

<b>Subject:</b>	Futures Park Update and Plot Development	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	27 <sup>th</sup> January 2020
<b>Report of:</b>	Chief Executive	<b>Portfolio Holder:</b>	Leader of the Council/Portfolio Holder for Regeneration and Economic Development
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Cath Burns	<b>Telephone:</b>	01706 252429
<b>Email:</b>	cathburns@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	Members note the update to bring forward Bacup's key flagship leisure and employment site at Futures Park; the progress at Plot 5, and the grant offer of £1.525m from the Lancashire Enterprise Partnership (LEP) Growth Deal to support both Plots 1 and 5 and road infrastructure improvements.
1.2	Members note the advanced enquiry from an expanding nursery school and agree to explore a detailed business case for investment at Plot 1 Futures Park, along with the necessary infrastructure improvements; with a further update to be made to full Council for an approval to proceed.
1.3	Members approve a development fund of £75,000, as detailed in paragraph 5.12, to be forward funded from the Employment & Transport Reserve; of which circa £50,000 will be indemnified by the nursery school.
1.4	Following a formal grant offer letter and scrutiny of associated conditions, Members agree to delegate the acceptance of the £1.525m LEP Growth Deal grant to the Director of Economic Development in consultation with the Legal Services Manager.

## 2. PURPOSE OF REPORT

- 2.1 To consider the above recommendations and seek Member's agreement to explore the detailed business case for investment at Plot 1 and road infrastructure improvements at Futures Park.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

**A clean and green Rossendale:** our priority is to keep Rossendale clean and green, for all Rossendale's residents and visitors to enjoy. We will use our resources wisely and reduce our environmental impact where possible.

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to realise the growth potential of the Rossendale economy, create jobs locally and improve economic opportunity for all. We will ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.

- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

#### 4. RISK ASSESSMENT IMPLICATIONS

4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- There is a financial risk of the Council not covering all its development costs by the rental and length of lease agreement. All expenditure items, including abnormal costs, costs attributable to historic grant claw back and contingency allowances, will be incorporated in to the development costs. A 15 year lease will be sought on Plot 1 with no break clause.
- Discussions are still taking place with the Ministry of Housing, Communities and Local Government (MHCLG) regarding the cost of claw back on the historic grant, if any, which is being incorporated in to the development costs. A financial appraisal for Plot 5 has been submitted to MHCLG for their comment which shows a negative land value.
- The financial risk of abortive development expenditure if the end user 'walks away'. The nursery school has agreed to sign an indemnity letter to develop Plot 1 to full planning permission stage. The development of Plot 1 thereafter will be addressed by a legal agreement.
- The risk of cost overruns will be mitigated. All project costs will be appraised independently by a quantity surveyor to ensure the Council gets value for money. A contingency budget will be included. A fixed price contract will be entered into with any necessary variations closely managed.
- Given the strict timescales on the LEP Growth Deal which requires financial completion by March 2021, it is proposed to use the existing Joint Venture Partnership with Barnfield Investment Properties as this has already been tendered, is OJEU compliant and will avoid a further lengthy procurement process in order to be procurement compliant. The contract will seek to include liquidated damages clauses to support a timely delivery and to ensure that the Council is not 'out of pocket' if there are delays.
- The Council's Planning Manager has been involved from the outset of this expansion enquiry and is a member of the Futures Park Project Group, and whilst not prejudicing a full planning application, has provided initial views on planning compliance.
- Whilst the nursery school is a not-for-profit social enterprise and registered charity, it is clear that this organisation is financially sustainable and further detailed work will be undertaken to ensure full due diligence.
- An active risk register is in place for Futures Park and Plot 5, and a risk register will be prepared for Plot 1 as part of developing the business case.
- As an ambitious council, there is a risk of not having sufficient staff and multi-disciplinary resources to drive this project forward alongside other corporate priorities. This risk will be alleviated by employing a third party project manager and utilising contractor resources up front and working at risk until the deal is negotiated.
- Failure to explore and 'win' this investment opportunity would result in the loss of an opportunity to have a significant nursery, child and family support at the Bacup end of the valley serving five of the most deprived wards in Rossendale; with an associated 40 jobs and LEP funding.
- Furthermore, failure to proceed with Plot 1 and the infrastructure improvements will ultimately delay the continued drive to bring forward Bacup's key flagship leisure and employment site at Futures Park, the further investment in to the area attracted as a result of the development of Plot 1, and the positive regeneration benefits including local employment opportunities.

