

Southend-on-Sea Borough Council

Report of the Deputy Chief Executive and Executive
Director (Growth and Housing)

To

Cabinet

On

16th January 2020

Agenda
Item No.

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and Growth

Airport Business Park Update

Place Scrutiny Committee
Cabinet Members: Councillors Robinson and Woodley
Part 1 (Public Agenda Item)

1. Purpose of Report

This report seeks to provide an update on the development of the Airport Business Park which is being progressed with the Council's development partner Henry Boot Developments Ltd.

2. Recommendations

To note the progress of the Airport Business Park development

3. Background

3.1 Airport Business Park Southend (ABPS) is a Southend 2050 roadmap project and is identified in Opportunity and Prosperity outcome 4 as it seeks to create prosperity and job opportunities for local people.

3.2 The ABPS site is located in Rochford district and comes under the Joint Area Action Plan (JAAP) area. It is owned by Southend-on-Sea Borough Council and prior to development commencement was constituted of rugby pitches and agricultural land.

3.3 Cabinet last received an update on the ABPS project on 7th November 2017 (minute 455 refers). At this time development had received £3.2m of Local Growth Fund (LGF) funding from the South East Local Enterprise Partnership (SELEP) and a notional allocation of a further £19.89m was going through the full business case process with a re-profiling of some of the funding in relation to the Council's match funding. This was agreed by SELEP on 14 September 2018 and since then reporting and monitoring of the project's progress has been on the basis of a total LGF investment of £23.09m.

- 3.4** The total cost of the project, including construction of the Launchpad, is £31.07m of which £23.09m is funded from LGF with the remainder (£7.98m) coming from the Council's existing capital programme. LGF money has to be spent within the Growth Deal period which ends on 31 March 2021 and the current spend profile for the project reflects that requirement. In the period 2016/17 to 2018/19 £8.57m of LGF was spent mainly funding Phase 1 infrastructure works and building the new clubhouse and pitches for Westcliff Rugby Football Club. Over the same period the Council made a match funding contribution of £1.06m. The spend profile for the remainder of the project is:

| Source | 2019/20 £m | 2020/21 £m | 2021/22 £m | Total £m |
|-------------|------------|------------|------------|----------|
| LGF | 11.842 | 2.678 | | 14.520 |
| SBC capital | 0.267 | 5.140 | 1.513 | 6.920 |
| Total | 12.109 | 7.818 | 1.513 | 21.44 |

The increased spend 2019/20 reflects an increase in activity in readiness for the relocation of WRFC and the first occupier moving on to the site. Works are progressing well on site and at the end of Q2 the project was £0.679m ahead of the spend profile which reflects good progress rather than any overspend. SELEP are comfortable with this accelerated delivery.

- 3.5** Progress on the site since the last report, and as indicated above through the spend profile, has been substantial and includes:
- 3.6 Phase 1** – this was the first phase of highways and utilities from, and including, the entrance on Cherry Orchard Way through to the turning for the new rugby club clubhouse and pitches. The utilities had been subject to a delay following the company appointed to deliver them going into administration. The phase 1 utilities are now nearing completion so as to enable the relocation of Westcliff Rugby Club in early December 2019.
- 3.7 Phase 2** – this relates to the completion of the utilities and road loop around the business park. This work is underway with contractors on site following successful procurement processes. The timely phasing and completion of this phase is critical in relation to the Ipeco and Launchpad developments. In order for this to commence the land had to be removed from agricultural use. The forthcoming relocation of the rugby club to their new premises and playing fields to the north of the business park will unlock the final 'quadrant' of the site for development. Following the relocation the existing rugby club clubhouse will be demolished and laid to parking.
- 3.8 Westcliff Rugby Club** – the relocation of the rugby club to a new clubhouse and pitches, paid for through the ABPS development, are an established part of the project plans. The new pitches are ready to be played and are now maintained by the Council's Parks and Gardens team. The new club house is in its final phase of development with utilities being connected and the club's move to their new facilities expected in early December 2019. This will provide the club with outstanding modern facilities for their training, matches and events.
- 3.9 Launchpad** – the Launchpad is a long-held ambition of the ABPS. It will be a place where entrepreneurs and small, growing businesses can locate with on-site business support and networking. Such businesses, as they grow, may then

move into larger premises on the business park and may also become part of local supply chains. The Launchpad should also become a focal point for the ABPS as a space for all business park occupiers to meet, eat, hold events and benefit from the mix of companies located there. Through the LGF funding secured this is now in delivery as a Council project. In October 2019 planning consent was granted by Rochford District Council for the Launchpad and procurement of the development team will soon start with a view to the centre opening September 2021. Through 2020 a procurement process will be underway to identify an operator for the Launchpad; this will build on the soft market testing and engagement undertaken over the last 12-18 months. £180,000 Sustainable Cities Funding has also been secured through the Energy Team, to further improve the building's environmental credentials.

