

## REPORT TO EXECUTIVE



DATE	26 <sup>th</sup> July 2011
PORTFOLIO	Regeneration and Housing
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### Burnley Knowledge Park, Princess Way Budget for Project Preliminary Works

#### PURPOSE

1. To seek Executive approval for the release of the remaining monies in the Burnley Knowledge Park ringfenced project budget as expenditure to be incurred in the 2011/2012 financial year.

#### RECOMMENDATION

2. That the Executive approves the release of £217,210 from the capital programme in 2011/2012.

#### REASONS FOR RECOMMENDATION

3. To enable the Council to proceed with a development preparations for a priority economic regeneration project.
4. To obtain specialist advice needed in connection with a competition to select a private sector development partner and to prepare a development agreement.

#### SUMMARY OF KEY POINTS

5. **Background**  
On 29<sup>th</sup> June 2010 the Executive approved the establishment of a ringfenced project budget of £250,000 to assist with preparations for the development of an education and enterprise park on a 5 acre site alongside the new education campus at Princess Way.
6. The Executive also approved the release of £70,000 from the capital programme for expenditure in 2010/11 and a forward commitment of £180,000 of expenditure in 2011/12

7. The project has since been renamed Burnley Knowledge Park.
8. Funding for project preliminaries came from a capital receipt realised from the sale of council owned land at Heasandford Industrial Estate to Lancashire County Council. LCC acquired this site for the construction of a new waste transfer facility to replace their facility at Grosvenor Street at Princess Way, which in turn they sold to this council.
9. The funding for Burnley council's purchase of the Grosvenor Street site was provided by the Northwest Development Agency who imposed a funding condition that Burnley council reinvests the sale proceeds from the Heasandford site into the Knowledge Park project by 31<sup>st</sup> March 2012 and that a ringfenced budget be established for this purpose.
10. Over the past 12 months significant progress has been made in project preparations including;
  1. The new waste transfer station has been built at Heasandford and became operational in June 2011. LCC has now vacated the Grosvenor Street site.
  2. A terrace of residential properties on the corner of Holme Road and Rectory Road has been acquired for inclusion in the Knowledge Park site. Demolition works are currently underway. Temporary landscaping will follow to match the adjoining council owned land and maintain the appearance and amenity of the area.
  3. A Development Design Guide has been produced for the Knowledge Park site.
  4. An outline planning application has been submitted for the development of 12,000sqm (130,000sqft) of B1 business space
  5. Extensive ground investigations have been undertaken.
  6. Specialist external solicitors and development consultants have been appointed to assist council officers with a competition to select a private sector development partner and to complete a development agreement
11. Project preliminary expenditure in 2010/11 totalled £32,790. This amount is £37,210 less than the approved annual budget. The under spend was due to additional time being needed to complete the site investigations, prepare the suite of documents needed for the planning application and investigate the most appropriate developer procurement process for the specific circumstances of the development opportunity and to comply with EU procurement legislation.
12. Under the terms of the grant funding conditions from NWDA the under spend must be carried forward into 2011/12 and expended by 31<sup>st</sup> March 2012. This results in a revised project budget of £217,210 for 2011/12.

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>
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13. A provisional budget of expenditure items is summarised below.  
The works considered necessary and consequent expenditure will be reviewed and amended as the project develops but remain within the budget allocation.

Expenditure Type	
Infrastructure planning	£ 10,000
Developer procurement	£ 38,000
Site development preparations	£ 65,000
Planning application related	£ 20,000
Scheme design	£ 10,000
Development cost planning	£ 10,000
Marketing and occupier procurement	£ 35,000
Project management (including departmental capital recharges)	£ 29,210
Total	£ 217,210

14. Project activity this financial year will concentrate on securing a private sector development partner, dealing with issues that may arise with the outline planning application, site preparations and marketing the Knowledge Park to potential business purchasers and tenants.
15. The expenditure to be incurred in project preliminary work for the Knowledge Park does not commit the Council to undertake the development or future development expenditure. Later reports will detail progress achieved and seek any further approvals as may be needed.

#### **POLICY IMPLICATIONS**

15. The Burnley Knowledge Park is identified in the Community Plan as a 10 year transformational project in the Community Plan and the Burnley Economic Vision Plan

#### **DETAILS OF CONSULTATION**

16. Mike Cook, Director of Regeneration and Housing  
Nick Aves, Director of Resources  
Lindsey Cowburn, Senior Accountant  
David Wilcock, Head of People and Law

#### **BACKGROUND PAPERS**

17. Relevant files in ERBS

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

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