## 5. BACKGROUND

- 5.1 Futures Park Leisure and Employment Village is identified both as a Corporate Project within the refreshed 2018 Corporate Strategy and within the three year action plan of the adopted 2018 Economic Development Strategy.
- 5.2 Futures Park Leisure and Employment Village is located off the main A681 Bacup to Rawtenstall road and is approximately half a mile from the centre of Bacup. The site consists of 5 plots which are within the ownership of Rossendale Borough Council. The main office development on plot 2 is well established and is home to the Council as well as several private sector tenants. Some site infrastructure such as the main access road already exists which was built in 2001 with NWDA grant support, resulting in a restrictive covenant in terms of use of the land, as well as a claw back provisions on new development or land sales.
- 5.3 A Futures Park Project Group, comprising the Director of Economic Development, the Economic Development Manager and the Planning Manager has been established to develop a masterplan and to take the development forward. Following a compliant procurement process, Day Architecture was appointed to join the group. As part of the current pilot arrangement as commercial advisor to the Council, a representative from Taylor Weaver commercial letting agents has also attended. Both the Head of Finance and Legal Services Manager have been instrumental in the group's work.
- 5.4 The current final draft masterplan (Appendix A) comprises a circa 50,000 sq ft bespoke industrial unit (Plot 5), 19,000 sq ft SME light industrial units (Plot 4), a trail head facility (Plot 3) and coffee outlet (Plot 1).
- 5.5 Following the approval of seed corn funding to investigate the business case, Members agreed to the Council developing out Plot 5 at Futures Park to provide a bespoke industrial unit for an advanced manufacturing company at its meeting in July 2019.

## 5.6 PLOT 5 UPDATE

Following on from negotiations between Rossendale Borough Council and Orthoplastics Limited, a signed agreement to lease is now in place. A signed contract is also in place between the Council and Barnfield, through the Rossendale Together Barnfield Joint Venture Partnership, to build out Plot 5. To date, Barnfield has secured the site perimeter, cleared and piled the land, installed the concrete pad foundations and erected the steel frame in sequence to allow for the excavation of the pit. The mezzanine floor, roof cladding support rails and access staircase have also been installed. The pit excavation is allowing for spoil to be removed and stored on site for future use in levelling the car park. The base of the pit was installed prior to the Christmas break. Gas services have been brought through to the site from the main road. Post the Christmas break, steel support cages for the pit walls were installed along with framework for the concrete pour. Roof cladding has now been installed.

Following a procurement process, Day Project Management have been appointed to support the day to day project management of Plot 5, and hold regular meetings with the contractor and provide monitoring reports to the Director of Economic Development. The development of the facility at Plot 5 is on track to have sectional completion in place by the end of February 2020. A live risk register is in place.

## 5.7 LANCASHIRE ENTERPRISE PARTNERSHIP (LEP) GROWTH DEAL STATUS

The Council made an outline application for £1.525m LEP Growth Deal grant towards gap funding for Plots 5 and 1 of Futures Park and to support required road infrastructure improvements in Summer 2019. The LEP asked the Council to proceed to full stage and £1.525m was approved by the LEP Board in Autumn 2019. The LEP has since then raised a number of queries to which the Council has replied. The Council is expecting an offer letter, with conditions, imminently. The LEP is willing to fund retrospectively any costs incurred on Plots 5 and 1 and the road infrastructure improvements.

