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|---------------------------------------|--|--|--|
| <b>Subject:</b>                       | Futures Park Infrastructure  | <b>Status:</b>                             | For Publication  |
| <b>Report to:</b>                     | Full Council   | <b>Date:</b>                               | 17 <sup>th</sup> March 2021  |
| <b>Report of:</b>                     | Economic Development Director  | <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   |
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| 1.  | <b>RECOMMENDATIONS</b>   |
| 1.1 | Members agree to executing the s278 process to deliver the required road/pedestrian infrastructure to bring forward the development plots at Futures Park in accordance with the LEP Growth Deal approval. |
| 1.2 | Members agree an adjustment to the Capital Programme amending the Futures Park Infrastructure scheme to £175K, funded by LEP grant of £46.2K and £128.8K of Council borrowing.                             |
| 1.3 | All future amendments to the scheme to be delegated to the Director of Economic Development in consultation with the Portfolio Holder.   |

## 2. PURPOSE OF REPORT

To seek Member's agreement to executing the s278 process to deliver the required road/pedestrian infrastructure to bring forward the development plots at Futures Park in accordance with the LEP Growth Deal approval.

## 3. BACKGROUND

- 3.1 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.
- 3.2 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.
- 3.3 Following the approval of seed corn funding to investigate the business case, in July 2019 Members agreed to the Council developing out Plot 5 at Futures Park to provide a bespoke industrial unit for an advanced manufacturing company. The facility at Plot 5 was completed on time and within budget in July 2020. Similarly, Members also approved a development fund of £75,000 to develop the business case for Plot 1 at its meeting dated 27 January 2020. Members agreed to develop out Plot 1 in June 2020 to accommodate a 6,400 sq ft brand new 90 place nursery and family centre. Construction has now commenced to enable a September 2021 opening of the nursery.

3.4 Following the Council making an 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, a grant was approved by the LEP Board in Autumn 2019. The Grant Funding Agreement was signed by both parties in May 2020. The LEP is willing to fund retrospectively any costs incurred on Plots 5 and 1 and the road/pedestrian infrastructure improvements. Due to Covid-19, the LEP is accommodating a revised expenditure profile to end in September 2021. It is with respect to the road/pedestrian infrastructure that is the subject of this report.

## ROAD/PEDESTRIAN INFRASTRUCTURE

The Council has been working with Lancashire County Council, as the highways authority, to develop the required road and pedestrian infrastructure to accommodate the bringing forward of Plot 1 with the added benefit of supporting the wider development of the Futures Park Village. The proposed works, subject to consultation as part of the s278 process, comprise:

- A new signalised crossing on Newchurch Road to allow safe pedestrian crossing.
- Improvement works to the junction of Newchurch Road/New Line in order to slow down traffic from New Line to Newchurch Road.
- The upgrading of two existing bus stops on New Line.
- A new raised zebra crossing at Futures Park.
- Minor improvement works at the immediate surrounding junctions.

A general plan of the proposed works is contained in Appendix B. The table below provides an indicative timetable for the s278 and delivery of the works.

| <b>Action</b>                                     | <b>Timescale</b>   |
|---|--------------------|
| s278 submission to LCC and statutory consultation | January 21 onwards |
| s278 formal approval                              | April 21           |
| Procurement of contractor                         | May 21             |
| Infrastructure works commence                     | June 21            |
| Works completed                                   | September 21       |

The project costs have been estimated at £175K and the council intends to undertake a formal procurement of the contractor to ensure value for money.

## 4. RISK

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

- Without the road/pedestrian infrastructure, the nursery scheme and wider plot development at Futures Park would be unviable.
- Without this eligible expenditure, the Council would not fulfill its obligations to the LEP as part of the Growth Deal.
- The risk of cost overruns will be mitigated. A professional estimate for the cost of the works has been obtained, which includes a £25k allowance for contingency. With the LEP accommodating an extension to the timescales for delivery due to Covid-19, a full tender process will be undertaken to ensure value for money. A fixed price contract will be entered into with any necessary variations closely managed.
- 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 has been alleviated by procuring a third party project manager.
- A risk register is contained at Appendix C.

## 5. FINANCE

5.1 The Futures Park infrastructure scheme is integral to the development of the site therefore, in reality the cost is essential in order for the Council to generate the revenue income previously reported as part of the Plot 5 and Plot 1 schemes.

