding streams.

She will be supported by colleagues from the Town Centre Programmes team who overlook all schemes that pertain to town centres in Kirklees.

J E Crowther has a longstanding history in Marsden being involved in the construction of buildings in the village for the last 150 years and are therefore well versed in the delivery of projects. Nevertheless, J E Crowther has been working with a team of consultants to address a capability gap to develop the proposals for the New Mills site included in this bid as this is J E Crowther's first experience of redeveloping a former mill. The consultancy team have been appointed due to their prior experience of working together to deliver successful similar schemes in Kirklees and elsewhere in West Yorkshire. The plan is therefore to retain the expertise of the team throughout the development of the scheme until the site is fully operational. The team includes:

- Dove Haigh Phillips – property consultant
- Rex Procter and Partners – quantity surveyor
- KPP Architects – architect

As mentioned, this team has a proven track record of effectively working together to redevelop former mills in West Yorkshire. Recent case studies are provided below:

Sunny Bank Mills

The regeneration of a former mill in Farsley, Leeds with the site becoming one of the prime business locations in the West Leeds area. The clothing mill originally opened in 1829 with textile production stopping in 2008. The process of regenerating the former mill started in 2010 and was cemented in a masterplan agreed with Leeds City Council in 2015 to allow a flexible redevelopment of the whole mill site into a variety of uses.

The works have involved the demolition of commercially unviable buildings (65,000 sq ft in total), delivering an open space at the heart of the mill complex, providing much needed connectivity across the site – a similar demolition is proposed at the New Mills site to provide the access and connectivity benefits for commercial units. The remodelling of the heart of Sunny Bank Mills has ensure the mill woodland is protected along with the mill ponds which provide amenity space for people who live and work there.

The Sunny Bank Mills redevelopment was delivered on time and within budget and has created over 370 jobs with more than 70 small and medium sized companies on site.

The Mending Rooms at Park Valley

Refurbishment of a Grade II multi storey listed and redundant former textile mill into business accommodation. The Mending Rooms is located within the already established Park Valley Business Park which since 2014 has successfully delivered 110,000 sq ft of new and refurbished none listed buildings, employing approximately 150 people in small and medium sized enterprises.

The refurbishment of the 20,600 sq ft heritage Mending Rooms was supported by a grant from the European Regional Development Fund with the total development costing £2.3m. The development was completed within budget and on-time opening during the Covid-19 pandemic in November 2020. Half of the office space was let before the building was completed and became fully occupied in August 2021 with three more deals. A range of businesses have

Set out what governance procedures will be put in place to manage the grant and project

The Chief Financial Officer (CFO) at Kirklees Council ensures that the financial affairs of legal entities and other arrangements for which the Council has responsibility are managed in a secure and effective manner in accordance with the Council's financial regulations and related policies and procedures unless otherwise agreed by the CFO.

All financial transactions of the council are maintained on the Council's Financial Management System (FMS) unless otherwise agreed by the CFO. Transactions are recorded accurately, promptly and fully, and as soon as reasonably practicable. All financial reporting will comply with appropriate accounting standards.

Kirklees Council has robust governance structures in place to deliver a multitude of services and capital projects. The ultimate authority is the Council and the Council's Cabinet and these bodies set the vision for the direction of Kirklees. The vision brought forward by the Council is delivered by the Council's officers. The Huddersfield Area Blueprint Programme Board identifies several schemes aimed at regenerating Huddersfield Town Centre and the wider area. The board is made up of:

- Joanne Bartholomew – Director of Development and Covid 19 recovery;
- Simon Taylor – Head of Strategic Investment;
- David Martin – Head of Business and Skills;
- Kath Wynne-Hague – Head of Culture and Tourism.

