

# Public Document Pack



Rory Ringer – Democratic Services Manager  
General Enquiries: Telephone No. 01362 656870  
DX743950 Dereham 2

To The Members of the Council

Our Ref: JB  
Contact: Julie Britton  
Direct Dial: 01362 656343  
E-mail: [julie.britton@breckland.gov.uk](mailto:julie.britton@breckland.gov.uk)  
Date 13 January 2017

## **AGENDA SUPPLEMENT**

Dear Sir/Madam

### **COUNCIL - THURSDAY 19 JANUARY 2017**

I refer to the agenda for the above-mentioned meeting and enclose the following item:

<b>Item No</b>	<b>Report Title</b>	<b>Page Nos</b>
20.	Any other items which the Chairman decides are urgent -	
(a)	<u>Thetford TEP Access Roundabout Funding</u>	170 - 174
	Report of the Executive Member for Growth & Commercialisation.	

Yours faithfully

*Julie Britton*

Democratic Services Officer



**BRECKLAND DISTRICT COUNCIL**

**Report of:** Executive Member for Growth & Commercialisation  
**To:** Full Council on 19<sup>th</sup> January 2017  
**Author:** Tim Mills, Executive Manager (Growth)  
**Subject:** Thetford TEP Access Roundabout Funding  
**Purpose:** To seek approval to accept £450k of Norfolk Business Rates Pool funding for the purpose of commencing the Thetford Enterprise Park Access Roundabout

**Recommendation(s):**

- 1) That the Council accepts £450,000 of Norfolk Business Rates Pool funding towards the cost of the Thetford Enterprise Park Access Roundabout and authorises the Chief Executive in consultation with the Portfolio Holder for growth and commercialisation to approve the terms of the grant and enter into a Service Level Agreement with Norfolk County Council to commence the project.

**1.0 BACKGROUND**

1.1 The Council's Corporate Plan includes the priority of "Developing the local economy to be vibrant with continued growth. As part of this, the earmarking of pooled business rates funding to help the development of the Thetford Enterprise Park is identified.

1.2 The Business rates pooling funding is insufficient on its own to bring forward critical items of infrastructure and this was considered as part of a wider report by Breckland Cabinet on 5 January 2016 which resolved that:

"the sums above together with the recently secured Norfolk Business Rates Pool Grant of £450,000 will be utilised as part of a multi-agency package blending financial contributions from a number of inter-agency sources to facilitate the infrastructure investment required to deliver the Enterprise Park";

Officers were requested to represent the Council in these discussions and in discussions to secure the multi-agency agreements and report to Cabinet. However, the agreement of acceptance of grants above £100K is a matter for Council.

1.3 On 21<sup>st</sup> June 2016, the New Anglia LEP approved the redirection of existing approved funding of £1.98m from the original Thetford Sustainable Transport Package (Local Growth Funding) to prioritise the construction of a new access roundabout for the Thetford Enterprise Park. The current estimated construction cost of the roundabout is £2.2m.

1.4 On 3<sup>rd</sup> January 2017, Norfolk County Council, on behalf of the Norfolk Leader's group, confirmed that the £450,000 secured from the Norfolk Business Rates Pool could be used towards the cost of the TEP Access Roundabout and a grant letter confirming this was issued to Breckland Council. However due to the time it has taken to develop the package of grants and the associated arrangements for delivery, the grant needs to be accepted prior to the end of January to prevent timescales and grant authorisations being revisited

1.5 Discussions have taken place with Norfolk County Council's Infrastructure and Economic Growth Team, who have provided an estimated cost and outline project timescale plan to design, obtaining planning permission and oversee the construction of the TEP Access Roundabout. An estimated £119k of the £450k would be allocated for this purpose with the balance going to support the roundabout construction costs not met through the funding outlined in paragraph 1.3.

## 2.0 **OPTIONS**

2.1 Option 1 to accept £450,000 of Business Rates Pool funding towards the cost of the Thetford Enterprise Park Access Roundabout project and authorise the Chief Executive to enter into a Service Level Agreement with Norfolk County Council to commence the project.

2.2 Option 2 to refuse the Business Rates Pool funding and not proceed with the project.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 Investment to assist unlocking the Thetford Enterprise Park employment site provides the opportunity to create significant additional employment for Greater Thetford.

3.2 The confirmation of the availability of Business Rates Pool monies allows the design of the roundabout to commence immediately although the first claim will not be made until April 2018. It also ensures that there is adequate finance to fully fund the construction of the roundabout. The £1.98m from the Thetford Transport Fund is not available to draw down until the 2018-19 financial year onwards.

3.3 The Thetford Enterprise Park employment site is not currently commercially viable to take forward due to a number of site constraints. The provision of an access roundabout will improve the viability of the site towards securing a commercial developer.

## 4.0 **EXPECTED BENEFITS**

4.1 A Council priority is "developing the local economy to be vibrant with continued growth". The 44 acre Thetford Enterprise Park employment site provides a major opportunity to attract employment growth to Greater Thetford and the wider Breckland District.

4.2 The employment site is expected to deliver between 1,500 and 2,500 jobs and given its location within the Cambridge Norwich Tech Corridor, provides additional opportunities to attract higher knowledge/skills companies across a range of tech sectors.

4.3 The employment site has the potential to house a new Innovation and Skills Centre for Breckland which could form a centrepiece to the transformation of Breckland's economy and education provision.

