

Calderdale MBC

Wards Affected Todmorden

Cabinet 7 August 2023



Proposal for the disposal of the Ferney Lee site as an asset transfer to facilitate the development of the Enterprise Centre.

Report of Director: Regeneration and Strategy

1. Purpose of Report

To seek approval of an asset transfer of the Land at Ferney Lee Road Todmorden (Ferney Lee site), edged red at Appendix 1, at nil value, to facilitate a mixed use commercial and housing development, to support the commitment to developing enterprise space development in Todmorden and ensure associated Towns Fund resources are retained.

2. Need for a decision

- 2.1 Following feedback from the Environment Agency, the previously proposed site of the Enterprise Centre as included in the approved business case for Towns Fund resources is no longer viable because of flood risks that will not be possible to mitigate. Consequently, an alternative site has been sought, with Ferney Lee the only potential available option.
- 2.2 In February 2020, Cabinet approved the development of more detailed proposals for extra care provision in Todmorden, associated with the use of the Ferney Lee site. Subsequent steps are detailed below, that suggest the use of Ferney Lee for an extra care facility is now not the preferred option.

3. Recommendations

- 3.1 That the Ferney Lee site is disposed of as an asset transfer to the Calder Valley Community Land Trust at nil value.
- 3.2 That the agreement of all relevant terms to achieve 3.1, be delegated to the Director of Regeneration and Strategy and the Head of Legal and Democratic Services in consultation with the Cabinet Member for Resources, the Cabinet Member for Towns, Tourism, and Voluntary sector and the Cabinet Member for Climate Action, Active Travel, and Housing.

4. Background

- 4.1 Todmorden Town Deal is a £17.5m investment by DLUHC in Calderdale, supporting the delivery of our thriving towns and places priority. The projects within the Town Deal programme contribute to our Vision 2024 goals of distinctiveness, talent, and enterprise.
- 4.2 The Enterprise Centre is one of eight projects within the Todmorden Town Deal. It aims to increase the supply of quality workspace provision in the Calder Valley, to capture demand from small businesses, generate new high-quality jobs, and reduce out-commuting. The proposed new build is intended to house diverse local enterprise start-ups and small businesses, supporting business incubation and collaboration.
- 4.3 £3,872,922 of funding has been approved by DLUHC to fund the cost of developing the Enterprise Centre. This will deliver:
- Increase in the amount and diversity of high quality, affordable commercial space (905 – 1,200 m²)
 - Increase in the amount of shared working space
 - 450 m² of remediated brownfield land
 - Total developed site circa 1802 m²
 - Temporary construction jobs
- 4.4 The project sponsor is Calder Valley Community Land Trust. They intend to include two further storeys of affordable homes, 20 one- and two-bedroom units. Funding for this element is currently being sought.
- 4.5 The project has been approved by the Town Board, Calderdale Council as Accountable Body and DLUHC.
- 4.6 The proposed location has been on Council owned land on and adjacent to Rose Street, Todmorden. This site is designated a high probability flood zone (zone 3a). To secure development on the site, CVCLT must deliver a Flood Risk Assessment which can demonstrate how design can mitigate flood risk, which would be subject to an Exception Test.
- 4.7 CVCLT and the Council have worked with the Environment Agency to identify the likelihood of passing the required Exception Test. Following recent detailed discussion, the Environment Agency have made it clear that while they have not yet seen detailed designs, they do not believe that the factors below can be achieved on the site as the constraints on development are too great:
- People are kept safe
 - Mitigation measures must be passive (not rely on human intervention)
 - Does not increase flood risk off-site (displacing floodwater)
- 4.8 Consequently, the Environment Agency have made it clear that they are likely to object to the scheme. While Calderdale Council could appeal such an objection,

such an appeal is unlikely to be in the best interest of the residents and businesses of Todmorden.

- 4.9 A further issue lies in the Rose Street location requiring land currently known as Pollination Street, which provides well used existing greenspace. While the project offers the potential for new greenspace, there is considerable local concern regarding this element of the proposal.
- 4.10 Town Deal funded projects must be completed by March 2026. This means that any proposed new site must be a location which is 'shovel ready' and able to proceed at pace through the statutory planning process.

