

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Deputy Leader of the Council / Portfolio Holder for Localism, Economic Development and Big Society and the Economic Development Manager

To: Council – 17 December 2014

(Author: Nigel R Burch, Senior Economic Development Officer)

Subject: South Holland Business Growth and Employment Project (Crease Drove)

Purpose: To approve the release of £60,000 from the Crease Drove Ring-fenced fund.

Recommendation to Council:

- 1) That £60,000 be released from the Crease Drove Ring-fenced fund to allow the project to be worked up to Royal Institute British Architects (RIBA) Stage 4.

1.0 BACKGROUND

- 1.1 In 2009, South Holland District Council successfully applied to, East Midlands Development Agency (EMDA), for funding to purchase 3 acres of allocated employment land at Crease Drove, Crowland. EMDA were what was known as a Regional Development Agency (RDA), a non-departmental public body established, primarily, to oversee the economic development of Government Office regions, in the case of EMDA, the East Midlands. The RDA's were abolished on the 31st March 2012, and replaced by Local Enterprise Partnerships, the Greater Lincolnshire Local Enterprise Partnership now having responsibility for Lincolnshire, North, and North East Lincolnshire.
- 1.2 Following the purchase of the land, further funding was successfully applied for from EMDA to allow the development of 1 acre to take place. A new road built to adoptable standards was constructed to facilitate access to the site, utilities installed, and 6 units were built at what became Pinnacle Close. This allowed 2 businesses to move out of their Council owned mini factory units at Horseshoe Yard, Crowland, thus freeing them up for new start-ups, the other 4 units were taken up without any marketing, with two of the businesses transferring from Peterborough. New services were provided at the time, but there may be some upgrades needed, in particular to the foul water drainage system for any future development.
- 1.3 At the time, EMDA agreed that SHDC could sell two half acre plots of land, and two of the completed units as long as the capital receipts (totalling £365,000) were ring-fenced to be used for further Economic Development at Crease Drove. To date, that money that money has not been used.
- 1.4 The net result is that the Council still own just under 1 acre of un-serviced land adjacent to Pinnacle Close. It is therefore proposed to progress a project up to the stage of obtaining planning permission (RIBA Stage 4) for up to 8 units with a maximum floor area of 1590 square metres. This will include completing the detailed design and finalising the project budget and will enable SHDC to confirm precisely what additional funding is required and be in a position where the project is 'oven ready' with construction able to start as and when further funding is secured. Colleagues in the Asset department have advised that a budget of £60,000 would be adequate to allow the project to be worked up to RIBA Stage 4, leaving £305,000 to be used as match funding for any future funding opportunities that may arise.

- 1.5 The benefits to the district from any additional development would be the creation of new workspace in Crowland, which in the past proved to be attractive to both local businesses expanding, and in attracting 2 businesses from outside South Holland, due in some part to the proximity of Peterborough some 10 minutes away. In addition to this, the Councils existing starter Units at Horseshoe Yard are fully let and two businesses are utilising two units each due to there being no larger units in the town for them to expand into. The construction of new units would facilitate the expansion of these two businesses, at the same time freeing up the mini units that they currently occupy for new start-up businesses.

2.0 **OPTIONS**

- 2.1 Approve the release of £60,000 from the £365,000 ring-fenced for Economic Development at Crease Drove Crowland. (recommended)
- 2.2 Approve the release of a greater amount.
- 2.3 Approve the release of a lesser amount.
- 2.4 Do nothing.

3.0 **REASONS FOR RECOMMENDATION**

- 3.1 This will allow the project to be worked up to RIBA Stage 4 where it would be ready to take advantage of any funding opportunities that may become available.

4.0 **EXPECTED BENEFITS**

- 4.1 The creation of up to 1590 square metres of industrial workspace.
- 4.2 The opportunity for sale or rent of finished units to provide income for SHDC.
- 4.3 The potential for helping local businesses to grow.
- 4.4 The potential to attract new businesses from outside the South Holland area with the added benefit for the Council of Business Rate Retention.

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**

- 5.1.1 Any development will be done to the best possible environmental standards.

5.2 **Constitution & Legal**

- 5.2.1 Legal Lincolnshire Services will be consulted throughout the project.

5.3 **Contracts**

- 5.3.1 All contracts will be subject to legal advice.

5.4 **Corporate Priorities**

- 5.4.1 Supporting our local economy.

5.5 **Crime and Disorder**

5.5.1 It is the opinion of the author that there are no implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the author that there are no implications.

5.7 **Financial**

5.7.1 There is a financial implication, but as Phase 1 funding is in place, and ring-fenced for this purpose, there is no immediate financial implication for the Council

5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the author that there are no implications.

5.9 **Risk Management**

5.9.1 There is a risk that following this phase 1 work, there may be no further funding opportunities come forward, but the site would have the benefit of being worked up to RIBA stage 4 for any future decisions on development or disposal.

5.10 **Staffing**

5.10.1 There will be a staffing implication, with Asset taking the lead supported by the Economic Development Team.

5.11 **Stakeholders / Consultation / Timescales**

5.11.1 Relevant Ward Members and staff.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 Crowland

7.0 **ACRONYMS**

7.1 EMDA – east midlands development agency

7.2 SHDC – South Holland District Council

7.3 RIBA – Royal Institute of British Architects

Background papers:- None

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Director / Officer who will be attending the Meeting

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service