

**Proposed Decision to be taken by the
Portfolio Holder for Sustainable Communities
on or after 26th October 2012**

Vicarage Street: ERDF Funding Application

Recommendation

- 1) The Portfolio Holder for Sustainable Communities approves the submission of a funding application to the Department of Communities and Local Government (DCLG) for European Regional Development Funds (ERDF) towards the costs associated with the re-development of Vicarage Street, Nuneaton.

1.0 Key Issues

- 1.1 The Vicarage Street Development Brief outlines the Partners objectives to deliver a mix-use scheme which includes an office quarter and high quality realm.
- 1.2 Warwickshire County Council has an opportunity to apply to the Department of Communities and Local Government (DCLG) for European Regional Development Funds (ERDF) which would enable the project to provide some funding to help deliver the office quarter (which currently has a low market value) and enable additional public realm works to take place so that the scheme is fully integrated into the high street and with key transport nodes.
- 1.3 The ERDF application would request funds of £1.77m which would be divided £1m towards the office development and £770k towards additional public realm works, which would help move forward phase 1 of the scheme.
- 1.4 The ERDF application would require match funds. These would come, in the majority, from the private investment of the Developer (£4.3m) with approximately £400,000 from WCC / NBBC via s106 funds. Revenue would be matched with Officer time spent on delivering the project (WCC & NBBC). The final details will be worked out over the next few months as the costs become more developed.
- 1.5 WCC would act as the accountable body if the funding application was successful and work with Nuneaton and Bedworth Borough Council (NBBC) and the identified Developer, once appointed, to ensure delivery of the scheme.
- 1.6 The full ERDF application is being submitted at this stage to meet DCLG's timeline even though the Vicarage Street scheme procurement process is still part way through.

- 1.7 If the funding bid is successful it will enable the chosen developer to expand their offer (e.g. more public realm works and more speculative office accommodation) thus expanding on the offer to Nuneaton town centre.

2.0 The Proposal

- 2.1 WCC submit a full application to DCLG for the funds, totalling £1.77m, for which WCC would be the accountable body if successful.

- 2.2 The Funding would help enable, through phase 1 one of the scheme, the delivery of:

- up to 4,000sqm office accommodation to a standard of BREAAAM Very Good or Excellent
- 100 plus new jobs created as a result of the new office accommodation
- 0.3ha of brown field land remediated and put into productive use
- £4million private investment leveraged in

If the ERDF was not successful these outputs numbers would decrease as the Developer may not be able to deliver this level of office accommodation due to the current market conditions.

- 2.3 Although WCC would submit the application now (end of October 2012), at the request of DCLG, WCC would not be fully committing itself until:
- a) the Developer was appointed, following approval from Cabinet in February 2013, and a Developer Agreement was in place (which would pass on associated risks to the Developer e.g. risk associated with delivering the committed outputs within the constraints of the funding terms and conditions)
 - b) the funding agreement with DCLG has been signed off by Legal in terms of contract terms and conditions (due circa June 2013)
 - c) all risks have been fully assessed and measures taken to mitigate against them
 - d) the cost of any on-going maintenance for public realm has been confirmed with Partners (e.g. NBBC as part of town centre management)

3.0 Timescales associated with the decision and next steps

- 3.1 Timescales:

- Submit approved Full Application as it stands 31st October 2012.
- Final Full Application and supporting documentation by 28th February 2013 (upon completion of the procurement process).
- Decision on Full Application June 2013 (provisional).

- 3.2 Next Steps

- Upon completion of the procurement process for appointing the Developer further information will be provided to DCLG to support the application.
- The final deadline for the application, with all supporting documentation, is likely to be February 2013.
- Further reports will be made to the Portfolio Holder as this application progresses.
- If the application is successful an Equality Impact Assessment will be undertaken to ensure we comply with the Public Sector Equality Duty as required under the Equality Act 2010.

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