

EXECUTIVE BOARD – 18 OCTOBER 2016

Subject:	Nottingham Enterprise Zone: Boots Campus Sustainable Transport Package
Corporate Director(s)/Director(s):	David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth
Portfolio Holder(s):	Councillor Nick McDonald, Portfolio Holder for Business, Growth and Transport
Report author and contact details:	John Bann, Cycling and Roadspace Transformation Manager 0115 8764014 john.bann@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	£6.1 million
Wards affected:	Wollaton East and Lenton Abbey, and Dunkirk and Lenton
Date of consultation with Portfolio Holder(s):	6 September 2016
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Nottingham Enterprise Zone (Boots Campus) is a key development site for Nottingham. The Council recognises the need to support the development of the site through the enhancement of the sustainable transport connections from the site to the wider transport network. This view is shared by the D2N2 Local Economic Partnership where £6.1 million has been made available for this purpose.</p> <p>The purpose of this report is to secure approval to spend the £6.1 million in 2016/17 and 2017/18 to deliver the sustainable transport programme.</p> <p>The key area of investment will be a new cycle and pedestrian bridge linking the Enterprise Zone with the Nottingham Science Park, Nottingham University, QMC Teaching Hospital and the bus and tram network on University Boulevard.</p> <p>In total the site is 113 hectares and the opportunities for development include employment land with up to 200,000 square metres of new floor space, housing development land for up to 675 new homes, 21 hectares of green spaces, redevelopment of existing buildings and a new transport link connecting the site to Nottingham City Centre and the surrounding suburbs. It is identified as a major development site in both the Aligned Core Strategy and the Local Plan.</p> <p>The funding will come from Central Government through the Growth Deal process which has been established with Local Economic Partnerships (LEPs), with the funding to be provided</p>	

through the Local Growth Fund mechanism.

The Enterprise Zone site is among the priority actions presented in the D2N2 Strategic Economic Plan.

Exempt information: None.

Recommendation(s):

- 1** To accept £6.1 million from the D2N2 Local Economic Partnership to invest in the City's sustainable transport infrastructure, providing connections to and from the Nottingham Enterprise Zone Boots Campus, subject to receipt of the formal grant award from Derbyshire County Council who is acting as the Accountable Body for the D2N2 Local Economic Partnership.
- 2** Subject to the formal grant award, to approve the expenditure to deliver the schemes and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Business, Growth and Transport, to approve the final scheme components.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The delivery of the Nottingham Enterprise Zone is a key priority for the Council and D2N2. In doing so it will contribute to the Local Plan housing targets, provide new jobs and ensure further investment in creating high end jobs within the science sector.
- 1.2 The funding will provide facilities which will ensure the Enterprise Zone is well connected to and from the existing sustainable transport network, and complement and link to recent investments such as the Western Cycle Corridor and the tram. The facilities provided will not be exclusive to Enterprise Zone residents and employees and will be available for use by Nottingham's citizens, enhancing the wider walking and cycling network through the Enterprise Zone site.
- 1.3 As part of the development of the Nottingham Enterprise Zone Boots Campus, the proposed s106 agreement will require contributions to mitigate the traffic impact from the scheme. This would provide for improved accessibility/connectivity and bus service enhancements. A total of £1m has been agreed (60% bus enhancements/40% physical works). These monies would be staged payments over the course of the development. Alliance Boots have agreed to an earlier payment of the s106 contributions if the Council secures the funding and commences the development of the £6.1m funding package and progress is made on delivery of the footbridge.
- 1.4 The City Council will lead on the scheme prioritisation, selection, programme management and delivery. This will be undertaken in consultation with Boots and the County Council.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The D2N2 Strategic Economic Plan 2014 included a target of creating 55,000 additional private sector jobs across the area by 2023. This is across a number of business sectors including equipment and manufacturing, low carbon goods and services, and transport and logistics. The D2N2 vision is to become a more prosperous, better connected, and increasingly resilient and competitive economy at the heart of the UK economy, making a leading contribution to the UK's advanced manufacturing and health and bioscience sectors and generate significant export earnings for UK plc.

