

REPORT TO: Executive Board
DATE: 7 November 2013
REPORTING OFFICER: Chief Executive
PORTFOLIO: Leader
SUBJECT: Further Development of SciTech Daresbury
WARD(S) Daresbury

1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to:

- Receive a presentation giving an update on the future development of Sci-Tech Daresbury
- provide an update on the proposed arrangements to fund the future development at Sci-Tech Daresbury
- to seek authority to enter into the proposed legal and funding agreements with the Sci-Tech Daresbury Joint Venture

2.0 **RECOMMENDATION: That:**

- 1) **the Board notes the proposals for the future development of Sci-Tech Daresbury;**
- 2) **Council (on 11th December 2013) be asked to approve inclusion of Project Tech Space in the Council's capital programme, to be funded as set out in the Threshold Report;**
- 3) **the Board gives the authority for the Council to enter into the legal and funding agreements with the JV Partners for the delivery of the projects; and**
- 4) **the Board agrees to the Council entering into the financial arrangements to deliver the projects.**

SUPPORTING INFORMATION

3.1 **Sci-Tech Enterprise Zone Daresbury**

Sci-Tech Daresbury is a key strategic site. It is an international hub for world class science. In August 2011, part of Sci-Tech Daresbury became an Enterprise Zone.

A Daresbury Joint Venture Partnership was set up in 2010 and is a 50:50 private:public partnership between Langtree, STFC (Science and Technology Facilities Council), and Halton Borough Council.

The aim of enterprise zones is to attract new businesses with simplified planning rules, super-fast broadband and reductions in business rates. Business rates growth within the zone is retained by Halton Borough Council for the 25 year life of the zone.

3.2 On 13th June 2013 and following the due diligence process, the Daresbury JV Partnership was informed that it had been successful in securing £7.36m of Regional Growth Fund (RGF) grant-aid.

The following 4 projects have now been agreed by the JV Board

- 1) **Project Tech Space** - the construction of high quality, flexible office space which will enable businesses to grow and expand, as well as specialised laboratory space to help businesses which rely on laboratory space to develop their respective products;
- 2) **Power (Phase1)** –Part of the RGF bid will be used to increase the power capacity needed to support future science and technology facilities planned for the campus.
- 3) **Connectivity/Environmental Improvements** this element of the grant will pay for the site clearance, and landscape improvements to bring together sites in a better managed way within a quality environment .
- 4) **Transport Improvements** - to provide better public transport provision to and from Daresbury including neighbouring residential areas, thereby improving access to job opportunities for all.

2 additional medium term priorities have also been identified by the JV Board and will now be subject to further investigation

- Improving Broadband Access to the site
- Creating a loop road within the SciTech development

3.3 The Threshold Report circulated separately to Executive Board members (under PART 2 as it contains COMMERCIALY CONFIDENTIAL information) provides the legal and financial arrangements to deliver at SciTech Daresbury :-

- The 4 Projects mentioned above
- £30million investment
- new business opportunities; and
- create 800+ new jobs

4.0 **POLICY IMPLICATIONS**

4.1 The Daresbury strategic site is included in the Council's Corporate Plan, the Halton Partnership and Halton Borough Council Urban Renewal Strategy and Action Plan, and supports the Council's Urban Renewal corporate priority. Grant funding is essential to facilitate the delivery of Daresbury.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 The Threshold Report identifies the financial implications for the JV and the Council in delivering the 4 Projects.

5.2 It is proposed that the Council will provide part of the funding for Project Tech Space, by undertaking £7.8m of prudential borrowing. In order to do this the Council will need to take ownership of the property once constructed and will then lease it back to the Joint Venture Partnership for a period of 25 years. All maintenance and associated costs will be the responsibility of the Joint Venture Partnership for the 25 year period.

5.3 Repayment of the Council's prudential borrowing will be made by the Joint Venture Partnership utilising their existing and future rental income. The repayment of such borrowing will also be underwritten by the Joint Venture Partners as outlined in paragraph 7.1 below.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

They are no implications associated with this report.

6.2 **Employment, Learning & Skills in Halton**

Overall the development of Sci-Tech Daresbury will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton. The next phases of development are estimated to create up to 800+ new jobs.

6.3 **A Healthy Halton**

There are no implications associated with this report.

6.4 **A Safer Halton**

There are no implications associated with this report.

6.5 **Halton's Urban Renewal**

The development at Daresbury will act as a catalyst to attract developers and new businesses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

The Enterprise Zone aims to deliver 25% of the employment land for the borough. The programme will also provide improvements to the local area, and in particular key gateway sites alongside the A558 and A56.

7.0 **RISK ANALYSIS**

7.1 The Threshold Report identifies the risks to the JV and the Council in delivering the 4 Projects

It is, therefore, recommended that Halton Council enters into a clawback agreement with JV Partners to underwrite and share the risk in the event that the jobs or investments presented in this report do not materialise.

Members are advised that, on balance the benefits of the scheme, that is job creation and growing the borough's economy, outweigh the risks. The risks will be mitigated by sound project management and monitoring of expenditure. Equally, grant will only be drawn down as and when programme milestones have been met. Finally, the Council has a good track record of managing and delivering schemes of this scale and complexity.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no issues arising out of this report.

9.0 **REASON(S) FOR DECISION**

9.1 To provide the legal and financial arrangements to deliver at SciTech Daresbury :-

- The 4 Projects mentioned above
- £30million investment
- new business opportunities; and
- create 827+ new jobs

10.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 None

11.0 **IMPLEMENTATION DATE**

As set out in the timetable in the Threshold Report.

12.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from receiving the following document on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act.

- Threshold Report (Commercially Confidential)