## 5.8. PLOT 1 NURSERY SCHOOL ENQUIRY

5.9 Following the advertisement hoarding being erected in January 2019 to advertise Plot 1 for development, the Council has received one enquiry to date from a very successful day nursery. The providers are a not-for-profit social enterprise and charity with an 'Outstanding' rating from Ofsted with a valued local and county-wide reputation for providing positive outcomes for both children and families. Established in September 2012 with a base already in the valley, the trustees now wish to open a second site in a more deprived area of the borough as a strategic priority, and have identified Plot 1 at Futures Park as an opportunity to have a significant nursery, child and family support at the Bacup end of the valley serving five of the most deprived wards in Rossendale. The social enterprise has been in discussion with the Council for some time to create a circa 6,400 sq ft brand new 85 place nursery and after school facility on Plot 1, bringing an additional 40 jobs to the borough.

5.10 With an estimated build cost of £1.5m, potential rental streams indicate that a deal can be done. Whilst a bespoke layout plan (Appendix B) and broad parameter drawings are in place, further works are needed to create more detailed plans in order to firm up costs and develop a full business case. Barnfield has also confirmed a timeline which can be delivered in line with drawing down the Growth Deal monies by March 2021.

5.11 A development fund is requested to advance the project before final Council approval. It should be noted that all costs will be recovered if the development proceeds. Furthermore, the social enterprise has agreed to indemnify the Council for its share of the costs if it decides to not proceed with the development. If this development does not go ahead, all the expenditure on the infrastructure will serve the future development of Futures Park, however only some of the works on Plot 1 will be beneficial to an alternative future scheme.

Type of Works	Budget Estimate	Abortive Cost Status
Transport Assessment for Junction	£15,000	N/A will serve to bring forward the development of Futures Park plots
Planning application fees - Junction	£1,000	N/A, paid to RBC and will serve to bring forward the development of Futures Park plots
Studies for planning submission – Junction and Plot 1	£30,000	In part, underwritten by day nursery
Planning application fees – Plot 1	£4,000	Paid to RBC, underwritten by day nursery
Professional Fees	£15,000	In part, underwritten by day nursery
Contingency	£10,000	Unknown
Total	£75,000	

## COMMENTS FROM STATUTORY OFFICERS:

### 6. SECTION 151 OFFICER

- 6.1 Financial implications are noted in the report. Assuming the use of reserves (£75k), the balance remaining on the Transport & Employment Reserve as at 31<sup>st</sup> March 2020 is expected to be c.£410k.

### 7. MONITORING OFFICER

- 7.1 Continued due diligence will need to take place together with all necessary legal agreements and indemnities to be in place to protect the Council's interests.

