

# **Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee**

**6 January 2017**

**Agenda Item: 6**

## **REPORT OF THE ECONOMIC DEVELOPMENT MANAGER BASSETLAW DISTRICT COUNCIL**

### **AMENDMENT UPDATE- CREATIVE VILLAGE**

#### **Purpose of the Report**

1. To seek approval from the Economic Prosperity Committee (EPC) to transfer previously agreed funding from Creative Village 2 to Retford Enterprise Centre phase 2

#### **Background and information**

2. Following a report to the EPC in September 2016 (Item 4 refers) on “Innovation Centres in Nottinghamshire”, an update on the current and future delivery of the underpinning service contract was given. At the same time, the report sought funding for business property upgrades across the county from the N2 Business Rates Pool.
3. In this context, the EPC approved a £75,000 contribution to each of the following upgrade projects:
  - a. Newark Beacon Innovation Centre
  - b. Worksop Turbine Innovation Centre
  - c. Mansfield i-Centre
  - d. Phase 2 Creative Village
4. Since that approval, work has commenced on the awards for a –c (above) as co-ordinated by Nottinghamshire County Council as lead partner on the Innovation Contract. However, Bassetlaw District Council leads on Creative Village Phase 2. Since the EPC approval for that component of the award, delays in Heritage Lottery Funding (HLF) means that the project will be significantly delayed and as a consequence, another priority project has emerged.
5. Retford Enterprise Centre was constructed in 2010 in response to established market need and demand locally. The Centre comprises of 26 office units, 2 meeting rooms, reception services and access to business support. The building was constructed and achieved a BREEAM ‘excellent’ rating.
6. Since completion, the Centre has been practically fully occupied (currently 97%) and has supported 64 businesses and 264 jobs. We are seeking to expand the centre by building a second phase, the business case has been developed from

experience of Bassetlaw District Council and a study by Savills to prove market demand.

7. Planning consent was approved in November 2016, architectural drawings have been completed and a preferred contractor identified from an existing Scape framework at an estimated cost of £1.45 million. The extension will comprise 10 units, 5 being ground floor office/workspace units (similar to Worksop Turbine and Mansfield i-centre workshops) and the other 5 offices. There are already 3 expressions of interest from current tenants requiring grow-on space (which will free up smaller offices for new enterprises).
8. The new extension is expected to create 10 new businesses and 57 new jobs once completed.
9. The financial model shows the facility is likely to be viable from the second year, this is dependent upon using prudential borrowings and the financing costs being delivered at a minimal level. The model shows that the costs are finely balanced and given the limited amount of capital funding available to Bassetlaw District Council there is some concern about viability.
10. Transferring the £75,000 earmarked for Creative Village 2 to Retford Enterprise Centre will tip the balance into viability, the project could commence as early as January 2017 should the funding transfer be approved.

### **Proposals**

11. That the EPC approves the transfer of the £75,000 agreed for Creative Village 2, to Retford Enterprise Centre phase 2.

### **Reasons for Recommendations**

12. Creative Village 2, due to lengthy HLF processes and difficulties in robust cost estimates to renovating 100 year-old industrial premises, is unlikely to proceed within the next 12 months
13. Retford Enterprise Centre Phase 2 is ready to go but has a small viability gap which this transfer of funds will address. The delivery of REC 2 will be a useful benchmark for alternative delivery models where capital investment is short.

### **Other Options Considered**

14. No other options needed to be considered.

### **Statutory and Policy Implications**

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) It is recommended that the Economic Prosperity Committee approves the transfer of the £75,000 allocated to Creative Village 2 to Retford Enterprise Centre Phase 2.

### **For any enquiries about this report please contact:**

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### **Background Papers**

September 23<sup>rd</sup> 2016 Economic Prosperity Committee report - Innovation Centres in Nottinghamshire

### **Electoral Division(s) Affected**

Retford