

# PLACES SCRUTINY PANEL

20 June 2013

## OAKHAM ENTERPRISE PARK PROGRESS REPORT

Report of the Operational Director for Places

STRATEGIC AIM:	<b>Building our infrastructure</b> <b>Creating an active and enriched community</b>
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### 1. PURPOSE OF THE REPORT

- 1.1 To update the Scrutiny panel on progress following the acquisition of the former HMP Ashwell site in December 2012.

### 2. RECOMMENDATIONS

- 2.1 **That the Places Scrutiny Panel notes the progress to date.**
- 2.2 **That a further update report is brought back in June 2014.**

### 3. BACKGROUND

- 3.1 The Council approved acquisition of the former Ashwell Prison site subject to pre-contract due diligence delegating authority to the Chief Executive in consultation with the Leader and Deputy Leader on the final contract (14 May 2012, Exempt Report No. 98/2012)
- 3.2 Cabinet delegated authority to progress the details of the Ashwell Business Park project (now named Oakham Enterprise Park) to a project board with membership including the Portfolio Holder, Operational Director for Places and the Chief Executive ( 25 September 2012, Report 182/2012).
- 3.3 A capital loan contribution to the site acquisition elements from the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGP LEP) was agreed and drawn down in March 2013. The land transfer contract with the Ministry of Justice was completed in December 2012 with an overage clause on residential and retail operating over the next 25 years.
- 3.4 A Supplementary Planning Document for Ashwell Business Park was submitted and approved by Council (7 January 2013, Report No 230/2013). A full planning application for change of use was submitted and approved by Development Control & Licensing Committee on 30 April 2013. This includes demolition of the fire damaged buildings and an option to demolish or retain a number of smaller units. The remaining units will be refurbished in a phased redevelopment plan currently under review by the Project Board.

#### **4. SURVEYS, DEMOLITIONS, REDEVELOPMENT & INFRASTRUCTURE WORKS**

- 4.1 A number of technical surveys and assessments were completed over the period December 2012 to March 2013 both to inform the planning application and the on-going redevelopment and demolition works.
- 4.2 The demolitions are programmed for July/August 2013 in order to facilitate first tenant take up in September 2013.
- 4.3 Phased re-development works (Phases 1-5) have to some extent been driven by tenant interest and engagement. These works can be advanced or deferred as further interest is established/ confirmed. Project Board receives updates on tenant interest to inform their considerations.
- 4.4 The approved planning application shows three entry points to the site; one at the northern end to facilitate access to the new salt barn and refurbished industrial units, one to the central core to facilitate access to the serviced plots and to the office/workshop buildings and the current access point at the southern end.
- 4.5 Refurbishment of the former sports hall into a community sports centre is targeted for September 2013. It is proposed that a new pedestrian access route will be provided from the main visitor/staff car park to the sports hall.
- 4.6 In addition there is strong interest from Rutland County College to locate their construction, engineering and learning skills centre within the former library and adjoining workshops, thereby offering new enhanced opportunities for young people and potential employers on the site.
- 4.7 Infrastructure reconfiguration includes electricity, gas, water and enablement of superfast broadband to the units.
- 4.8 Works will be procured in line with Council financial regulations.

#### **5. ASHWELL BUSINESS UNITS AND TRANSFER OF SALT BARN**

- 5.1 The Oakham Enterprise Park has potential to replace the small business unit site at the former waste depot (Report 182/2012 refers) now known as Ashwell Business Units. Tenant engagement has taken place to identify suitable accommodation at Oakham Enterprise Park where possible with a view that transfer would take place between September 2013 and April 2014. Ashwell Business Units tenant interest has the highest priority over other parties.
- 5.2 In addition the salt barn is to be transferred to Oakham Enterprise on a cost neutral basis. The programme is scheduling the transfer to be completed for the winter maintenance season 2014/15.

#### **6. SPORTS CENTRE COMMUNITY USAGE AND BUSINESS PLAN**

- 6.1 The two hall gym and adjoining small rooms has presented an ideal opportunity for provision of community sports. On the basis of the identified highest priority sporting needs in Rutland ( report 182/2012 to Cabinet on 25<sup>th</sup> September 2012 refers) further dialogue has taken place with Vale Judo Club over their relocation from the industrial estate in Pillings Road to the smaller gym hall, with the opportunity to provide the large gym hall as facilities to Rutland County College and other

community groups as well as ad hoc usage to the Vale Judo Club to assist their ambitions to become a regional centre of excellence.

