



Finance Sub-Committee 11 September 2017

East Northants Enterprise Centre

Purpose of report

To seek approval for a final concept for the East Northants Enterprise Centre as the basis for appointing a specialist project manager to help with developing a business case, assembling a site, securing a funding package, obtaining all the necessary permissions and procuring expertise to design, build and operate the Centre.

Appendix 1 – East Northants Enterprise Centre Brochure

1.0 Introduction

- 1.1 This report provides an update on the East Northants Enterprise Centre; an Enterprising East Northants priority project as set out in the Economic Development, Tourism and Regeneration Strategy which was approved at the Policy and Resources Committee in April.
- 1.2 Approval is being sought for the final concept (see draft brochure in Appendix 1) and to procure a specialist consultant project manager to help oversee and drive forward the development of the concept to a point where it is fully funded and ready to be constructed.

2.0 Background

- 2.1 The ambition for an enterprise centre to help support local businesses to start up and growth has been driven in recent years through the Rushden East Sustainable Urban Extension work programme. This has involved comprehensive analysis to assess the potential size and form of an enterprise centre for the district; all of which has been fed into final concept as detailed in the brochure in Appendix 1.
- 2.2 More recently it has become apparent that there is a potential funding opportunity through the European Regional Development Fund (ERDF) to support up to 50% of the construction costs. To take advantage of this opportunity a bid will have to be submitted by June 2018 and, therefore, the Council will need an interest in a site by the end of 2017 so that planning permission can be secured before the bid deadline date.
- 2.3 To achieve this ambitious timeframe it will be necessary to appoint a specialist consultant project manager as soon as possible to:
 - Advise on site option/ acquisition to secure site
 - Procure and co-ordinate expertise to obtain detailed planning permission
 - Collect and collate detailed data on construction and operating costs to support the development of the business case
 - Produce a commissioning strategy for procuring a construction contractor (and associated expertise) and putting in place a team to operator the Centre
- 2.4 This project manager will support a cross-Council project team that will meet on a regular basis to review progress and drive delivery. This team will be lead by the Head of Economic and Commercial Development and will include representation from the planning, finance, communications and business transformation teams. Further expertise will be required over the coming months to support the process and approval for this will be sought from the December meeting of this Committee.

3.0 Final Concept (See Appendix 1)

3.1 The East Northants Enterprise Centre will be underpinned by three core elements:

- High quality, modern business accommodation
- Business support to nurture and drive business growth
- Business training and networking to encourage knowledge development and exchange

3.2 In addition, and to help nurture innovation, enterprise and entrepreneurship within the wider local community, the Centre will provide:

- Virtual office support (seen as an important element in nurturing start-up businesses and part of the standard offer of such centres)
- Outreach support through a number of community based enterprise hubs
- A portal through which to channel a range of support funds and programmes

3.3 The current key metrics are :

- Land, design and build costs - £6-8 million (Range from BREEAM Good to Excellent)
- Total floorspace - 38,000 sq. ft.
- Total lettable floorspace – 27,000 sq. ft.
- Number of units (flexible) – 50 to 90
- Number of businesses support – 140 (In first 5 years)
- Number of jobs created – 400 (In first 5 years)
- Value to local economy - £25 million (In first 5 years)

4.0 Next steps

4.1 The detailed next steps to the point of ERDF bid submission in June 2018 are (which will be driven by the specialist consultant project manager with support from the project team):

- **Sept 2017** – Secure specialist project management expertise and set up project team
- **Dec 2017** – Sign off interim final business case and confirm Council funding support (also potential to bring forward procurement of operator to help inform business case)
- **Dec 2017** – Secure Council interest in preferred site (likely to be on an option basis)
- **Jan 2018** – Procure specialist consultants to help obtain planning permission, firm up business case and produce ERDF bid
- **Mar 2018** – Submit detailed planning application
- **Apr 2018** – Produce commissioning strategy for construction and operation
- **May 2018** – Sign off final business case
- **Jun 2018** - Sign off and submit ERDF funding bid

4.2 A progress report will be produced every month for review by the project team and CMT. An interim business case (which will include an assessment of costs, cash flow, risk and market conditions) will be presented to the December Finance Sub Committee as the basis for seeking funding to secure a site, obtain planning permission and develop an ERDF bid. This interim business case will also present a total funding package including an indication of the expected level of investment required from the Council, all of which will be firmed up in a final business case which will be reported to the Council during April and May 2018.

