

<b>Report to Councillor Kevin Bentley – Deputy Leader and Cabinet Member for Economic Growth, Waste and Recycling</b>	<b>Forward Plan reference number:</b> FP/317/11/15
<b>Date of report:</b> 17 March 2016	<b>County Divisions affected by the decision:</b> All Basildon Divisions
<b>Title of report: Basildon Town Centre College Enabling Works – Grant Agreement</b>	
<b>Report by:</b> Andrew Cook, Director for Operations: Environment & Economy	
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## 1. Purpose of report

- 1.1 To seek agreement to sign the proposed Grant Agreement in the form at Annex A to provide £750k of Grant Funding to Basildon BC. The grant will support the development of a new further education facility in Basildon town centre. At a later date, a further request to the Cabinet Member will be made to request a grant of a further £1m.
- 1.2 The £750,000 Funding for the project will be provided by ECC from the Economic Growth Fund within the 2015/6 financial year.

## 2. Recommendations

- 2.1 Agree the signing of a Grant Agreement with Basildon Borough Council in the form at annexe A to enable Essex County Council to provide Grant Funding to support the enabling works for the relocation of a Further Education facility to Basildon Town Centre.

## 3. Background and proposal

- 3.1 The Basildon Town Centre Masterplan was adopted in 2012, and sets out the vision and the projects needed to reinvigorate the town centre for the next 20 years. A key part of this vision is the creation of a new further education campus in a prominent position in the town centre. South Essex College (SEC) has secured planning approval to introduce a new college into the town centre to provide a modern learning environment for 2,000 students, relocating from its current Nethermayne campus. Planning consent was secured in March 2013 and development must be commenced by March 2016.

- 3.2 The College has made a commitment to have the new town centre facility operational for the academic year starting in September 2018. There is a risk that should this not be realised then the College may need to look at alternative sites in order to achieve their September 2018 deadline, which may mean the opportunity to locate the college in the town centre is lost with the wider regenerative benefits it will bring.
- 3.3 ECC's overall support for this project brings certainty to an overall investment of £44m by Basildon Borough Council and South Essex College. The release of £0.75m from the 2015/6 Economic Growth Fund will kick-start the works that will facilitate the relocation of South Essex College.
- 3.4 The new college will use the site within the town centre that is currently occupied by the market. The college project has two distinct parts – the relocation of the market to St Martin's Square and the construction of the new college building itself.
- 3.5 The first stage of the project will move the market, which releases the site for the new college building. The enabling works, which includes public realm works, have a cost estimate of £9,162,082 as prepared by construction consultants Leslie Clark. The relocation of the College releases the current Nethermayne site for the development of 725 new homes. As the project has developed, the costs to relocate the market are now greater than originally anticipated. This is due to original estimates being made in 2012 and confirmation of the scope of work. The sale of Nethermayne has released £6m to fund the market relocation. In addition, Basildon Borough Council is contributing £1.4m, which results in a funding gap of £1.75m.
- 3.6 ECC has been asked to make an overall contribution of £1.75m to the project. This will plug the funding gap and will directly support the relocation of the market which in turn provides the site for the new college building. ECC is being asked to provide this sum without bearing any of the risks associated with overruns. The ECC contribution would be capped at a total figure of £1.75m. It is proposed that the grant would be paid in two instalments, each covered by a separate agreement.
- 3.7 This report asks for authorisation to progress the first agreement for £750k to cover costs incurred to date. This will be paid in the 2015/16 financial year, and will be drawn from the Economic Growth Fund 2015/16 allocation. The £750k grant will be used to cover expenditure incurred to date that, and also to enable the pre-ordering of materials which have a long lead in period. The costs to be covered are:
- Design and Surveys
  - New Market Procurement Fees
  - Legal
- 3.8 It is proposed that the second agreement would cover the remaining £1m. This will be the subject of a further report to the Cabinet Member which is anticipated to be brought forward towards the end of 2016.

- 3.9 The proposed first grant agreement is at annex A. The proposed Grant Agreement with Basildon Borough Council is attached, and contains the following conditions:
- A detailed breakdown of how the £750,000 will be spent is provided to ECC.
  - Basildon Council will refund ECC with the full £750,000 capital outlay should this part of the project not be delivered.
  - ECC branding will be included in all relevant publicity materials relating to the project and that ECC be recognised as the principal contributor.
  - ECC will have senior management representation on the project board which will oversee the delivery of the project.