5.2 The table below sets out the stand alone cost of the infrastructure scheme:-

| <b>Financial Model (£000s)</b> | <b>Yr1</b>  | <b>Yr2</b>  | <b>Yr3</b>  | <b>Yr4</b>  | <b>Yr5</b>  | <b>Yr 6/10 Ave</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| 20 years                       | <b>£000</b> | <b>£000</b> | <b>£000</b> | <b>£000</b> | <b>£000</b> | <b>£000</b>        |
| Minimum Revenue Payment        | 6           | 6           | 6           | 6           | 6           | 6                  |
| Interest                       | 2           | 2           | 2           | 2           | 2           | 1                  |
| <b>Total cost</b>              | <b>8</b>    | <b>8</b>    | <b>9</b>    | <b>8</b>    | <b>8</b>    | <b>7</b>           |

5.3 The use of available capital receipts will reduce the reliance on external borrowing. As at 31st December 2020 the Council had £4.6m in unallocated capital receipts. Subject to any specific earmarking of funds this may be available to invest in the scheme.

5.4 Officers will give consideration as to the optimum funding arrangements, which may include: use of capital receipts, internal borrowing and any other requirements for PWLB borrowing.

5.5 Any borrowing will be based on the optimum rates following Council's authority and signing of the lease. Borrowing may consist of a mix of terms.

## 6. LEGAL

Continued due diligence will need to take place together with all necessary legal agreements to be in place to protect the Council's interests. All tenders will be in line with the council's constitution.

## 7. POLICY AND EQUALITIES IMPLICATIONS

Futures Park Leisure and Employment Village is identified both as a Corporate Project within the refreshed 2020 Corporate Strategy and within the three year action plan of the adopted 2018 Economic Development Strategy. Any future equality implications within the project will be given consideration in a relevant and proportionate manner.

## 8. CONCLUSION

The Council has started to realise the investment and regeneration opportunities from developing out Futures Park Employment and Leisure Village. Plot 5 is complete and Plot 1 is underway, The proposed infrastructure improvements are essential to support the nursery school, providing pedestrian and highways safety. The infrastructure improvements will also have the added benefit of bringing forward further plots at Futures Park with associated regeneration and job creation benefits in one of the most deprived parts of the borough.

| Background Papers  |  |
|--|--|
| Document   | Document   |
| Futures Park Plot 1 Development, Report to Extraordinary Council, 24 June 2020 | <a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a> |
| Futures Park Update and Plot Development, Report to Council, 27 January 2020   | <a href="http://www.rossendale.gov.uk">www.rossendale.gov.uk</a> |
| 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> |







