



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	20 JUNE 2013
REPORT OF THE:	HEAD OF ECONOMY AND INFRASTRUCTURE JULIAN RUDD
TITLE OF REPORT:	RYEDALE DEVELOPMENT FUND – MAJOR PROJECTS
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To consider the allocation of the £100K 'Major Projects' element of the Ryedale Development Fund (RDF) towards the cost of required investigatory work and project development to advance major capital projects (with employment and economic benefits) to the point of construction.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to approve that:
- (i) subject to the specified conditions being met, delegation be granted to the Head of Economy and Infrastructure, in consultation with the Chairman of the Policy and Resources Committee, to award up to £25K of RDF Major Projects funding towards the progression of each of the following initiatives:
 - a) Malton Livestock Market
 - b) Milton Rooms improvement
 - c) FERA Applied Innovation Campus; and
 - (ii) that a report be presented to a future meeting of this Committee to consider the remaining funding for the deferred projects; Employment Land at Pickering, Investigation of a Kirkbymoorside Engineering Park, High Speed Broadband to Ryedale Business Parks and the Expansion of Derwent Training.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The 7 March 2013 meeting of Council resolved "That Council approve that RDF funding be allocated for the following:
- a) Ryedale Employment Initiative £150K
 - b) RDC Apprentice Scheme £100K

c) Ryedale Business and Skills Initiative £20K

d) Ryedale Major Projects £100K;...and...

that (iv) RDF funding towards the development of 'Ryedale Major Projects' be considered through a report to a future meeting of the Policy and Resources Committee, with a recommendation to Council."

3.2 The potential uses for 'Major Projects' funding that are considered in Annex A reflect this resolution, taking account of the recently agreed Ryedale Economic Action Plan and discussions with potential partner organisations. These also take account of national and local initiatives and opportunities. The list of potential projects to be considered through this report was agreed by 7 March Council.

3.3 The projects that are now being recommended for funding allocation or for deferment for further information are those that deliver the highest benefits in the context of the likely investment required and the priorities in the agreed Ryedale Economic Action Plan (which are reproduced at Annex B). The selected projects also take account of risks and deliverability.

4.0 SIGNIFICANT RISKS

4.1 These proposals for use of the Major Projects element of the RDF are based upon the assessment of potential projects that is detailed at Annex A. This includes an analysis of major risks for each of these projects, together with potential mitigation measures. Inevitably, given that the major projects funding is for a contribution towards undertaking the necessary investigatory work and project development to advance major capital projects to the point of construction, there is uncertainty and some risk involved.

4.2 Only those projects with an acceptable level of mitigated risk are being recommended for funding towards their progression at this stage. Where the risk could become acceptable on the basis of further information, a deferral is recommended. Where the risk would remain unacceptable in any case the project is not recommended for funding.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Council has a corporate aim of creating the conditions for economic success. The detailed approach of the Authority is set out in the Ryedale Economic Action Plan 2012-15 (REAP). This identifies a range of actions under the headline objectives of 'To have economic structure and supporting infrastructure in place' and 'Opportunity for people and business; ensuring Ryedale businesses are at the centre of economic development and local people are equipped with the skills required by our businesses'. The actions from the REAP are attached at Annex B. The REAP was informed by the outcome of consultations with local businesses and organisations during 2012.

5.2 The proposed schemes to take forward under the 'Major Projects' element of the RDF take account of the priorities in the REAP, together with those of the York and North Yorkshire and East Riding Local Economic Partnership (LEP).

REPORT

6.0 REPORT DETAILS

6.1 When Council agreed funding on 7 March 2013 towards the 'Ryedale Major Projects', the accompanying report provided the following explanation of this:

'Ryedale Major Projects

- Working in cooperation with partner organisations, to undertake the necessary investigatory work and project development to advance major capital projects (to provide employment and economic growth) to the point of construction. This detailed information is required in order to establish the costs, viability, deliverability and value of major projects and is also essential in order to make robust bids for funding sources such Growing Places and, if available, the District Council's capital programme. This would fund technical studies and investigations, including transport and highways studies, architectural and design work, site investigations into issues such as ground conditions, ecology, arboriculture, flood risk. It would also be used to fund feasibility investigations, where required. Wherever available, officers would utilise external funding sources to cover such costs, in preference to drawing upon this pot.
- Given the extensive list of potential projects is considered that these should be refined through a further report to a future meeting of this Committee, with a recommendation to Council then made on the spend in relation to this work area.'

6.2 The 7 March 2013 report clarified that the aim should be 'three major schemes in progress by 2015' and that the proposed spending profile of the £100k pot over the 2 year timeframe would be £30K in 2013/14 and £70K in £2014/15. Given the speculative aspects of the investment and the potential for unforeseen information to come forward the general level of risk involved was recognised as being high.

6.3 The potential major projects to be assessed for funding from the Major Projects pot were:

- Bring forward Derwent Park as major mixed use site
- Expansion of Derwent Training to support engineering sector – potential to add managed workspace
- FERA Applied Innovation Campus
- Further A64 improvements – junctions/safety/journey time
- High speed broadband to Ryedale Business Parks
- KMS engineering park
- Malton Livestock Market
- Malton Public Realm
- Milton Rooms as a hub for the creative economy
- Provision of employment land at Pickering
- Public transport facilities at Malton and Norton

6.4 The table at Annex A considers these ten potential major projects in terms of:

- Project Description
- Potential Benefits of the Project
- RDC Role / Input Required
- Current Status
- Next Steps/Tasks
- Indicative Timescales

- Indicative Cost Estimates
- Other Partners/ Contributions
- Major Risks

6.5 On the basis of this information set out in the table at Annex A a recommendation is put forward for each project:

Recommended for funding (subject to specific conditions being met)

- Milton Rooms improvement - *subject to outcomes of options appraisal / business plan and agreement of preferred option, and match funding being available;*
- Malton Livestock Market – *this could take the form of a grant or an 0% interest loan to progress the proposal toward delivery stage (e.g. for funding towards feasibility studies / business planning (if not yet prepared) or towards designs /costings), subject to agreement being reached on which of the two competing proposals should progress and match funding being available.*
- FERA Applied Innovation Campus – *for investment towards the business case to support funding bids for the junction improvement, subject to contributions being agreed by partners, including the LEP, and there being potential for Local Transport Body or similar funding towards the junction improvement.*

Defer for further information

- Employment land at Pickering - *until the need for public sector investment and intervention is confirmed and discussions with landowners have shown there is a deliverable project;*
- Investigation of a Kirkbymoorside Engineering Park - *until agreement is reached with the relevant companies regarding long term expansion plans;*
- High Speed Broadband to Ryedale Business Parks - *until it is clear which areas / sites will benefit from investment by BT / wireless providers;*
- Expansion of Derwent Training - *until agreement is reached with DTA regarding scope of project / identifying appropriate building / works, and match funding being available.*

Not recommended for funding at this time

- Malton and Norton Transport Interchange;
- Malton Public Realm Improvements;
- Derwent Park.

6.6 For both the recommended and deferred projects there is a requirement for some additional information to be gathered before a final decision is taken on how much of the £100k to allocate towards the progression of each project (if any, in the case of the deferred projects).

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
This proposal implements the decision by Council on 7 March 2013 to allocate £100K of New Homes Bonus funding to progress major projects, as part of the Ryedale Development Fund.
- b) Legal
Allocations of funding will need to be in accordance with state aid regulations.

- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
These initiatives seek to enhance economic activity in Ryedale to the benefit of both Ryedale employers and residents, including the vulnerable and isolated.

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Background Papers:
Ryedale Economic Action Plan (extract at Annex B)