

RECOMMENDATIONS TO CABINET ON 4th SEPTEMBER 2012 FROM THE REGENERATION, ENVIRONMENT AND COMMUNITY PANEL MEETING HELD ON 29TH AUGUST 2012

REC56: **CABINET REPORT: REGENERATION AND ECONOMIC DEVELOPMENT POLICY**

The Regeneration and Development Manager presented the report and explained that it outlined a proposed structure and mechanism for the development of a Regeneration and Economic Development Policy. The report detailed the rationale and key principles underlying the proposal and the next steps and proposed that the Cabinet appoint a 9 Member Task Group to consider the policy and the associated framework. The Terms of Reference proposed for the Task Group were also outlined in the report.

With the aid of a power point presentation, the Regeneration & Economic Development Manager explained that the current Urban Development Strategy was developed in 2006 and was based on four key principles; improving economic viability, making the most of the existing assets and facilities, improving transport and focusing development in the town centre. Copies of the strategy were available on request. However since 2008, the UK economy had experienced a much slower growth rate as a result of the economic recession, which had severe implications in terms of availability of development funding, investment readiness and approach to risk and reward. A chart illustrating the UK's GDP growth rate from January 2006 to August 2012 was outlined.

In terms of policy context, the Regeneration & Economic Development Manager explained that in 2010 the coalition government had introduced the localism agenda which emphasised local authorities' role in encouraging business investment and a focused intervention on regeneration that enabled growth and targeted investment.

In terms of the local socio-economic context, King's Lynn & West Norfolk were ranked in the bottom 20% nationally in relation to Business & Enterprise, Industrial Structure and Skills & Qualifications. In relation to Economic Productivity, the area was in the bottom 40% nationally. In light of these challenging findings, the Regeneration and Economic Development Service were aiming to stimulate the local economic in four main priority areas; improving business performance, stimulating growth & investment, connecting skills to jobs and improving the quality of life through place making.

The Panel were informed that since the adoption of the Urban Regeneration Strategy (2006), the Borough Council and its partners had delivered a number of key developments, as outlined below:

- Nar Ouse Regeneration Area (NORA).
- Waterfront Regeneration.
- Improvements to Southgate roundabout to improve traffic flows and ease congestion.
- Improving skills and attainment.
- Inward investment and business support.

Members were advised that the new national economic environment required a different approach for the delivery of regeneration and economic development locally. The report outlined a number of general principles, which would form the basis of a working framework for the Member Task Group as follows:

- Strategic overview.
- Council intervention.
- Public finance.
- Project delivery.

The Regeneration and Economic Development Manager explained that it was proposed that the general principles outlined above will form the basis of a new regeneration delivery framework to be taken forward by the Task Group, which would fully develop it and use to prioritise and recommend project delivery to Cabinet and Council.

The Portfolio Holder for Regeneration stated although it was proposed that the Task Group would consider the policy and associated framework, the Regeneration, Environment and Community Panel would play a key role and input in the process. He explained there would be an open minded approach and all ideas would be considered and it was hoped that a balanced view could be achieved.

The following comments/questions are summarised below:

Councillor Shorting referred to the Urban Development Strategy, and although it was developed in 2006, he advised Members to read it.

Councillor Cousins stated that he hoped that Cabinet would appoint Members to the Task Group who had lots of ideas and a positive input in order to benefit the Borough. The Portfolio Holder for Regeneration reiterated that the Panel would play a key role in the process.

Councillor Mrs Watson referred to the contribution made by the College of West Anglia and the key need to improve skills and attainment. The Regeneration and Economic acknowledged that this was one of the major challenges.

Councillor Mrs Watson also suggested that the Council should support an increase in apprenticeship schemes which may offer an alternative route to university. She also commended the Prince's Trust Scheme, as did the Chairman. The Chief Executive explained the Council were looking to tackle the issue of skills and attainment at every level and were working with the County Council at primary school level with a programme already in place at secondary school level. A funding application was also been prepared to help support the transition from primary to secondary school. A report would also be prepared for consideration about the possibility of the Council employing apprentices which had the support of the College of West Anglia.

Councillor Foster questioned whether consideration had been given to including any design brief in relation to the principal gateways into King's Lynn in the Local Plan. The Regeneration and Economic Manager explained that he had held discussions with the Planning Department about the possibility of including it as part of the Local Plan but it was also dependent on how quickly the Task Group progressed in forming the basis of a regeneration delivery framework. Councillor Foster suggested that this should be their first priority. The Portfolio Holder for Regeneration stated that there should be no imposition on the work of the Task Group and they needed to be able look at the wider aspects without imposing too stringent boundaries.

Councillor D J Collis stated that he although he felt it was a great opportunity to revisit priorities, historically there had been a lack of determination to progress them. The majority of priorities were not new and the Council had been looking at trying to address the issue of skills and attainment for many years. Developing the framework concept needed to be done quickly with the need to tackle the priorities positively and in a forthright manner.

