

Leicester  
City Council

**WARDS AFFECTED: BELGRAVE**

**CABINET**

**23rd July 2007**

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**ADDITIONAL UNITS AT LEICESTER BUSINESS CENTRE**

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**Report of the Corporate Director of Regeneration and Culture.**

**1 Purpose of Report**

- 1.1 The report outlines the approved funding available for creating additional office accommodation at the Leicester Business Centre (LBC) located on 111 Ross Walk, Leicester. The report presents a proposal for the refurbishment of a part of an existing single storey industrial building previously catering for light/commercial usage and construction training into medium sized office accommodation.

**2 Summary**

- 2.1 The LBC proposes to extend the facilities at the business centre by creating thirteen medium sized office units (300-400 sq.ft units) to cater for the demands of growing businesses housed in its Incubation Wing and also three large units measuring approximately 1600 sq.ft each to enable growing businesses based in the Intermediate Business units to develop further. The total area for the project covers approximately 13,000 sq.ft.
- 2.2 Applications to fund the proposed development of the site were made to Leicester Shire Economic Partnership (LSEP), the European Regional Development Fund (ERDF) and Single Regeneration Fund (SRB). A total of £800,000 funding has been approved by LSEP (£375k), ERDF (£328k) and SRB (£97k) for the capital expenditure on the project.

**3. Recommendations**

- 3.1 Members are asked to approve the proposed development that will create an additional sixteen business units in the centre.

**4 Financial & Legal Implications**

***Financial Implications***

- 4.1 The cost of creating the sixteen business units is estimated at £800k. It will be funded by external funding from LSEP (£375k), ERDF (£328k) and SRB (£97k) for the capital expenditure on the project. The units are estimated to generate additional £29k income p.a.

*Martin Judson – Head of Finance R&C*

***Legal Implications***

- 4.2 Following a brief investigation, it is understood that: (1) the Council owns the freehold interest in 111 Ross Walk; (2) it is owned for the purposes of Regeneration and Culture (and therefore does not need to be appropriated for this purpose); (3) the lease on that part of 111 Ross Walk previously used by

Fern Training and Development Ltd expired in February 2006 (although it remains to be determined whether a continuation tenancy has arisen); and (4) the creation of these business units will entail only internal works to 111 Ross Walk that will not require planning consent. It is recommended that these assumptions be confirmed and that Property Services be consulted before obligations are entered into with contractors or tenants. No instructions concerning the creation of these business units appear to have been received by Legal Services.

*Greg Surtees – Senior Solicitor, Commercial & General Team, Legal Services*

**5 Report Author**

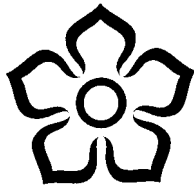
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<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



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**SUPPORTING INFORMATION**

**Report of the Corporate Director Regeneration and Culture**

**Report**

**1. Background**

- 1.1 The proposal is driven by customer demand and external requests for units of the size proposed. A number of clients have requested larger size premises and the centre has experienced a high level of demand from new start up companies seeking appropriate accommodation slightly larger than that offered in the Incubation Wing.
- 1.2 Once completed, the LBC will be able to offer a three stepped “property ladder” for clients. New start-up companies will commence trading in the “Incubation Wing” where management support is available for their development. Once they begin to grow they will be able to move into the med-sized expansion units and thereafter into the larger “Intermediate Business Units” (IBU’s). Not only will this allow LBC to cater for a wider range of business needs, but also it will ensure that longer-term support can be offered to companies prior to them moving into their own premises when affordable. This will offer a better opportunity for businesses to survive for the long term.
- 1.3 The proposal is entirely consistent with the objectives of the Leicester Sustainable Action Plan and fits squarely within a number of sub-regional and regional economic strategies such as LSEP’s economic strategy for Leicestershire and East Midlands Development Agencies (EMDA) regional economic strategy.
- 1.4 The project will be of particular benefit to the Belgrave community, as it will also help to create employment for local people within those companies that are growing and seeking new employees.

**2. Financial & Legal Implications.**

- 2.1 The cost of creating the sixteen business units is estimated at £800k. It will be funded by external funding LSEP (£375k), ERDF (£328k) and SRB (£97k) for the capital expenditure on the project. The units are estimated to generate additional £29k income p.a.

*(Martin Judson – Head of Finance R&C)*

- 2.2 Following a brief investigation, it is understood that: (1) the Council owns the freehold interest in 111 Ross Walk; (2) it is owned for the purposes of Regeneration and Culture (and therefore does not need to be appropriated for this purpose); (3) the lease on that part of 111 Ross Walk previously used by Fern Training and Development Ltd expired in February 2006 (although it remains to be determined whether a continuation tenancy has arisen); and (4) the creation of these business units will entail only internal works to 111 Ross Walk that will not require planning consent. It is recommended that these assumptions be confirmed and that Property Services be consulted before obligations are entered into with contractors or tenants. No instructions concerning the creation of these business units appear to have been received by Legal Services.
- (Greg Surtees – Senior Solicitor, Commercial & General Team, Legal Services)*

### 3. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	NO	
Policy	YES	See paragraph 1.3 (Supporting information page 3)
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Older People on Low Income	NO	

### 4 Risk Assessment Matrix

	Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (If necessary/or appropriate)
1	£800k budget insufficient for planned works	L	M	Tendered costs.
2	Shortfall in funding	L	M	Funding approved

L - Low  
M - Medium  
H - High

L - Low  
M - Medium  
H - High

### 5. Background Papers

- Finance Procedure Rules

### 6. Consultations

**Consultee**  
Corporate Capital Section  
Ahmed Hadadi Ext 7499

**Date Consulted**  
April 2007

### 7 Report Author

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