- 2.2 Among the priority actions presented in the D2N2 Strategic Economic Plan is the development of the Alliance Boots UK headquarters site within the Nottingham Enterprise Zone. The site consists of 113 hectares (within the City and Broxtowe) and opportunities for development include employment land for up to 200,000 square metres of new floor space, housing development land for up to 675 new homes, 21 hectares of green spaces, redevelopment of existing buildings and a new transport link connecting the site to Nottingham City Centre and the surrounding suburbs. It is identified as a major development site in both the Aligned Core Strategy and the Local Plan.
- 2.3 Prior to the funding which this report relates to, there has been investment made into the Boots Enterprise Zone by both the Council and the Local Economic Partnership. In total £7 million of expenditure has previously been agreed for capital works within the Boot Campus. This consists of £2 million from the Council's Capital Programme and £5 million from D2N2's Growing Places fund. These allocations and expenditure were agreed in the February 2013 Executive Board report 'Growing Places Fund – Accountable Body'. The scope and procurement of the £7 million spend was agreed in May 2015 when a Leader's Key decision entitled 'Nottingham Enterprise Zone – Boots Campus Infrastructure Works' was agreed.
- 2.4 Nottingham City Council has applied to D2N2 for £6.1m of funding to enable the delivery of a series of sustainable transport measures aimed at supporting the development of the Enterprise Zone, and in particular the Boots Campus.
- 2.5 The vision for the site is to create a centre for innovation in health, beauty and wellbeing in Nottingham. The site will offer a cost effective, high quality, centrally located site for health and wellness companies such as business incubators, start-ups and small medium sized enterprises.
- 2.6 Nottingham City Council, in partnership with Alliance Boots, is currently preparing plans to improve and expand the City's sustainable transport facilities to support the development of the Boots site. This will help to facilitate the sustainable development of the zone. The plans will focus on improving walking and cycling facilities and also provide low emission infrastructure.
- 2.7 The main element of the scheme will be the provision of a Cycle/Footbridge over the Midland Mainline railway linking University Boulevard, the tram and bus network and the Western Cycle Corridor to the Boots site. The bridge will be a key element of the scheme and will help to reduce severance and enabling access to the site for pedestrians, cyclists and providing wider travel options by connecting to the tram/bus network.
- 2.8 The bridge and potentially other sustainable access improvements are intended to open up the Boots Campus, bringing it into the city fabric and physically reducing severance created by the railway line enabling new development to reach its full potential.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not to accept the funding: This option was rejected, as there is not enough funding available within other transport budgets to support this level of investment in the City's sustainable transport infrastructure, and it may significantly impact on the Council's ability to attract similar funding in the future. The construction of the bridge will specifically be included in the s106 agreement as a criterion to be met in