## 5.0 **IMPLICATIONS**

### 5.1 **Carbon Footprint / Environmental Issues**

5.1.1 It is the opinion of the Report Author that there are no direct implications of accepting the grant. However the construction of the roundabout itself has carbon and environmental implications which will be the responsibility of Norfolk County Council as project managers and who have relevant policies in place.

## 5.2 **Constitution & Legal**

5.2.1 Local Authorities have the statutory authority to accept grant funding. The authority to accept grants over £100,000 rests with the Council.

## 5.3 **Contracts**

5.3.1 It is our intention to enter into a Service Level Agreement with Norfolk County Council for them to design, obtaining planning permission and oversee the construction of the TEP Access Roundabout.

5.3.2 The current intention is that the balance of the roundabout monies would be drawn down by Norfolk County Council directly from Local Growth Funding.

## 5.4 **Corporate Priorities**

5.4.1 “Developing the local economy to be vibrant with continued growth”

## 5.5 **Financial**

5.5.1 £450k would be accepted from the Norfolk Business Rates Pool towards the project.

5.5.2 A maximum of £1.98m is available from Local Growth Funding to fund the balance of the project. The current intention is that the balance of the required Roundabout funding would be drawn down by Norfolk County Council directly from Local Growth Funding and would not have to be routed through Breckland Council.

5.5.3 The TEP Access Roundabout has a total estimated cost of £2.2m. Any allocation of the Local Growth Funding not required will be returned to the Thetford Sustainable Transport Fund.

5.5.4 If the full project did not proceed, the potential abortive costs (which would be incurred by the NCC project team) are estimated to be approximately £83,000.

## 5.6 **Reputation**

5.6.1 Based on current estimates, there is adequate funding available for the project.

5.6.2 The Thetford Enterprise Park employment site has been stalled for a number of years following the collapse of the supermarket led scheme.

## 5.7 **Risk Management**

5.7.1 A full risk register will be constructed and managed for the project. This will form part of the project’s monitoring process.

5.7.2 The major risks on a project of this nature are budget overspends and time delays. The undertaking of detailed design and permissions prior to the majority of the funding for construction becoming available in 2018/19 will reduce these risks.

5.7.3 The use of the expertise of Norfolk County Council to undertake the design, permissions, procurement and contract management ensures the necessary type and level of resource is available to deliver and mitigates procurement and project management risks.

## 5.8 **Stakeholders / Consultation / Timescales**

- 5.8.1 The Greater Thetford Development Partnership was consulted and is supportive of the project and the reallocation of the Thetford Sustainable Transport fund allocation.
- 5.8.2 The Thetford Business Forum has been consulted and is supportive of the project.
- 5.8.3 A consultation on the Thetford Enterprise Park was undertaken with Thetford based industrial businesses in December 2016 and there was broad support expressed for the development of this site.

## 6.0 **WARDS/COMMUNITIES AFFECTED**

- 6.1 Greater Thetford including all Thetford wards and the parishes of Croxton, Kilverstone and Brettenham.

## 7.0 **ACRONYMS**

TEP – Thetford Enterprise Park

### **Lead Contact Officer**

Name and Post: Tim Mills, Executive Manager (Growth)  
Telephone Number: 01362 656845  
Email: Tim.Mills@breckland-sholland.gov.uk

**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Discretionary Service**

## BRECKLAND COUNCIL FINANCIAL COMMENTS &amp; APPRAISAL

THIS DOCUMENT PROVIDES THE FINANCIAL IMPLICATIONS  
IN RESPECT OF THE ATTACHED REPORT

**FROM:** Margaret Bailey (Senior Accountant)  
**REPORT:** Thetford Enterprise Park Roundabout  
**REPORT DATE:** 19 January 2017

	£ Year 1 2016-17	£ Year 2 2017-18	£ Year 3 2018-19	£ Year 4 2019-20
<b>Revenue</b>				
<b>Income</b>				
N/A	(-)	(-)	(-)	(-)
<b>Costs</b>				
N/A	-	-	-	-
<b>Total Revenue</b>	-	-	-	-
<b>Capital</b>				
<b>Income</b>				
Business Rates Pool			(450,000)	(-)
<b>Costs</b>				
Payments to NCC under SLA			450,000	
<b>Total Capital</b>	-	-	-	-
<b>Considered By:</b>	Full Council			
<b>Date:</b>	19-01-17			

**Financial Services Comments**

The report requests approval to accept a grant of £450,000 from Norfolk County Council, as administrators of the Business Rates Pool (BRP) to be used towards the TEP access roundabout.

The grant will allow the initial design and planning of the roundabout. The grant conditions require that the BRP represents no more than 22.5% of total funding. £1.98m has been secured from the Local Enterprise partnership (LEP).

The Council will draw down funding under an SLA with NCC. The risk is that funds may be expended and then the project does not proceed exposing the Council to abortive costs and a requirement to reimburse the BRP (from revenue). The potential abortive costs (which would be incurred by the NCC project team) are estimated to be approximately £83,000. No funding will be drawn down until April 2018 by which time costs will have been firmed up and planning permission granted which should de-risk the project and reduce the risk of abortive costs. However, before funding is drawn down, the position on costs etc should be confirmed.

If approval is given to accept this grant, the expenditure will be added to the capital programme but will have a nil effect as it will be shown as fully funded from the BRP.

**Financial Risk**

It is not yet clear whether the final cost of the total project can be covered by the available grant from the LEP and BRP.

This appraisal is valid for 1 month from issue date

If there are changes to the original report it may invalidate this document & must be reviewed by Finance.

13/01/2017

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