

# Executive Decision Report

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## **Management of Levelling-Up Grant Funding: Pioneer Park Project**

Decision to be taken by: City Mayor

Decision to be taken on: 14 March 2022

Lead director: Andrew Smith

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## Useful information

- Ward(s) affected: Fosse, Abbey
- Report author: Brendan McGarry
- Author contact details: brendan.mcgarry@leicester.gov.uk
- Report version number: 1

### 1. Summary

- 1.1 The purpose of this report is to provide details of the Levelling-Up grant awarded for schemes at Pioneer Park and former Ian Marlow Centre site and to approve the addition of schemes to the capital programme, along with the associated match funding.
- 1.2 This project will enable delivery of approximately 9,000 sqm of new commercial workspace/offices and the provision of new public realm and over 1 hectare of land prepared and ready for new development

### 2. Recommended actions/decision

- 2.1 The City Mayor is recommended to:

Approve the addition of £24.7m to the capital programme to fund works at Pioneer Park and the former Ian Marlow Centre site. This will be funded from £19.4m of Levelling-Up grant from Government and £5.3m of match funding from the Council.

### 3. Scrutiny / stakeholder engagement

None specifically

### 4. Background and options with supporting evidence

- 4.1 The Levelling-Up Fund has been made available by Government for Authorities to bid into on a competitive basis for projects that will support the economic prosperity of their areas.
- 4.2 In June 2021 the Council submitted a bid to the Government's Levelling-Up fund for the Pioneer Park scheme. On 27th October 2021 the Council was advised the bid was successful and the project awarded £19.4m of grant funding. Alongside the grant funding the Council are required to provide match funding of £5.3m. The match funding is coming from £1.8m of Council resources set aside at 2020/21 outturn for this purpose and an approved £3.5m of prudential borrowing to be funded from Waterside Enterprise Zone retained rates growth. The total budget for the scheme will be £24.7m
- 4.3 The Pioneer Park Project comprises 3 separate elements of works:
  - To compliment the highly successful Dock 1 and 2 building, the portfolio of hi-tech managed workspace will be increased. This will involve the delivery of 2 new

office buildings providing at least 20 new units in a total of 4,000sq.m of space. In addition, the construction of nine new manufacturing units in a 2,000 sq.m. standalone terrace will complete this part of the project. These new buildings will be located on currently vacant land opposite Dock 1 and 2 and when finished will complete the southern half of the wider Pioneer Park site.

- Redevelop the former Ian Marlow Centre (IMC) on Blackbird Rd to create approximately 3,000 sq.m of modern industrial units. These units are proposed to be split into 22 units ranging from 70sq.m to 230 sq.m. This will provide, much needed small commercial units to the Leicester market
- Demolish, remediate, provide new infrastructure and public realm to enable approx. 1.6 ha of land at Abbey Court adjacent to the National Space Centre to be prepared for future knowledge-based industry development. Once this project is completed it will enable the Council to be provide an enhanced offer to space/science related companies. This can either be for those who wish to expand their nearby operations or companies new to Leicester who want to build on the success of the existing Pioneer Park/Space Park facilities.

4.4 The objectives of the project are identified as:

- Delivering a new offer of commercial space to complement the existing Dock 1 & 2 buildings, including significant manufacturing space
- Providing much needed light industrial commercial space in a mixture of small unit sizes at the Ian Marlow Centre.
- Enabling future development at Pioneer Park and proving improved landscaping and pedestrian/cycle access between the Dock / National Space Centre complex and Space Park, Leicester
- The schemes will be designed to meet net carbon zero targets.

4.5 These projects meet many of the Councils objectives to both increase commercial workspace generally, specifically in the Science and Innovation sectors and to reduce carbon in new developments. The current adopted Local Plan, the 2014 Leicester City Local Development Framework Core Strategy, specifically address these points. Policies referring to low carbon and sustainability are included throughout the document, including in the delivery of employment land. In addition, there is a general acknowledgement of a shortage of industrial space and the ongoing requirement to develop more. CS10 policy within the document specifically references the need for land to be retained for research, development and technology businesses at the Pioneer Park site. These policies are also updated and consistent with the Regulation 18 Draft Local Plan which requires further consultation before adoption.

4.6 The project will be delivered by the City Council. The Council is expected to manage project delivery and the profiling of spend in-line with Government targets and deadlines which requires the projects to be complete by March 2024.