5.0 Equality and diversity implications

5.1 The design of the building will be DDA compliant and the operation will be all inclusive by targeting support to all areas of the district and across all sections of the community.

6.0 Legal Implications

6.1 There will be a number of legal implications that will be managed through a range of procurement processes and contracts.

7.0 Risk Management

7.1 A risk register will be produced and reviewed on a regular basis by the project team and reported via the monthly progress updates and will cover risks associated with cost control, funding uncertainty, procuring appropriate expertise, site acquisition, occupancy levels and maintaining the support of partners,

8.0 Financial and Resource Implications

8.1 This is a £6-8 million capital project that, although seeking grant funding, will require a multi million pound capital investment from the Council along with significant officer support. There are also revenue implications associated with the operation of the Centre. The exact detail of the financial and resource implications will be worked up over the coming months and presented as part of the interim business case to this Committee at its December 2017 meeting.

8.2 The initial cost for the specialist consultant project manager, which is being sought in this report, will be in the region £50-£70k (subject to procurement) and it is proposed that this is funded from the reserve to support investment opportunities that was agreed at Full Council on the 1 March 2017.

9.0 Corporate Outcomes

9.1 This report contributes to the following corporate outcomes:


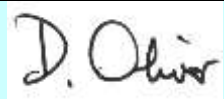
- **Good Quality of Life** – Nurturing and supporting local residents to start and grow their own businesses that will help promote sustainable employment and prosperity
- **Good value for money** – Improving the rate of return on investment
- **Effective Partnership working** – Ensuring better connectivity between business support organisations and between business support organisations and local residents and businesses

10.0 Recommendations

The Sub-Committee is recommended to:

- a) Agree the proposal as detailed in the brochure attached to this report
- b) Agree to the procurement of a specialist consultant project manager to support the next phase of project development and delivery

(Reason – To drive forward the delivery of the Enterprise Centre to the next phase of development)

Legal	Power: Local Government Act 1972				
	Other considerations:				
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Date: 4 September 2017					
CFO 7/9/17		MO		CX 6/9/17	

Providing a 21st century business offer...

The East Northants Enterprise Centre (ENEC) will be underpinned by three core elements:



Embedding an enterprising culture...

In addition, and to help nurture innovation, enterprise and entrepreneurship within the wider local community, the ENEC will provide:

- Virtual office support - This will include a mail box, reception and telephone service and access to on site facilities, support and networking opportunities.
- Outreach support through a number of community based enterprise hubs - These will provide the ENEC's offer in local neighbourhoods to support new business and encourage existing businesses to operate within local communities. This local focus will embed innovation, enterprise and entrepreneurship within the District's many diverse communities.
- A portal through which to channel a range of support funds and programmes into the local economy

Key metrics...

- ✓ Land, design and build costs 1 - £6-8 million (Depending on BREEAM rating)
- ✓ Total floorspace - 38,000 sq. ft.
- ✓ Total lettable floorspace – 27,000 sq. ft.
- ✓ Number of units (flexible) 2 – 50 to 90
- ✓ Number of businesses support – 140 (In first 5 years)
- ✓ Number of jobs created – 400 (In first 5 years)
- ✓ Value to local economy 3 - £25 million (In first 5 years)
- ✓ Annual running costs 4 - tbc
- ✓ Annual income 4 - tbc

Notes:

1. Options will consider cost implications of different BREEAM classifications
2. Number of units is flexible to meet individual and changing needs of businesses
3. Based on average local wages and does not take into account multiplier effect and saving on benefits
4. These figures will be confirmed as part of the procurement process and will impact on potential level of grant funding available

Making it happen by 2021...

Key Milestones	2016	2017	2018	2019	2020	2021
Develop business case						
Site acquisition and assembly						
Obtain outline planning						
Secure funding package						
Commission developer/operator						
Design and Build						
Obtain detailed planning permission						
Marketing drive to secure tenants						
Open Centre				★		
Fully operational						★

The project plan provides a more detailed work programme.