5. Options considered

- 5.1 Given the known concerns, and the limited time and options to deliver the scheme at an alternative site and within the timeframe for the programme, at the June meeting of the Todmorden Town Deal Board, Board members asked that the Council identify potential alternative locations as a backstop for the project. Any location must have the right scale for development, be available for immediate development, and be capable of delivering similar outputs as the current project. This desk-top review, which looked at sites in Todmorden under Council ownership, has been completed and identifies Ferney Lee as the only viable option.
- 5.2 The Ferney Lee site is in the ownership of Calderdale Council and prior to demolition in 2021, was occupied by the Ferney Lee Residential Care Home. At present, Ferney Lee is a large, cleared, vacant brownfield site which measures approximately 0.75 hectares (1.85 acres). The site is opposite the new High School and Centre Vale Park, the location of other Town Deal funded projects. The site is not in a Flood Risk or Conservation Area. It is a 15-minute walk to the station. It is not allocated for a specific purpose in Calderdale's Local Plan as it was not available for development at the time of publication.
- 5.3 Cabinet approved the disposal of the Ferney Lee site to a Registered Provider via a procurement exercise for the provision of extra care housing in March 2021. The tender exercise completed in November 2022 and no interest was received for this opportunity.
- 5.4 Borough wide provision of extra care has expanded in the meantime. Railway Bridge View Extra Care Scheme (65 apartments) has gone live increasing the provision available in the borough. Further to this, North Halifax Transformation Programme will deliver c70 extra care housing units by 2025. In the coming years, excluding Ferney Lee, there are expected to be six extra care schemes in Calderdale (four which are currently operational, one in development and one under refurbishment).
- 5.5 In terms of the Ferney Lee site, four options have been assessed on a desk-top basis for viability.

- 5.5.1 Option 1 – commercial development only.
 - 5.5.2 Option 2 – housing development only.
 - 5.5.3 Option 3 – mixed commercial and residential use’.
 - 5.5.4 Option 4 – mixed commercial and residential use, plus additional housing units on the site.
- 5.6 The desk-top options appraisal concludes that the Ferney Lee site has the capacity to house an Enterprise Centre, delivering similar outputs to that of the current project. The option is therefore deemed viable from a capacity standpoint. The options appraisal also shows a commercial only option is also achievable as well as a residential only option, but that option 4 above is unlikely to be deliverable due to the size of the site.
- 5.7 A commercial only development is not seen as the best option as the opportunity to incorporate housing units into the development will be lost. A housing only development will mean the loss of a key project with the Todmorden Town Deal’s, and potentially the £3,872,922 DLUHC funding.
- 5.8 Should Ferney Lee be asset transferred to develop the Enterprise Centre, a mixed-use proposal of this kind would retain the significant investment available to support enterprise space in Todmorden and recognise the importance of delivering more homes on brownfield sites in Calderdale. As such this option is recommended.

6. Financial implications

- 6.1 The asset transfer to the project sponsor is recommended at nil value, as agreed for the Rose Street site, and reflecting the Council’s commitment to the project and programme, as part of delivering against our thriving towns and places priority. There is no budget provision in the Town Deal funding to support land acquisition.
- 6.2 The site has not been valued specifically for this exercise. Based on previous valuations in December 2020, it is estimated that the site has value in the region of £570,000.
- 6.3 The Revenue and Capital Outturn report 2023/24 elsewhere on the agenda details the Council’s overall funding position for the Capital Programme for the period 2023/24 to 2025/26. Although the current forecast details a balanced funding position for the period, there are schemes within the current Capital Programme that may require additional funding in future years. Further capital schemes are also likely to be brought to Cabinet for inclusion in the overall Capital Programme.
- 6.4 Capital schemes in the Capital Programme are funded in part by prudential borrowing and pooled resources, largely by capital receipts generated by the sale

of assets. Although the capital receipt from the asset transfer is not included in the current forecast of capital receipts, and therefore does not impact on the current forecast, approval of the asset transfer at nil value would reduce the capital funding available for the Capital Programme in future years.

- 6.5 All Towns Fund programme spend must be defrayed by March 2026. The project timetable for delivery of the Enterprise Centre is extremely tight.
- 6.6 If an alternative site is required, approval from DLUHC will be necessary. DLUHC have been kept informed of progress and it is understood that an earlier communication of this requirement is more likely to result in a positive outcome.
- 6.7 Given national pressures on Towns Fund resources, it is unlikely that the Todmorden programme would be able to retain the allocated resources for use in other projects, should the project not proceed.

7. Legal Implications

- 7.1 Officers have discussed options for development with CVCLT, and they are aware of the considerations being made regarding Ferney Lee, and minded to proceed on this basis. A CVCLT board decision will be required to confirm this decision.
- 7.2 Subject to CVCLT formally agreeing to the Ferney Lee site, the revised proposal will require consideration by the Todmorden Town Deal Board.
- 7.3 Subject to approval, appropriate arrangements for the asset transfer will be required, including a review of any covenants and restrictions on the site, and agreement regarding leasehold / freehold arrangements.