3.10 Occupiers - Ipeco will be the first commercial occupier on the ABPS with premises in the south-east corner of the site adjacent to Aviation Way. The contract and land deal have been signed, planning permission granted and building work commenced, due for completion spring 2020. A timelapse video of the development can be found here: <https://readie.reachtimelapse.co.uk/abp-southend/ipeco/> Discussion and negotiation with a pipeline of interested parties continues through Henry Boot Developments Ltd (HBDL) and the appointed agents. With the level of activity now on site and imminent completion of the first commercial building the promotion of the site will be updated to continue to attract business interest.

3.11 South Essex Construction Training Academy (SECTA) – in late 2018 the Council was successful in securing nearly £1m from the Construction Industry Training Board (CITB) on behalf of a South Essex partnership to deliver construction industry training to adults across the area. This is delivered through a series of hubs across South Essex connected with live construction sites, one of which is located on the ABPS. Recognising the need for construction skills in relation to the ABPS and other regeneration projects, SECTA seeks to meet the demand for skilled construction workers in a vast range of roles in the sector through training and support for individuals who might consider it as a career path. To date the programme has supported 700 clients, 277 completing their training and 90 into employment in the construction industry. It also recently won the Skills category award at the Essex Housing Excellence awards. It is currently funded until March 2020 and while CITB have indicated that they do not have further funding available to support an extension of the programme, other sources are being sought given the impact of the programme and the continuing pipeline of regeneration projects and therefore demand in South Essex.

4. Other Options

While not continuing with the project could be an option in theory this could not be achieved without disproportionate cost, legal challenge and disruption as the development is underway with funding, consents and a development partner in place. It would also undermine the 2050 roadmap and ambition.

5. Reasons for Recommendations

The Airport Business Park Southend is a 2050 roadmap project and its ongoing development contributes towards a number of Southend 2050 outcomes.

It is also significant for South Essex as SELEP's largest LGF allocation and a key location in the context of the South Essex 2050 work.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

As a key regeneration scheme the Airport Business Park is an identified 2050 outcome under the Opportunity and Prosperity theme and a roadmap project as it seeks to generate higher skilled, well paid jobs for local people.

Noting that while the site is in Rochford its delivery should contribute towards multiple Southend 2050 outcomes:

Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives. The relationship between economic activity and healthy, fulfilling lives is well documented. Therefore the creation of a range of jobs at the ABPS should positively contribute towards this outcome. Job creation is also a key performance indicator for the LGF funding so is closely monitored.

We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling. £180,000 of 'Creating Sustainable Cities' funding is being invested in the Launchpad to further improve the building's credentials and progress towards an aspiration of a BREEAM outstanding rating for the building. Further, there is a focus on enabling and encouraging sustainable travel, given its proximity to Rochford train station, through investment in walking and cycling routes across and through the site.

Our children are school and life ready and our workforce is skilled and job ready. The desired outcome of the ABPS is the creation of jobs and prosperity for local people. In order for them to be in a position to access these jobs a number of initiatives are underway such as the SECTA project (detailed in paragraph 3.11 above), 60 Minute Mentor (mentoring year 8 students) and the Skills Leadership Group (an action from the Skills Strategy adopted in 2018).

6.2 Financial Implications

There are no financial implications of this report. The development is broadly within the project budget which is constituted of Council capital and SELEP LGF investment. A relatively small overspend is currently forecast and work is underway to reduce this through value engineering and development management measures.

6.3 Legal Implications

There are no legal implications of this report. The relationship with Henry Boot Developments Ltd (HBDL) is governed through the Development Management Agreement which was agreed on the appointment of HBDL.

6.4 People Implications

There are no people implications of this report. All project management and delivery work is accounted for within existing resources.

6.5 Property Implications

There are no further property implications at this time.

6.6 Consultation

Statutory planning consultations are undertaken by Rochford District Council in relation to the applications made for developments on the site.

6.7 Equalities and Diversity Implications

There are no equalities and diversity implications of this report. The Launchpad and SECTA each have an equalities analysis in place and commercial buildings on site will have to comply with relevant legislation.

6.8 Risk Assessment

The project has a live risk register which is reviewed through the governance processes.

6.9 Value for Money

There are no value for money considerations of this report. All aspects funded by Council and LGF funding have been appropriately procured so as to achieve value for money.

6.10 Community Safety Implications

There are no community safety implications of this report. Safety and security on the ABPS will be managed through the Management Company and individual occupiers will have a general responsibility for that of their premises.

6.11 Environmental Impact

There are no environmental impacts as a result of this report. Environmental considerations have been considered by Rochford District Council as appropriate through the planning applications to date. The Sustainable Cities Funding in the Launchpad seeks to improve its environmental credentials.

7. Background Papers

None

8. Appendices

Appendix 1 – Indicative masterplan: April 2019
Appendix 2 – Photos as at 15th November 2019