

Committee: **Regeneration Scrutiny Committee**  
Date of meeting: **28<sup>th</sup> April 2021**  
Report Subject: **Lime Avenue Business Park and Boxworks Progress Update**  
Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**  
Report Submitted by: **Nick Landers, Principal Project Officer – Regeneration Opportunities**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
14.4.2021	15/4/2021	13.04.21			28.4.2021			

## 1. Purpose of the Report

- 1.1 The purpose of this report is to provide Members with a progress update on both the Lime Avenue Business Unit and Boxworks schemes on the former Works site in Ebbw Vale

## 2. Scope and Background

### Background

### 2.1 Business Units (Hybrids)

The proposed operation will deliver a range of new build business units to accommodate small and medium sized enterprises. The scheme will also involve the development of the surrounding environment in making it an attractive self-contained estate. (please refer to attached photographs – Appendix 1).

The development comprises of the following -

- Bringing into use a total developable land area of 0.7 Ha / 1.7 Acres for the 8 business property scheme. B1 planning use classification.
  - The construction of 8 modern and high quality hybrid style business units provides a total floor space of circa 22,000 sq/ft (GIA) with open workspace arrangement on the ground floor with a mezzanine floor providing associated office provision.
- 2.2 The proposed operation will encourage the creation and growth of knowledge-based businesses to facilitate a mixed and sustainable economy. The provision of the hybrid style units will attract entrepreneurs seeking to take forward high value businesses in sectors such as research and development, higher tech engineering, pharmaceuticals, digital technology, and creative industries.

- 2.3 Funding was provided by securing £2.58M from WEFO, £3,150,000 from WG Tech Valleys and £850k BGCBC's own Capital funds with the project delivered via a Joint Venture agreement with the Welsh Government.
- 2.4 The Council owned development site was previously subject to a repayable derelict land grant where a title on the restriction exists in favour of WG. The market value of the land is £75,000 per acre which equates to a repayable grant of £132,000 which has been factored into the Joint Venture arrangement.

The key component costs for the schemes delivery are bullet pointed below:

- WEFO - £2.58 Million
- Welsh Government - £3,150,000
- BGCBC - £850,000

### 3.0 Boxworks

- 3.1 The scheme comprises of 23 industrial shipping containers which have been configured to become self-contained business incubation units. (please refer to attached photographs – Appendix 2).
- 3.2 The custom-designed containers have been built to a high specification and include sustainable wood panelling and a special insulation layer to ensure they are warm in the winter and naturally cool in the summer. A super-fast high capacity internet connection comes as standard in all units. Tenants will also be able to enjoy the business lounge, café and chance to work with academics from the adjacent Ebbw Vale Learning Zone, in addition to occupying office/meeting provision at the General Offices.
- 3.3 The units are intended to be utilised for 15 years with the Council's Enterprise Facilitator assisting tenants to expand business opportunities to larger scale business accommodation. Whether you need space to meet for a day, week or month, high-profile seminars, board meetings, training sessions, networking events the proposed units will accommodate all needs.
- 3.4 The units were jointly funded by BGCBC - £1 Million and the WG - £490,000 under their Transforming Towns Initiative.

### 4.0 Current Position

- 4.1 Both the Business Unit and Boxworks schemes were tendered together, with contractors Kier now nearing completion, with only the final snagging stages outstanding.
- 4.2 Thales has expressed interest in taking occupation of two buildings on the development site to form part of a Thales 'campus'. There is also active interest in the Box units, eight companies showing interest to date and the Council will shortly arrange an open day to show perspective tenants around the facility.

4.3 Consultants Wavehill have been commissioned to undertake the monitoring and evaluation exercise of the Business Unit scheme in order to ascertain how the funding intervention has impacted on the wider community. The reports are presented in a baseline evaluation, mid-term review and final conclusion report.

4.4 We are working with an overspend that will be taken forward to the final account. Covid has impacted on the scheme in numerous ways including claims by the contractor as a consequence of having to introduce social distancing measures which has ultimately prolonged delivery. Officers from BGCBC continue to work in conjunction with colleagues at WG to find a solution to mutually agree a final figure with the appointed contractor.

## 5.0 **Options for Recommendation**

5.1 To note progress made to date with both the Lime Avenue Business Unit and Boxworks schemes, with final completion anticipated to be in June 2021.

5.2 To note that a detailed closure report will be presented to Scrutiny later this year also incorporating findings from the Wavehill consultancy report, which is a condition of the WEFO funding.

## 4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The project supports the Corporate Plan Outcome to support a fairer sustainable economy and community. Through these projects will work with partners to develop a new vision for our town centres ensuring their long term future.

4.2 The Council's Well-being Plan for 2018-23 includes 5 Objectives. This project directly supports the objectives of creating 'safe and friendly communities' and 'forge new pathways to prosperity'.

## 5. **Implications Against Each Option**

### 5.1 ***Impact on Budget***

The financial outcome of both projects is currently undetermined. The Council are awaiting further invoices from the contractor and also considering implications of how Covid-19 has impacted on delivery.

### 5.3 ***Risk***

Officers will continue to engage with the contractor to finalise and agree the final figure. There are various aspects to both schemes to consider which may impact on the financial implications for delivery. The WG are party to these financial discussions as part of the Joint Venture arrangement and will look to conclude a resolution at the earliest opportunity.

#### 5.4 *Legal*

The legal team has been party to the details of Joint Venture agreement and discussions with WG over the derelict land repayment.

#### 5.5 *Human Resources*

Staff within the Regeneration, Technical Services, Planning and Estates has worked collaboratively throughout both scheme to bring the scheme

### 6. **Supporting Evidence**

#### 6.1 **Performance Information and Data**

Please refer to attached progress photo – Appendix 1-2.

#### 6.2 **Expected outcome for the public**

The project provides an excellent opportunity for existing and new businesses within Blaenau Gwent to establish and flourish with modern state of the art facilities.

#### 6.3 **Involvement (consultation, engagement, participation)**

Both projects have the potential to deliver a key site forming part of the Works Masterplan, working with a Third Sector partner to provide premises for local businesses.

#### 6.4 **Thinking for the Long term (forward planning)**

Both schemes have the ability to increase the range of premises available to local businesses and a pathway for growth in the area.

#### 6.5 **Preventative focus**

The Council continue to advertise both schemes in order secure maximum revenue at the earliest opportunity.

#### 6.6 **Collaboration / partnership working**

The project can be seen as an excellent example of collaborative and partnership working between BGCBC, WEFO, Welsh Government and the Coalfields Regeneration Trust in delivering high quality premises that supports the regeneration of the county borough.

#### 6.7 **Integration (across service areas)**

Consultation has been undertaken across Planning and Regeneration and the initial designs and development work has been completed by Tech Services.

#### 6.8 **EqIA (screening and identifying if full impact assessment is needed)**

An Equalities Impact Assessment screening is currently being undertaken as part of the monitoring and evaluation process.

## 7. **Monitoring Arrangements**

7.1 A number of monitoring arrangements are in place to monitor performance of the project, these include:

- Member briefing sessions (Executive Member, Ward Member);
- Quarterly performance reporting (Blaenau Gwent Business Plan internal reporting); and
- Six monthly monitoring reports to Welsh Government.

### **Background Documents / Electronic Links**

Appendix 1 – Lime Avenue Business Park

Appendix 2 – Box Works