#### **4. Policy context and Outcomes Framework**

- 4.1. A Vision for Essex 2013 -17 sets out the Cabinet's vision and priorities for the next four years and this will inform the development of a revised corporate strategy designed to:
- Increase educational achievement and enhance skills
  - Develop and maintain the infrastructure that enables our residents to travel and our businesses to grow
  - Support employment and entrepreneurship across our economy
  - Improve public health and well-being across Essex
  - Keep our communities safe and build community resilience
  - Respect Essex's environment
- 4.2 In particular, the project has a direct contribution to the following priorities:
- Increase educational achievement and enhance skills
  - Develop and maintain the infrastructure that enables our residents to travel and businesses to grow
- 4.2. The Vision for Essex is based on the following principles
- We will spend taxpayers' money wisely
  - Our focus will be on what works best, not on who does it
  - We will put residents at the heart of the decisions we make
  - We will empower communities to help themselves
  - We will reduce dependency
  - We will work in partnership
  - We will continue to be open and transparent
- 4.3. The project delivers the SELEP Vision to strengthen the competitive advantage of strategic growth locations, ensuring investment takes place to enable growth to be realised.

#### **5. Financial Implications**

- 5.1. ECC's total contribution to the Basildon Town Centre project will be £1.75m, made in two instalments. This decision is for the release of £750,000 in the 2015/16 financial year. A further Grant Agreement (with associated business

case and CMA) seeking the remaining £1,0m will be developed by mid 2016, following conclusion of BDC's procurement for the main contractor.

- 5.2. The £750,000 grant from ECC to Basildon Borough Council will be made under a Grant Agreement which outlines the conditions for making the grant and its use, ensuring the funding is capped at £750,000, the funding is used for its intended purpose and that it will be used to fund only capital expenditure.
- 5.3. In the event of a project over spend these costs will be met by Basildon Borough Council. The overall ECC grant of £1.75m is already contained within the approved capital programme and no further funding is being sought.

## **6. Legal Implications**

- 6.1 The proposed Grant Agreement at annexe A outlines the conditions upon which the grant is made and the requirements placed on the recipient, Basildon Borough Council.
- 6.2 State Aid – the funding will be paid to a local authority. It is the responsibility of Basildon Borough Council to ensure that there is no unlawful state aid associated with delivery of the project.
- 6.3 Procurement – the procurement of the works is being undertaken by Basildon Borough Council and its partners and ECC are not involved in this process and will not be a party to any contract. Basildon BC will be responsible for complying with the Public Contracts Regulations 2015

## **7. Staffing and other resource implications**

- 7.1 The project will be reviewed through a delivery and operational board to be set up specifically for this project. This will include senior officer representation from both Essex County Council and Basildon District Council. This will provide the main governance mechanism for the Project. The creation of this Board will be a key condition of the Grant Agreement between Essex County Council and Basildon Borough Council

## **8. Equality and Diversity implications**

- 8.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
  - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.

(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8.4 The project design for the proposed buildings incorporates the most recent Disability Discrimination Act legislation requirements.

## 9. List of Appendices

9.1 Annexe A - Grant Agreement

9.2 Annexe B - Equality Impact Assessment

## 10. List of Background Papers

10.1 project plan.

Role	Date
<b>Executive Director for Corporate and Customer Services (S151 Officer)</b>  Approved by Nicole Wood <b>Margaret Lee</b>	18 <sup>th</sup> March 2016
<b>Director for Corporate Law and Assurance (Monitoring Officer)</b>  Approved by Paul Turner (Deputy Monitoring Officer) <b>Terry Osborne</b>	17 <sup>th</sup> March 2016
<b>Director for Operations: Environment &amp; Economy</b>  <b>Andrew Cook</b>	18 <sup>th</sup> March 2016
<b>I agree the recommendations in this report for the reasons set out in the report.</b>    <b>Cllr Kevin Bentley – Deputy Leader and Cabinet Member for Economic Growth, Waste and Recycling</b>	22 <sup>nd</sup> March 2016