order for early payment in full by Alliance Boots of the £1m contribution. If the Council fails to secure the delivery of the bridge, the s106 funding will not be released until significant development has been achieved on the site.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The Nottingham Enterprise Zone Sustainable Transport Package is a grant that will be awarded to Nottingham City Council as part of The Growth Deal for the Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2) LEP.
- 4.2 The funding is expected to be released to the Council once all criteria to allow scheme delivery are in place. One of these criteria is that the Council is in a position to accept the funding and has the agreements in place to deliver the specific schemes outlined within this report.
- 4.3 Derbyshire County Council as the Accountable Body have developed a Local Assurance Framework which Nottingham City Council will have to adhere to in order to recover its cost. The framework will cover the reporting, publicity and auditing requirements and arrangement for grant payments. Failure to adhere to the requirements in the Framework would lead to loss of grant and an unfunded cost to the Nottingham City Council. The processes are in place to adhere to this Framework due to existing programmes which are being funded in this way.
- 4.4 Within the current agreed budgets, the Council will not provide direct match funding towards the delivery of the five key strands of the bid (as listed in section 2), which are to be solely delivered with the £6.1 million from the LEP. In securing the £6.1 million from the LEP the City and County Councils will deliver a package of complementary spending totalling £3,000,000. This will come in the form of the Local Transport Plan, existing funding of the sustainable transport element of the link road (within the Boots site) and the section 106 payment from Alliance Boots. Additional contributions will be derived from the value of infrastructure and land from Boots, the Nottingham Tennis Centre and the University Science Park. As the additional funding comes from a variety of funding sources it will be subject to separate approvals dependent on the nature and timing of when the spend is delivered.
- 4.5 These sources have been agreed as part of the Stage 1 business case submission to the LEP. The breakdown of the contributions will be confirmed when the Council makes a further submission to the LEP following this meeting. (This information will be verbally provided to the Board and this report where relevant will be updated before it is published ahead of the Executive Board meeting).
- 4.6 In terms of delivering the works, minimising delivery risk and achieving best value the Council will deliver the programme through the following processes:
- in-house – Highways Infrastructure Service in the Communities Department and
 - building on existing contractual arrangements and Framework Agreements such as the Medium Schemes Framework (2) (MSF(2)) contract (established through previous competition); and competitive tendering.
- 4.7 Any part of the scheme within Nottinghamshire County Council's area will be designed and delivered by the County. This will be subject to their own approvals process.

- 4.8 The Transport Strategy team will put procedures in place to ensure compliance to the grant conditions, and maximise the grant drawdown to cover expenditure incurred by the Council and address other reporting requirements as a result of this grant award.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Risks to programme delivery will be tracked in accordance with the City Council's corporate risk management principles. The risk management framework requires the identification and recording of risks, an evaluation of their potential and any mitigation actions and monitoring of ongoing progress.
- 5.2 Risks will be scored based on probability and severity and a responsible owner is identified along with mitigation. The risk register is a live document that is continually revisited and updated throughout the life of the project. The types of risks associated with delivery relate to legal, operational, technical, financial, and political risks, which without mitigation could result in increased costs to the programme, reductions in the quality of outputs and slippages in timelines, all impacting the overall benefits and outcomes the programme seeks to deliver.
- 5.3 These risks will be subject to on-going monitoring and mitigated through effective programme management and partnership working. The Risk Register will be presented and reviewed at Project Team meetings and key risks escalated and discussed with the LEP.
- 5.4 All procurement activity will need to comply with the Council's Procurement Strategy and Public Procurement Regulations and supported by the procurement team.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 N/A

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The Council is preparing a business case which will be submitted to D2N2, this will need to demonstrate that the investment will provide value for money and help support the Nottingham/D2N2 economy. In addition to the direct economic benefits of opening up employment and housing land the investment will also deliver:
- providing sustainable and affordable travel to jobs;
 - increasing the opportunities to encourage an increase in the number of people who undertake active travel. This will improve the health of citizens;
 - reducing car journeys and subsequent reductions in greenhouse gases and air pollution;
 - improving neighbourhoods;
 - supporting family leisure activities by enhancing sustainable transport connections to leisure facilities such as the Tennis Centre and Big Track.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Cycling schemes will encourage people to engage in more physical activity and take greater responsibility for their own and their family's health.

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No

Yes

Attached as Appendix 1 and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 None

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 12.1 Judith Irwin, Senior Solicitor, Planning and Environment Team, Legal Services (Tel: 0115 8764419, Judith.irwin@nottinghamcity.gov.uk)

Maria Balchin, Finance Analyst. It was noted that clarification is needed on the match funding sources as recognised in paragraphs 4.4 and 4.5. (Tel: 0115 8763720 maria.balchin@nottinghamcity.gov.uk)

Sue Oliver, Procurement Category Manager. Paragraph 5.4 added. (Tel: 0115 8762789 sue.oliver@nottinghamcity.gov.uk)