Councillor Mrs Collingham suggested consideration should be given to a technical university as part of the Council's framework strategy.

RESOLVED: That the Panel supported the recommendations to Cabinet as set out below:

- 1) That Cabinet be invited to appoint a 9 Member Task Group to consider regeneration and economic development policy and the associated deliver framework (9 Members – 6 Conservative, 2 Labour, 1 Independent/Green Party or Liberal Democrat).
- 2) That Cabinet agrees the attached Terms of Reference for the Member Task Group.

REC57: **EXCLUSION OF THE PUBLIC AND PRESS**

RESOLVED: That under Section 100(a)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

REC58: **CABINET REPORT: KING'S LYNN ENTERPRISE AND INNOVATION CENTRE (KLIC)**

The Economic Development and Regeneration Manager presented the report which outlined the proposal to build an Enterprise and Innovation Centre in King's Lynn. The report set out the rationale, funding structure and delivery mechanism for the construction and operation of the centre.

With the aid of a powerpoint presentation, the Regeneration and Economic Manager outlined the project's concept and strategic fit. The proposed site location in the southern area of the town was outlined. The business model and delivery mechanisms were also explained.

The capital cost of building the KLIC was estimated to be £5m and the proposal recommended that the Borough Council invested £2.5m of its own money with the other £2.5m being provided as a loan by the New Anglia LEP Growing Places Fund. In June 2012, the Borough Council had submitted a bid for a £2.5m Growing Places Fund Load in partnership with Norfolk and Waveney Enterprise Services (NWES). Following the appraisal process, in July 2012 the New Anglia Board agreed to approve the Council's/NWES joint application subject to agreeing terms and conditions.

The Panel were advised that the recommendations outlined in the report asked for an "in principle" agreement for the allocation of the funding in order to permit negotiations to continue.

The following comments/questions are summarised below:

Councillor Bubb supported the project but questioned the proposed site location which was in the south of the town and suggested it would be better located in the north of the town. Councillor Beales explained that a site options appraisal had been carried out and the site identified had been deemed the most suitable, however he would welcome the views of the Panel.

Councillor D J Collis stated that he felt that there was a lack of consideration in relation to communication and transport links in selecting the location for the centre. The Regeneration and Development Manager explained NWES had considerable experience in setting up enterprise centres and had deemed the proposed site as the most suitable.

Councillor Mrs Collingham highlighted the importance of establishing a unique selling point for the centre and to avoid the potential "to over promise and under deliver". The Regeneration and Economic Manager referred to a number of successful and innovative businesses that were already established in West Norfolk that should be used to help promote and act as a platform for the area.

Councillor Cousins stated that he was 100% in support of the proposals. In response to a question in relation to the sq ft lettable space quoted in the report, it was explained that one figure related to the gross lettable space and the other related to the net space. He referred to the number of new businesses and jobs the centre would support and questioned how it was proposed that the centre would support medium sized businesses. The Regeneration and Economic Manager explained that the Council did offer support to medium sized businesses but by other methods but stated there could be flexibility in terms of support for medium and larger sized businesses from the centre. In relation to the funding structure and the terms of the loan arrangements, it was confirmed that the repayment would be made 36 months from completion.

Councillor Cousins questioned in light of budget constraints, which other projects in the capital programme were likely to be affected if the proposals were agreed. In response, the Portfolio Holder for Regeneration explained the capital programme was being reviewed in its entirety and acknowledged that if the proposals were agreed, it would have a displacement effect on other projects. However, until the review was complete, he was unable to be specific about which projects. The important consideration was that the Council made best use of its capital budget.

Councillor Cousins questioned, given the amount of funding that the project required, why the proposals were not being

considered by Full Council. The Chief Executive and Portfolio Holder for Regeneration reiterated that the report was only recommending an “in principle” agreement for the allocation of the funding in order to permit negotiations to continue and any final decision would be considered by Full Council.

RECOMMENDATION: That the Panel supported the recommendations to Cabinet as set out the report.

- 1) That Cabinet agrees in principle to allocate £2.5m in the capital programme 2012-2015 towards the capital cost of building KLIC.
- 2) That Cabinet agrees to delegate authority to the Chief Executive in consultation with the Cabinet Member for Regeneration and Commercial Services to negotiate the terms and conditions of £2.5m loan from New Anglia Growing Places Fund.
- 3) That Cabinet agrees to delegate authority to the Chief Executive in consultation with the Cabinet Member for Regeneration and Commercial Services to negotiate the terms and conditions of a Partnership Agreement with Norfolk and Waveney Enterprise Services (NWES) for the construction and running of the centre.
- 4) That a report be brought to the Cabinet Meeting on 2 October 2012 setting out the final recommendations and outcome of the negotiations.