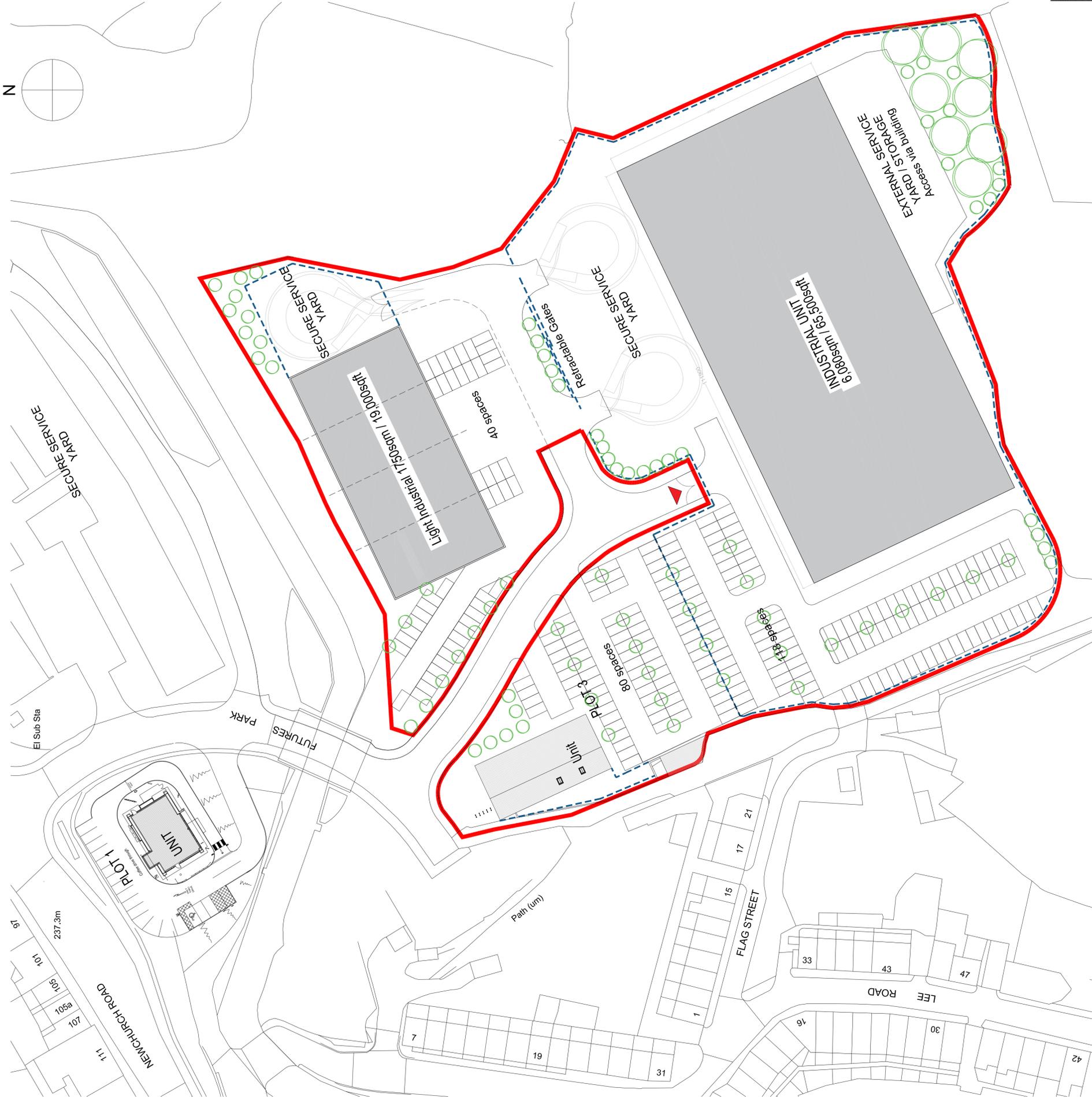
### 8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