| RISK NR | RISK DESCRIPTION   | RISK CONSEQUENCE  | INITIAL EXPECTED VALUE | RISK STATUS | IMPACT | LIKELIHOOD | OVERALL |  | MITIGATING ACTION  | IMPACT | LIKELIHOOD | OVERALL |  | MITIGATED VALUE | ACTION OWNER | ACTION DATE | COMMENTS |
|---------|--|---|------------------------|-------------|--------|------------|---------|--|--|--------|------------|---------|--|-----------------|--------------|-------------|----------|
| 1       | Failure to receive Section 278 Approval  | Failure to receive 278 Approval could affect project timescales                                       |                        | Open        | 5      | 3          | 15      |  | Regular discussions and updates with Rossendale Borough Council and Lancashire County Council                        | 3      | 2          | 6       |  |                 |              |             |          |
| 2       | Approval Conditions  | Unforeseen conditions or requests for additional impact could affect programme timescales.            |                        | Open        | 3      | 3          | 9       |  | Regular discussions and updates with Rossendale Borough Council (RBC) Planning Department                            | 2      | 2          | 4       |  |                 |              |             |          |
| 3       | Scope Change affecting budget restraints   | Variation in scope is likely to impact final project cost. e  |                        | Open        | 3      | 3          | 9       |  | Change control process to be provided throughout the scheme.   | 2      | 2          | 4       |  |                 |              |             |          |
| 4       | Funding to be sourced from Lancashire Enterprise Partnerships                                | LEP to review and advise on funding process   |                        | Open        | 4      | 3          | 12      |  | Discussions required with LEP regarding proposed expenditure using anticipated spend profiles                        | 3      | 2          | 6       |  |                 |              |             |          |
| 5       | Council Match funding LEP funds  | Match funding required to progress project  |                        | Open        | 4      | 3          | 12      |  | Match funding to be processed ASAP   | 3      | 2          | 6       |  |                 |              |             |          |
| 6       | Delays to Programme  | Delays to programme could affect end dates, rental agreement periods, end user opening dates etc      |                        | Open        | 4      | 3          | 12      |  | Main Contractor to produce Construction Programme of Works to be monitored and reviewed with Progress Meetings       | 3      | 2          | 6       |  |                 |              |             |          |
| 7       | Below ground contaminations and unforeseen   | Below ground contamination or unmapped services could cause delays to programme.                      |                        | Open        | 3      | 3          | 9       |  | Below ground surveys to be instructed  | 2      | 2          | 4       |  |                 |              |             |          |
| 8       | Brexit effect on procurement of materials from Europe and associated supply cost             | Delay to programme, potential increase in costs   |                        | Open        | 3      | 3          | 9       |  | Markets to be observed for costs to materials etc.   | 2      | 2          | 4       |  |                 |              |             |          |
| 9       | Ongoing Covid-19 issues in relation to supply chain, consultant site surveys and contractors | Delay to programme, material supply and sub-contractor availability                                   |                        | Open        | 5      | 5          | 25      |  | Covid-19 impact to be monitored throughout project   | 3      | 3          | 9       |  |                 |              |             |          |
| 10      | Appointment of Main Contractor and proposed procurement route                                | Appointment required to avoid delays in procurement of design teams, materials, sub-contractors       |                        | Open        | 4      | 3          | 12      |  | RBC to confirm procurement route ASAP  | 3      | 2          | 6       |  |                 |              |             |          |
| 11      | Appointment of Design Team   | Appointment of design team required to allow Stage 3/4 designs to progressed and fully costed         |                        | Open        | 4      | 3          | 12      |  | Design team to be appointed ASAP   | 3      | 2          | 6       |  |                 |              |             |          |
| 12      | Duplication of work roles  | Abortive work if roles and responsibilities not delegated   |                        | Open        | 3      | 3          | 9       |  | Roles and Responsibilities & Project Structure with supporting document issued by DAY PM                             | 2      | 2          | 4       |  |                 |              |             |          |
| 13      | Building Control conditions  | Building Control plan sign off required ASAP and conditions to be notified.                           |                        | Open        | 3      | 3          | 9       |  | Construction issue plans issued to Building Control.   | 2      | 2          | 4       |  |                 |              |             |          |
| 14      | Flow of information through project  | Flow of information through project to all parties required   |                        | Open        | 3      | 2          | 6       |  | Change requests to be shared with the Project Team to ensure all parties are aware of variations                     | 2      | 1          | 2       |  |                 |              |             |          |
| 15      | Continuity of construction/project team throughout the duration of works                     | Continuity of construction project team   |                        | Open        | 2      | 3          | 6       |  | Project and Construction Team to remain through the project where possible to ensure project knowledge is maintained | 2      | 2          | 4       |  |                 |              |             |          |
| 16      | Additional surveys/design requirements   | Additional items may be required by LCC as the design progress  |                        | Open        | 3      | 2          | 6       |  | Eddisons/LCC to be contacted for list of requirements  | 2      | 1          | 2       |  |                 |              |             |          |
| 17      | Location of contractors compound and limited site space                                      | Site is compact with space for storage, site compounds, site traffic, safe working area being limited |                        | Open        | 3      | 2          | 6       |  | Plot 3 of Council car park may be required for compound  | 2      | 1          | 2       |  |                 |              |             |          |

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|---------|--|---|------------------------|-------------|--------|------------|---------|--|---|--------|------------|---------|--|-----------------|--------------|-------------|----------|
| 18      | Site deliveries during construction period                     | Lack of available space could cause issues with traffic                             |                        | Open        | 2      | 3          | 6       |  | Material drop off/storage point is to be agreed               | 2      | 2          | 4       |  |                 |              |             |          |
| 19      | Locality of junction works and possible impact on Plot 1 works | Junction works will be underway as Plot 1 progresses                                |                        | Open        | 3      | 3          | 9       |  | Careful co-ordination is required                             | 2      | 2          | 4       |  |                 |              |             |          |
| 20      | Accurate project costs required                                | Funding being sourced on indicative budget costs. Costs could go up if not accurate |                        | Open        | 4      | 3          | 12      |  | RBC to advise on whether to appoint cost consultant to review | 3      | 3          | 9       |  |                 |              |             |          |

**KEY**

**Risk Status**

- Open = Risk Open
- Closed = Risk Closed

**Risk Score**

- Red Score greater than 11
- Amber Score between 6 and 10
- Green Score between 1 and 5

|        |
|--------|
| Open   |
| Closed |