The board will:

- Ensure there is appropriate assurance and governance, together with making recommendations to the decision makers for project delivery.
- Ensure the aims of the projects continue to be aligned with evolving business need and the Business Cases are still valid including benefits realisation and outcomes are reviewed and reported.
- Ensure decisions are rigorous and transparent and are made within the delegated authority granted by Kirklees Council and in line with the approvals obtained from the Council's cabinet.
- Monitor, appraise and approve the project budget, costs and investment priorities and advise and steer financial decision making as required whilst acting in the public interest, reflecting the use of taxpayer's monies.

The Council's governance structure for this scheme is shown in Figure 13.

Zoe Stewart will act as the LUF Grant Manager from the Town Centre Programmes team. She will act as the day-to-day contact at Kirklees Council for engagement with J E Crowther, the core project team and the development partner to maximise the outcomes of the LUF grant and minimise risk, delivering the greatest benefit of the scheme to the people and economy of Marsden. Within the Council she will be supported by colleagues from the Legal, Audit and Finance teams.

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

Operational costs for the day-to-day management of the site will be underwritten by J E Crowther as the site will be added to their portfolio of estates.

For the commercial and retail units, a service charge will be included within the leases to cover ongoing maintenance costs for the site. There will also be an

expectation that occupiers of the units will have responsibility for maintaining the interior of the units throughout the lease to ensure the site remains attractive to existing and potential new businesses.

**Upload further information
(optional)**

Set out proportionate plans for monitoring and evaluation

Objectives

Kirklees Council is committed to the ongoing monitoring of the impacts of the schemes it introduces to ensure that benefits are realised, impacts are identified, and unforeseen effects are understood. For this project, monitoring and evaluation arrangements will include significant reporting against the project's business plan and financial performance, as well as construction monitoring and evaluation. The design of the monitoring and evaluation approach will be proportionate to the size of the investment, the risks and the unique features of the project.

The LUF M&E objectives for this scheme are as follows:

- Implementation of the projects and how this impacts the intended outcome.
- Outputs of delivery.
- Outcomes measuring the intermediate effects of the projects and what they achieve.
- Reporting the implementation and outputs of the intervention throughout the lifetime of the project and subsequent years after completion.

Approach

The project will be monitored throughout, following the theory of change (see Appendix I) and associated indicators. A budget for monitoring and evaluating the project has been set aside by Kirklees Council. Several data sources to feed into monitoring and evaluation activity are readily available and some will require additional research. Using this information, the benefit of the Marsden New Mills Redevelopment scheme can be calculated. The specifics of the M&E plan are detailed in Table E in the Costings and Planning Workbook (see Appendix O).

Kirklees Council will oversee and monitor the project assurance and evaluation, maintaining up-to-date funding records. There will be monthly site meetings and review of any variances as part of the proposed internal monitoring approach.

In order to monitor the delivery of the project correctly, Kirklees Council proposes to:

- Create a detailed monitoring and evaluation plan, and a benefits realisation framework.
- Monitoring and evaluation plans will be published on the Kirklees Council website and will be available to the public.
- Provide progress reports on the evaluation process throughout the project lifecycle through its rigid management structures.
- Provide an initial report based on data collection annually throughout the project lifecycle.

Key metrics

Inputs

Inputs measure the delivery of the project and evaluate the process of delivery. This will be measured via the following metrics below.

- Successful Levelling Up Fund application
- Engagement with public and stakeholders, private sector and key partners
- Scheme development resulting in successful planning outcome
- Approved business case
- Design and architectural support from multi-disciplinary consultancies

Outputs

Outputs will measure the delivery of the project and what the project directly produces. These will be measured via the following indicators.

- Renovated mill that includes:

- 28,000 sq ft of new industrial units
- 8,000 sq ft of refurbished offices
- 4,000 sq ft of new build offices
- 9,475 sq ft of new build mixed use (retail)
- 9,000 sq ft of refurbished mixed use
- 15,300 sq ft of future proofed space for potential residential use or expansion of commercial/industrial units
- New landscaping, including new trees and open yard area for residents and employees to use

Outcomes

Outcomes measure the intermediate effects of the project, such as increased footfall and/or visitor numbers and improved perceptions. The outcomes of a project are what the project achieves. The intended outcomes of these projects are set out below.

