

EXECUTIVE BOARD MEMBER
19TH of DECEMBER 2016

Executive Board Member:	Portfolio:
Cllr. Meryl Gravell	Regeneration & Leisure

CROSS HANDS EAST STRATEGIC EMPLOYMENT SITE PROPERTY DEVELOPMENT FUND

Purpose: To provide a Property Development Fund to encourage the private sector to build employment space at Cross Hands East Strategic Employment Site.

Recommendations / key decisions required:

To approve the proposed scheme and guidelines for the Property Development Fund specific to Cross Hands East Strategic Employment Site.

Reasons:

To create an incentive to stimulate private sector investment at Cross Hands East Strategic Employment site by bridging the funding gap between project cost and end value of employment space projects.

Directorate Name of Head of Service: Wendy Walters Report Author: Catherine Jones	Designation : Assistant Chief Executive Physical Regeneration Coordinator	Tel No. 01267 224112 E Mail Address: wswalters@Carmarthenshire.gov.uk Tel No. 01554 748809 E Mail Address:CJones@carmarthenshire.gov.uk
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Declaration of Personal Interest (if any): None

Dispensation Granted to Make Decision (if any): N/A

DECISION MADE:

Signed:

DATE: _____

EXECUTIVE BOARD MEMBER

The following section will be completed by the Democratic Services Officer in attendance at the meeting

Recommendation of Officer adopted	YES / NO
Recommendation of the Officer was adopted subject to the amendment(s) and reason(s) specified:	
Reason(s) why the Officer's recommendation was not adopted:	

EXECUTIVE SUMMARY
EXECUTIVE BOARD MEMBER REGENERATION & LEISURE
19TH of DECEMBER 2016

CROSS HANDS EAST STRATEGIC EMPLOYMENT SITE
PROPERTY DEVELOPMENT FUND

Background

The Cross Hands East Strategic Employment Site is one of the five prominent developments in the Cross Hands Growth Zone and is one of the key projects for the County over the coming years as identified in "The Strategic Regeneration Plan for Carmarthenshire 2015-2030". The site has recently been prepared for development through capital investment and is identified as a strategic site within the Swansea Bay City Region.

In order to attract investment by the private sector it is proposed to offer a site specific £1 million Property Development Fund to incentivise investment and plot take up. It is intended that the fund targets investment in specific sectors which includes:

- Energy and Environment
- Creative
- Advanced Manufacturing
- Financial & Professional
- Agri-Food Technology

Projects outside these sectors will only be considered in exceptional circumstances.

The level of funding required will be established by a development appraisal, and will reflect the difference between the anticipated capital cost of the scheme and the anticipated completed market value of the premises. The Grant is to be operated with state aid cover under the Welsh Local Government Property Development Grant Scheme. State Aid reference SA.46422. Levels of funding will be restricted to the State Aid thresholds.

Proposed Application & Prioritisation Process

It is proposed that stage one applications will be invited in December 2016 for submission by February 28th 2017. These would be considered by a project panel on a "challenge" principle basis. Project panel to consider applications and invite applications to proceed to detailed application stage with priority being given to projects that will provide tangible benefits to the local economy in terms of :-

- potential jobs accommodated/ created
- proposed end tenant's use and quality of proposed jobs to be created
- value for money
- floor area of new premises to be developed
- impact on Swansea Bay City Region & Transformational Strategy Objectives
- cross cutting issues addressed by the project including how the project encourages and promotes the development of the welsh language and its role within the economy

DETAILED REPORT ATTACHED?

Proposed guidelines attached

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Wendy Walters
Assistant Chief Executive

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	Organisational Development	Physical Assets
YES	YES	YES	NO	YES	NO	YES
1. Policy, Crime & Disorder and Equalities All applicants will be required to provide a copy of their Welsh Language Policy as part of the application process. All signage displayed on or in a building supported under the fund will need to be displayed bi-lingually.						
2. Legal CCC legal team have considered the ability of the authority to award grant with state aid cover under the Welsh Local Government Capital Investment Aid and Employment Aid Scheme and have concluded that exemption to state aid applies. The terms and conditions of grant & legal agreements that will be issued to applicants is being considered by CCC legal. As a condition of grant Legal charges will need to be registered with the land registry on all buildings that are supported under the programme .Legal provisions will need to be in place including terms and conditions for use with legal charge/restrictions required. The Economic Development team will liaise with the Legal Department in order to arrange details accordingly.						

3. Finance

- The funding required for the scheme is currently identified in the Capital Programme.
- There are revenue implications such as costs for initial marketing of the schemes and registering legal charges. These costs will need to be picked up within Economic Developments Current Revenue Budget
- In line with current policy, the finance department will need to undertake a financial assessment of proposed applicants and tendering contractors and list their recommendations in a report for the decision making panel.
- The Economic Development team will work with the Finance department to formalise and support the processes required to implement this scheme. Clear accounting arrangements will be formed

4. Risk Management Issues

Proposed risk mitigation measures will need to be introduced which will reduce the level of risk to a satisfactory level. Such measures would include –

- Thorough investigation of each third party applicant
- Retrospective payments
- Ensuring appropriate clawback clauses within guidelines
- Regularly monitoring the progress of works

5. Physical Assets

Cross Hands East Strategic Employment Site is owned by the County Council and any land agreements with the private sector will be worked up jointly with corporate property.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Wendy Walters

Assistant Chief Executive

1. Scrutiny Committee N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE