

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Deputy Chief Executive (Place)

to  
**Cabinet**  
on

7<sup>th</sup> November 2017

Report prepared by: Emma Cooney, Director of  
Regeneration and Business Development

## Airport Business Park Southend Update Place Scrutiny Committee

Executive Councillors: Councillors John Lamb (Leader of the Council), Ann Holland  
(Portfolio Holder for Culture, Tourism and the Economy) and Andrew Moring  
(Portfolio Holder for Corporate Community Support Services)  
Part 1 Public Agenda Item

### 1. Purpose of Report

To update Members on the progress of the Airport Business Park Southend (ABPS) development, specifically in relation to the phase 2 Local Growth Fund (LGF) allocation.

### 2. Recommendations

#### 2.1. To note and the progress of the development of Airport Business Park Southend.

### 3. Background

3.1. On 14<sup>th</sup> March 2017 Cabinet received an update report in regards to the ABPS project highlighting notional allocation of £19.89m Local Growth Fund (LGF) funding from the South East Local Enterprise Partnership (SELEP) and the commencement of phase 1 works.

3.2. Since that report good progress has been made with the development which includes:

3.2.1 Highways – the roundabout on Cherry Orchard Way, which provides access to the site, is now complete and in use. The phase 1 spine road has also been delivered with a traffic island just before the roundabout and the wearing course to be laid once utilities works are complete.

3.2.2 Rugby Club - practical completion of the rugby club pitches has been certified so are now subject to a 12 month maintenance contract. The Rugby Club has submitted its application for its premises licence to Rochford District Council for approval – securing this is a pre-commencement condition put in place by the

Club. The Relocation Agreement and specifications are nearly finalised to then commence works on the clubhouse building.

- 3.2.3 Management Company - draft Management Company Articles have been approved and prospective Management Agents have been interviewed by HBDL ready for consideration by the Partnership Board.
- 3.2.4 Occupiers – advanced negotiations with some potential occupiers continue while the pipeline of interested parties continues to grow. An updated promotional brochure has been produced illustrating the progress made and the next phase of marketing is underway.
- 3.3. The utilities works are currently subject to a short delay. This is being managed through the governance arrangements in place with the contractor being managed by Henry Boot Developments Ltd (HBDL) who, in turn, is accountable to the Council.
- 3.4. At the 22<sup>nd</sup> September SELEP Accountability Board the Airport Business Park LGF business case was considered. Having already secured, and spent in accordance with the grant terms, £3.2m from an earlier round of LGF the business case sought to combine the phases for ease and transparency of reporting; this was agreed.
- 3.5. As the overall LGF allocation exceeds £8m additional stages have to be progressed through to secure the total award but on the basis of the outline business case submitted, and the positive assessment by the SELEP Independent Technical Evaluator, £815,000 phase 2 funding was agreed to be made available to the Council prior to submission of the full business case to enable the Council to commence the next phase of works. So as to support SELEP in its delivery of LGF, where Council capital was to be spent on phase 1 works, this was swapped with LGF thereby bringing forward a further £4.5m of LGF and moving the Council's capital spend to later years. This does not alter the Council's match funding commitment or the outputs and outcomes of the project, it just moves the spend to later in the programme.
- 3.6. The meeting also noted that a full business case will be brought back to the Accountability Board to secure the remaining funding from the allocation. This requires detailed information such as costs from fully tendered works. As the funding will deliver further on-site infrastructure, off-site walking and cycling, and the innovation centre this is likely to be done in phases with the first part planned to be considered by the Accountability Board in spring/summer 2018. This is due to the value of the LGF allocation exceeding £8m.

#### **4. Reasons for Recommendations**

The Airport Business Park Southend is a significant opportunity to increase economic growth, employment and skills. The progress made in delivering the project is positive with fundamental infrastructure now in place.

The LGF approvals and initial award enables the project to continue at pace and lays the foundation for the next stage of the business case process.

## 5. Other Options

No alternative funding for these works has been identified.

## 6. Corporate Implications

### 6.1. Corporate Priorities

Developing the ABPS will contribute towards the Council's **Prosperous and Excellent** priorities through the development of a high quality business park environment and related infrastructure which will be a catalyst for job creation, commercial growth and economic well-being.

### 6.2. Financial Implications

The Council's financial commitment to the business park is already within the capital budget. This will provide some of the match funding for the business case to secure the LGF investment.

Some LGF funding has been brought forward ahead of approval of the full business case. The detailed information for a full business case to secure the total award must now be developed. The LGF funding must then be managed within the terms and conditions of the grant. The additional Local Growth Fund monies of £19.89m have been included within the Capital Programme approved at Council on 23 February 2017.

### 6.3. Legal Implications

The Development Management Agreement between the Council and HDBL sets out the framework and governance arrangements for both parties.

The grant funding agreement with Essex County Council, as the LEP's accountable body, sets out the terms of the LGF investment.

### 6.4. People Implications

Officer time to develop the business case and to continue to work in partnership with HBDL to develop the business park.

### 6.5. Property Implications

The land is owned by the Council and part will remain as Council property, generating a revenue return, and part will be sold freehold generating a capital return.

### 6.6. Consultation

Consultation was undertaken in establishing the JAAP and in application for the two planning consents.

6.7. Equalities and Diversity Implications

None

6.8. Risk Assessment

A risk register is maintained for the ABPS project, regularly reviewed and updated accordingly.

6.9. Value for Money

The LGF3 Phase 2 bid explained how £2.38m of Council investment will lever-in the £19.89m now allocated.

6.10. Community Safety Implications

None.

6.11. Environmental Impact

None

**7. Background Papers**

None

**8. Appendices**

None