8. Human Resources and Organisation Development Implications

- 8.1 No implications.

9. Consultation

- 9.1 The Todmorden Town Investment Plan (TIP) sets out the aims, goals, and projects which form the Todmorden Town Deal, including the Enterprise Centre. A strength of the TIP is the extent of community engagement which informed the Plan, which included two online Citizen's Assemblies, attended by 170 businesses and residents. to learn and deliberate about the proposals. These events built on a long history of stakeholder engagement in the town. through which a common theme identified was the desire to provide focused business support and encouraging new business start-ups in the town.
- 9.2 The Todmorden Town Deal Board recognises the need for ongoing engagement and consultation. So, the Board created a Todmorden Town Deal website to keep

stakeholders aware of progress and manages a twitter feed to secure feedback from residents and businesses. In February 2023, project partners including CVCLT held a weekend event to allow the community and businesses to speak directly to project teams. Looking ahead, the Town Deal Board has funded a communications consultancy to ensure engagement is maintained.

- 9.3 The need to explore alternative sites for the Enterprise Centre has been discussed with the Todmorden Town Deal Board. The proposals for Rose Street, and the need to identify alternative sites, has included the Environment Agency and CVCLT.
- 9.4 Council Communications officers are working with the external Town Board Communications team to ensure reporting of decisions relating to the Enterprise Centre, and any proposed development of the Ferney Lee site, are communicated effectively to wider stakeholders, residents, and businesses.

10. Environment, Health, and Economic Implications

- 10.1 The proposed site will ensure development outside of a flood risk zone and avoid increasing flood risk impact elsewhere in the valley. CVCLT demonstrate their commitment to sustainability and the highest environmental principles by adhering to the 'Bioregional 10 Principles of One Planet Living', an industry best practice standard which will contribute to our Climate Action Corporate ambitions. This includes a commitment on all its developments to produce a bespoke Sustainability Action Plan, collaborating with suppliers to reduce their carbon footprint.
- 10.2 This approach to sustainability has positive impacts for health and the local economy. Materials and design consider the need to reduce energy requirements and reduce fuel poverty, a key social determinant of public health.
- 10.3 The proposal is focused on supporting the economy of Todmorden and wider area, creating additional enterprise space for start-up and existing businesses. Contractors are encouraged to develop local supply chains and use locally sourced materials where practical.
- 10.4 The commercial case for the Enterprise Centre will be reviewed to reflect the new location, should the recommendations in this report be approved.

11. Equality and Diversity

- 11.1 CVCLT is committed to the principles of equality and diversity, practising equal opportunities for all. It applies its sustainability policy consistently and fairly across the Trust's operations.
- 11.2 CVCLT require contractors to demonstrate their commitment to equality and diversity as part of their procurement procedures. The Enterprise Centre will be designed and built to industry standards to be DDA compliant.

11.3 The development will see the creation of 20 Affordable Homes, filling an identified residential need for the town. This is augmented by the CVCLT's commitment to tackling fuel poverty through design and ongoing tenant support.

12. Summary and Recommendations

12.1 The Enterprise Centre is a key project for Todmorden and Calderdale. It will provide much needed business space and offer affordable housing for Todmorden and Calderdale. The proposed Rose Street location has been deemed unsuitable for development by the Environment Agency.

12.2 It is recommended that:

12.2.1 That the Ferney Lee site is disposed of as an asset transfer to the Calder Valley Community Land Trust at nil value.

12.2.2 That the agreement of all relevant terms to achieve 3.1, be delegated to the Director of Regeneration and Strategy and the Head of Legal and Democratic Services in consultation with the Cabinet Member for Resources, the Cabinet Member for Towns, Tourism, and Voluntary sector and the Cabinet Member for Climate Action, Active Travel, and Housing.

For further information on this report, contact:

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The documents used in the preparation of this report are:

1. Appendix 1: site map.
2. Future Model of Care Delivery: Ferney Lee. Cabinet report, 10 February 2020
3. Brighouse and Todmorden Town Deal Initiatives. Cabinet report, 28 March 2022

The documents are available for inspection at:

www.calderdale.gov.uk

Appendix 1: site map



www.calderdale.gov.uk

Ferney Lee Todmorden

Drawn By:

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Date: 22 September 2020
Scale: 1:1250
Map Centre: 393378, 424847