- 6.2 A business plan for the Sports Centre is being developed with management by Council officers for an initial period with an option to explore working with a management partner thereafter.
- 6.3 An opportunity has been taken to apply for a Sport England Improvement Fund grant to implement enhancement works over and above the current refurbishments plans to improve the sustainability and multi-sport offer of the facility.

## **7. MARKETING STRATEGY, PR AND COMMUNICATIONS**

- 7.1 A marketing strategy has been developed for the site using a mix of internal and external marketing support.
- 7.2 A dedicated micro site has been set up to promote the units and serviced plots ([www.oakhamenterprise.com](http://www.oakhamenterprise.com)). Site visits are currently being scheduled in response to the micro-site marketing.
- 7.3 Officers are currently engaging with East Midland Food and Drink Forum to develop a marketing brochure for the kitchen unit and to promote to their membership base.
- 7.4 There is continued interest in usage of the two modern accommodation units as a potential base for experience weekends with a proposal currently under review and the site is being further promoted as a film location set through Creative England.
- 7.5 It is proposed to hold another open day in July 2013 at the Oakham Enterprise Park.
- 7.6 Officers have contacted the Federation of Small Businesses for marketing support and other forms of media (one- off adverts, social media) are being explored.
- 7.7 Queries from interested parties and from residents are responded to in an expedient manner.
- 7.8 The portfolio holder receives a weekly briefing on the refurbishment, site visits, general marketing and PR.
- 7.9 A GCGP LEP Leader meeting is scheduled to take place at Oakham Enterprise Park in July 2013
- 7.10 The Local Strategic Partnership Infrastructure group is kept informed of progress and the July meeting is scheduled to be held at Oakham Enterprise Park.

## **8. BUSINESS PLAN TRACKER , CAPITAL AND REVENUE MONITORING**

- 8.1 A business plan tracker has been established to monitor progress against the baseline approved by Cabinet in September 2012.
- 8.2 The project has support from an accountant in the Finance team to provide reports to Project Board and the project team in tracking business plan, capital and revenue budget position.

## 9. RENTS, SERVICE CHARGES AND LEGALS

- 9.1 Peterborough City Council has provided lease templates for the office and workshop units. These will either be full repairing leases, long leasehold for the serviced development plots or landlord repairing tenancy agreements for the incubation/start up or small units. Flexible lease terms will be provided to support business start up and enterprise.
- 9.2 It is a state aid requirement that the units are openly marketed at rental levels that do not undercut the local market. Officers have received independent values on the rental rates as the basis of the offer to the market.
- 9.3 Service Charges will apply to all tenants to contribute towards the costs associated with managing the wider site. Tenants will pay their own business rates.
- 9.4 Car parking spaces are zoned within the existing car parks and the central piazza area. Some units will include allocated car parking to the front, rear or side included in the specific leases.
- 9.5 Some buildings lend themselves to mixed occupancy and shared facilities and the upkeep of shared/ common spaces will be undertaken by the landlord and costs included in the service charge.

## 10. RISK MANAGEMENT

<b>RISK</b>	<b>IMPACT</b>	<b>COMMENTS</b>
<b>Time</b>	<b>HIGH</b>	External support has been brought in as required (i.e. technical consultants) to ensure good progress on the various activities prior to opening units for tenants. Team managers are supporting the project, currently sharing project management responsibilities prior to appointment of a full time project /business manager.
<b>Viability</b>	<b>LOW</b>	The Council approved business plan is being monitored and early indications are income above the year 1 forecast will be achieved. Tenant interest continues to be high and positive, indicating low risk on the concept of the enterprise park being taken up by the market
<b>Finance</b>	<b>HIGH</b>	The project has approved capital and revenue budgets. The business plan, capital and revenue monitoring processes are established and is reviewed by the Project team and Project Board.
<b>Profile</b>	<b>MEDIUM</b>	The project has a high profile within the County and with the GCGP LEP. Officers respond to any issues as and when these arise to ensure that the project profile is maintained and any risks mitigated.
<b>Equality and Diversity</b>	<b>LOW</b>	An Equality Impact Assessment is currently being drawn up.

### Report Author

Libby Kingsley  
Economic Development & Tourism Manager  
Tel No: (01572) 722577  
e-mail: enquiries@rutland.gov.uk

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