4.7 Visual images of the proposals can be found in Appendix 1

## **5. Financial, legal, equalities, climate emergency and other implications**

### 5.1 Financial implications

5.1.1 This report proposes to add £24.7m to the capital programme to support the development of Pioneer Park and Ian Marlow Centre. This scheme is to be funded from £19.4m of Levelling Up Funding from Government and £5.3m of match funding from the Council. The match funding is coming from a combination of monies set aside at the 2020/21 outturn for these purposes (£1.8m) and prudential borrowing of £3.5m to be repaid from future business rates growth within the Waterside Enterprise zone. The £3.5m is within the facility to borrow £11.4m approved by the City Mayor on the 28 February 2022.

5.1.2 It is anticipated on completion this scheme will generate revenue to the Council to help support future budgets.

Amy Oliver, Head of Finance

### 5.2 Legal implications

5.2.1 While this proposal does not have any direct legal implications, it is anticipated the terms of the of the funding agreement are likely to include conditions relating to the application of the funding for this project, including where required evidence of spend targets and potential for clawback in the event that spend as required under the terms of the funding agreement aren't met. In addition, the proposed redevelopment will require the Council to apply for and obtain planning permission and other necessary consents prior to commencing redevelopment.

John McIvor, Principal Lawyer, ext. 37-1409

### 5.3 Equalities implications

5.3.1 Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

5.3.2 Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

5.3.3 This Act also requires that reasonable adjustments be made so that disabled people are not excluded from places that serve the public, including publicly accessible open spaces. This duty is on-going and anticipatory and, therefore, reasonable and proportionate steps to overcome barriers which may impede people with different kinds of disabilities.

- 5.3.4 The report provides details of the Levelling-Up grant awarded for projects at Pioneer Park and the Ian Marlow Centre and seeks Executive approval to accept Levelling-Up grant to add this funding to the Council's Capital Programme. There are no direct equalities implications arising from this report.
- 5.3.5 Part of the proposals within the programme aim to meet the demand for commercial employment workspace for start-up and growing businesses within Leicester City. This is likely to have positive impacts in terms of the aim of the PSED to advance equality of opportunity.
- 5.3.6 As part of the development of the proposal an equality impact assessment is being carried in order to effectively assess the impact on protected characteristic groups and take steps to reduce or remove any disproportionate impacts where they are identified. This should include findings from consultation and/or engagement with relevant groups/ individuals as appropriate, in order to fully understand the potential impacts. The design of the space should adhere to accessible design principles in order to ensure that people with different protected characteristic/s are able to access and utilise the space to its full potential.

Equalities Officer, Surinder Singh Ext 37 4148

#### 5.4 Climate Emergency implications

- 5.4.1 Buildings represent the single biggest source of carbon emissions in Leicester and commercial and public sector buildings between them generate 17% of city emissions. Decarbonisation of buildings will need to happen at pace if the council's ambition for the city to become carbon neutral by 2030 is to remain achievable. Our own construction and refurbishment projects, such as the Pioneer Park and Ian Marlowe Centre projects present an ideal opportunity to lead by example in this area.
- 5.4.2 In addition, the Levelling Up funding criteria stipulate that projects must address Government policy objectives, including net zero. Our application committed to deliver the lowest possible carbon emissions for these projects, including both the operational emissions from running the building and the carbon footprint of construction materials and waste
- 5.4.3 It is recommended that sustainability performance targets are now established for the projects which are consistent with the above commitments and the climate emergency declaration. These should be tracked throughout the projects, to ensure that they are achieved on completion. At the time of writing, a study is underway in the council to develop corporate sustainability performance targets for council construction and refurbishment projects, along with a set of guidance and project management tools to support their achievement. While these are still under development, they are being designed to ensure that completed schemes perform to the level needed in a carbon neutral city. It is therefore recommended that consideration is given to aligning the Pioneer Park and Ian Marlow Centre projects with them.

Aidan Davis, Sustainability Officer, Ext 27 3384

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Not Applicable

**6. Background information and other papers:**

None

**7. Summary of appendices:**

Appendix 1 – Project visuals

**8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a “key decision”? If so, why?**

Yes

Capital spending in excess of £1m is to be committed on schemes which are not specifically authorised by Council. Note that the decision can be taken by the Executive as the corporate resources to be committed are below £10m

## Appendix 1 Scheme Visuals



## Dock 3 proposal



## Former Ian Marlow Centre Site Proposal





**Abbey Court proposal with potential future development scheme**