- Increased employment opportunities for local residents
- Increase in local productivity and pay
- Increase in local employment rate
- Improved perceptions of Marsden as a place to work and live
- Increase in business investment within Marsden
- Reduction in crime as a result of urban realm enhancements and increased activity in the area

Impacts

Impacts are the primary and secondary long-term effects produced by a development or intervention, directly or indirectly. The impacts which will be monitored as a result of these projects are set out below.

- Growth in the local economy in Marsden and the surrounding area
- Increased sense of community centred on new employment and housing
- Improved perception of local area
- Greater pride in place in Marsden
- Increased productivity through a more active workforce
- Increased value of existing commercial properties due to regeneration and enhancement of the area, making it more attractive to residents and visitors

Resourcing and reporting

Kirklees Council will oversee and monitor the project assurance and evaluation, maintaining up-to-date funding records. There will be monthly site meetings and review of any variances as part of the proposed internal monitoring approach.

To monitor the delivery of the project, Kirklees Council proposes to:

- Create a detailed monitoring and evaluation plan, and a benefits realisation framework.
- Publish monitoring and evaluation plans on the Kirklees Council website and make available to the public.
- Provide progress reports on the evaluation process throughout the project lifecycle through its rigid management structures.
- Provide an initial report based on data collection annually throughout the project lifecycle.

Before construction begins to identify a baseline for the project, a baseline report will be produced against which the impacts can be measured. An annual monitoring report will subsequently be published throughout the lifetime of the scheme and for five years after its completion. This monitoring report will analyse the implementation, outputs, and outcome identified within this M&E plan, in addition to providing an accompanying qualitative assessment of the project.

An Evaluation Report will be published in 2030, five years following the project's completion. This will evaluate the project against impacts on the local area, and will report results and recommendations of the full process.

The following data collection methods will be used to monitor the proposed outcomes and impacts include:

- Undertaking public satisfaction surveys
 - Use of Office of National Statistics datasets such as Annual Population Survey and Average household income
 - Business rate returns
 - Comparison of the levels of crime before and after scheme delivery
-

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration Appendix P - Proforma 7 - SRO Declaration.docx

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration Appendix Q - Proforma 8.docx

Publishing

URL of website where this bid will be published <https://www.kirklees.gov.uk>

Additional attachments

Additional file attachment 1

Upload attachment Appendix A - Proforma 5.docx

Additional file attachment 2

Upload attachment Appendix B - Figures and Tables for the bid.docx

Additional file attachment 3

Upload attachment Appendix C - Proforma 6.pdf

Additional file attachment 4

Upload attachment Appendix D - Historic England Engagement on Marsden New Mills.docx

Additional file attachment 5

Upload attachment Appendix E - Letters of support.pdf

Additional file attachment 6

Upload attachment Appendix F - J E Crowther Development Experience.pdf

Additional file attachment 7

Upload attachment Appendix G - DHP Market Demand Assessment.docx

Additional file attachment 8

Upload attachment Appendix H - Development appraisals.pdf

Additional file attachment 9

Upload attachment Appendix I - Marsden New Mills Theory of Change.pptx

Additional file attachment 10

Upload attachment Appendix J - Risk Register.xlsm

Additional file attachment 11

Upload attachment Appendix K - AST.xlsx

Additional file attachment 12

Upload attachment Appendix L - Independent Land Valuation.pdf

Additional file attachment 13

Upload attachment Appendix M - Marsden Mill Construction Costs.pdf

Additional file attachment 14

Upload attachment Appendix N - J E Crowther Due Diligence Check.pdf

Additional file attachment 15

Upload attachment Appendix O -
LUF_Single_Project_Costings_and_Planning_Wkbook_v2.01_Marsden.xlsx

Additional file attachment 16

Upload attachment Appendix P - Proforma 7 - SRO Declaration.docx

Additional file attachment 17

Upload attachment Appendix Q - Proforma 8.docx