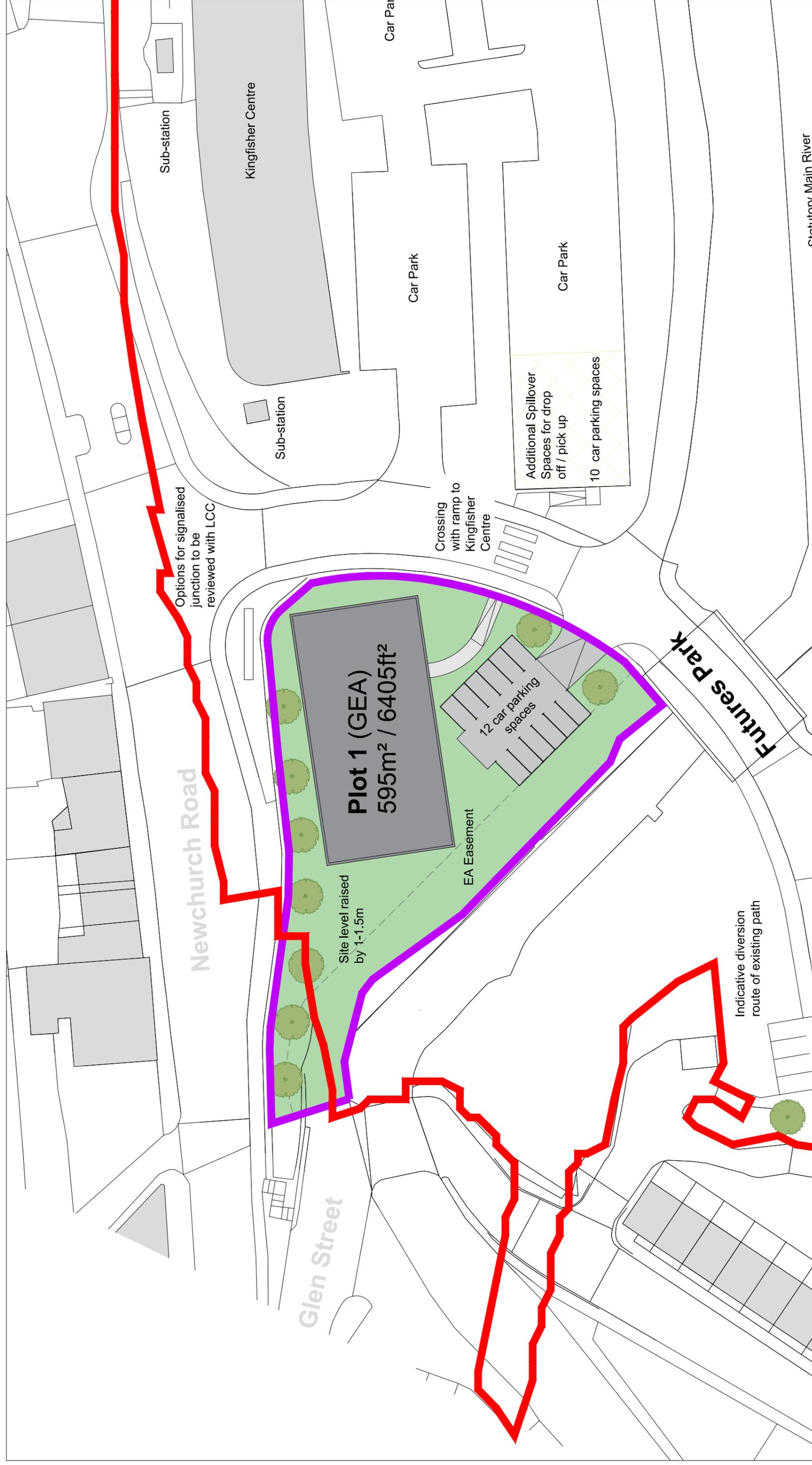
- 8.1 Futures Park Leisure and Employment Village is identified both as a Corporate Project within the refreshed 2018 Corporate Strategy and within the three year action plan of the adopted 2018 Economic Development Strategy.

### 9. CONCLUSION

- 9.1 The Council has started to realise the investment and regeneration opportunities from developing out Futures Park Employment and Leisure Village. With the delivery of Plot 5 well underway, and with LEP Growth Deal monies available, the bringing forward of Plot 1 and infrastructure improvements for the benefit of the wider village is a great opportunity to support a business expansion to provide quality nursery provision in one of the most deprived parts of the borough, and create an additional 40 jobs locally. It will generate a revenue income to support the Medium Term Financial Strategy and the sustainability of the Council. The business case for investment now needs to be developed further.

Background Papers	
Document	Place of Inspection
Industrial Building Development, Report to Council, 17 July 2019	<a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a>
Industrial Building Development, Report to Council, 27 February 2019	<a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a>
Industrial Building Development, Report to Council, 30 January 2019	<a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a>





**FUTURES PARK PLOT 1**

□ Plot 1 Site Boundary

PLOT 1  
 Scale 1:500 @ A3  
 Draft Issue\_For Information  
 16.01.20



DAY Architectural Ltd.  
 Studio 1, Lancaster Buildings  
 77 Deansgate, Manchester, M3 2BW  
 T: 0161 834 9703  
 W: www.day-architectural.com