

Executive Decision Report

Pioneer Park – Local Growth Fund allocation

Decision to be taken by: City Mayor

Decision to be taken on: 23 November 2017

Lead director: Andrew L Smith



City Mayor

Useful information

- Ward(s) affected: Abbey
- Report author: Louise Seymour
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- Report version number: v1

1. Summary

This report outlines proposals to deliver infrastructure to provide a serviced employment site at the former John Ellis site to accommodate high quality research and business space associated with the Space and Satellite technology industry. It also includes the provision of further serviced sites for work space, public realm improvements and parking infrastructure across Pioneer Park.

The report outlines the requirement for capital resources of £4.5m secured from the Local Growth Fund (LGF) to be added to the capital programme.

2. Recommendations

The City Mayor is asked to:

1. Approve the remaining funding of £4.5m secured from the Local Growth Fund for Pioneer Park infrastructure works and add £0.5m to the Council's capital programme in 2017/18 and the £4.0m balance in future years as the LGF is received and released by the LLEP
2. Delegate authority to the Strategic Director (City Development & Neighbourhoods), in consultation with the City Mayor to allocate funding within this budget to individual infrastructure requirements in line with the LGF project objectives.

3. Supporting information including options considered:

In March 2016 the Leicester & Leicestershire Economic Partnership (LLEP) were invited, by the Department for Communities and Local Government (DCLG), to bid for a share of a £1.8 billion Local Growth Fund (LGF). In March 2017, DCLG announced that the LLEP bid had been successful and this included securing funding for three projects related to Pioneer Park and the provision of infrastructure and business space to support the development of a Space Hub.

In May 2017 an Executive decision was taken which confirmed "That the 2017/18 Local Growth Fund capital grant of £23.97m received by the Council acting as Accountable Body to the LLEP be accepted and added to the capital programme".

This decision also approved the release of £500,000 from the LGF allocation for the National Space Park/ Pioneer Park infrastructure (included in the £23.97m total LGF in 2017/18 for the LLEP) to progress the infrastructure design works.

This current decision report is required to formally approve the £0.5m balance of the £1m LGF allocated to Council in 2017/18 and the £4.0m expected to be received in

future years to invest in Pioneer Park Infrastructure, to enable project delivery to be progressed.

Local Growth Fund was awarded to three inter-related projects at Pioneer Park. These projects are led by the City Council, the University of Leicester (UoL) and the National Space Centre.

- Pioneer Park/ Space Park, site infrastructure (LCC allocation: £5m, the subject of this report). The remediation and servicing of 6-hectares of brownfield land, the enhancement of 1.9 miles of public footpaths and cycleway, and the unlocking of sites to deliver commercial floor space to meet the requirements of high tech business and space and satellite related industry.
- Space Park, phase-1 construction (UoL Allocation: £7.8m) Construction of a new home for the University of Leicester's Institute for Space and Earth Observation Science. This is intended to provide an additional 4000sqm of high-specification research and development space with state-of-the-art facilities and laboratories and a projected 200 FTE permanent posts.
- Space Centre extension (National Space Centre; Allocation: £1m) Projected to deliver 850sqm of flexible event/exhibition space and facilitate an additional 7,200 school visitors per annum.

A significant element of the Council's allocation of funding is required to deliver a serviced employment site on the former John Ellis site. This involves site clearance, creation of a new access, provision of utilities, creation of development platforms, addressing flood mitigation and drainage requirements. The design and infrastructure delivery work is well advanced and a planning application will be submitted in November. It is anticipated that work will start on site in late Spring 2018 and completed by December 2018. This will provide a site for the University to develop a first phase of the proposed Space Park, the creation of an Institute for Space and Earth Observation Science.

In addition to the development of the former John Ellis site the LGF funding will be used to acquire two further brownfield sites at Pioneer Park, currently owned by the Homes & Communities Agency (HCA), which will enable the Council to develop a strategy to deliver further high tech business space to complement that already provided by Dock, and at No1 Exploration Drive. Further work is also being progressed to address car parking pressures at Pioneer park, and this could result in the provision of additional car parking infrastructure which will contribute to unlocking the development of further employment space.

Proposals are also being developed to enhance public realm and connectivity through the site, particularly improving access between the Space Centre, Abbey Pumping Station and the Space Park site on the former John Ellis site.

The proposed investment in infrastructure at Pioneer Park and the development by the University of an Institute for Space and Earth Observation will significantly enhance the profile of this site for Space related development, and deliver both new jobs and economic growth. This is consistent with the aims and objectives of the Economic Action Plan (2016-202). It is also consistent with the Leicester City Core Strategy, July 2014.

Options:

The Council could choose not to progress with site remediation and infrastructure works to create new employment sites and associated public realm and connectivity improvements. This, however, would miss the opportunity to develop significant new high value business and employment opportunities and creation of a high profile University Space and Earth Observation centre. Not proceeding would also involve the loss of Local Growth Funds to this project and potentially the city.

4. Details of Scrutiny

Economic Development, Transport and Tourism Scrutiny Commission' - 19th January 2017_Connecting Leicester Report and 12th October 2017 update report on Pioneer Park.

5. Financial, legal and other implications

5.1 Financial implications

The Government has approved £5m of Local Growth Fund monies for Pioneer Park/ Space Park site infrastructure, over a number of years. Of this, £1.0m has been received by the LLEP in 2017/18, of which £0.5m has already been added to the capital programme. This report proposes to add the balance of £0.5m monies received in 2017/18 and to add the remaining £4.0m expected to be received from the Government in future years as it is released by the LLEP.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

There are no implications arising directly from the recommendations however with regards to the arrangements for distribution of the LGF funding advice should be sought with regards to the appropriate legal means of distributing that funding and required documentation and to ensure issues with regards to State Aid, property issues and procurement are considered in full before commitments are made and distribution authorised.

Emma Horton, Head of Law (Commercial, Property & Planning)

5.3 Climate Change and Carbon Reduction implications

A development project of this kind will have significant climate change implications both during the site preparation and construction phases, and over the operational lifetime of the development. It therefore presents opportunities to contribute to the City Mayor's ambition to make Leicester a more sustainable, low-carbon city. Key considerations across the project as a whole are set out below, and in terms of infrastructure, it is important that the preparation of plots and provision of services:

a. facilitates the subsequent delivery of low-carbon solutions based on a

sustainable masterplan for the site, and
b. employs sustainable construction principles where applicable.

Sustainable construction. Decisions relating to design, construction methods and construction materials for those elements of the project led by the Council, including infrastructure provision, also offer opportunities to look at sustainable, low-carbon options. For example, concrete is a product with a high carbon footprint and impact on natural resource use, so the ability of the market to offer competitively priced lower carbon concrete is something which should be explored prior to procurement. There is experience elsewhere in the Council which may be able to be drawn upon to help do this. Sustainable options for other materials may also be available.

Duncan Bell, Senior Environmental Consultant

5.4 Equalities Implications

N/A

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

N/A

6. Background information and other papers:

N/A

7. Summary of appendices:

N/A

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

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

Capital spending exceeding £1.0m is proposed which has not been specifically approved by Council.