

Report to: Cabinet



Date of Meeting 30 March 2022

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Exemption applied: None

Review date for release N/A

Enterprise Zone Grant Funding Variation Request – for Exeter Science Park Limited.

Report summary:

This report seeks approval to vary the existing funding agreement for the Ada Lovelace Building at Exeter Science Park. This project was originally considered by Cabinet at the January 2019 meeting, with the funding requested approved. A paper to vary the funding request was considered by Cabinet in January 2021, seeking approval to vary the funding agreement in light of cost savings made through the construction process. This paper seeks a further variation to the funding agreement within the existing £660,000 grant.

The funding for the project is in the form of a grant, borrowed against future ring fenced business rate income in the designated Enterprise Zone.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

It is recommended that Cabinet:

- Approves the variation of the grant funding agreement with Exeter Science Park, within the existing £660,000 funding allocation, to fund the construction retention of the Ada Lovelace Building; produce design codes and install foul drainage for the Anning Cluster.
- Delegates authority to the Chief Executive to make payments in respect of the project, subject to the completion of appropriate legal documentation in consultation with the Strategic Lead (Governance & Licencing).

Reason for recommendation:

Cabinet last received a paper on this project in January 2021, which sought a reduction to the overall grant funding request and a variation to the funding agreement, this reflected the substantial savings made through the construction process and provided added value to the project.

The proposed variation, within the current £660,000 grant funding agreement, will provide further added value and support the development of the Science Park.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☒ Economy and Assets
- ☒ Finance
- ☒ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Medium Impact

Risk: Low Risk; The Ada Lovelace Building is now completed and occupied by tenants.

Links to background information [Exeter & East Devon Enterprise Zone Funding request – January 2019 \(Item 16\)](#) [Exeter and East Devon Enterprise Zone – amendment to funding agreement \(Item 297\)](#)

Link to [Council Plan](#)

Priorities (check which apply)

- ☐ Better homes and communities for all
- ☐ A greener East Devon
- ☒ A resilient economy

Report in full

1. Introduction

- 1.1. Cabinet has received a series of project updates on the delivery of the Ada Lovelace building. This project has created savings to the Enterprise Zone Programme, from the original request for grant of £1.11m, reduced to £660k.
- 1.2. The original grant request, in January 2019, sought £1.11m funding to support the site infrastructure required to unlock development and to fit out the internal space to Category A open plan standard. Substantial savings have been made through the construction process and approval was sought to vary the funding agreement to reflect these changes.

2. Funding Variation

- 2.1. A revised request, in January 2021, sought a reduction in grant to £660k to fund:
 - Upgraded fit out of the building, to a Cat A+ standard.
 - The increased cost in implementing the Anning Road northern foul sewer link
 - The EV Charging Transformer will enable the installation of EV charging, future proofing the car parking associated with this building.
- 2.2. This funding variation to reduce the grant to £660k was approved by Cabinet in January 2021.
- 2.3. ESPL have requested a further variation to the grant offer, with the ability to deliver additional benefit to the Enterprise Zone programme.

2.4. The current request is to fund:

- Using the grant to fund the construction retention of £65,355 for the Ada Lovelace Building development (1.5% of contract value retained for defects). ESPL originally expected this would be covered by the Heart of the South West LEP grant, but the Growth Deal 2 grant has ended.
- Using around £110k to define the development plan for the Anning Cluster, produce the design codes and install the foul drainage that unlocks the new hotel development opportunity and bring forward the Anning Cluster development.

2.5. The proposed request will support the delivery of additional floor space within the Enterprise Zone, which in turn will deliver additional business rates which will be retained.

3. Conclusion

3.1. The Enterprise Zone designation provides a positive way of supporting the delivery of new commercial space and jobs within the designated sites. Due to the overall cost savings made in the delivery of the Ada Lovelace building there is an opportunity to provide additional benefits to the Enterprise Zone programme. The additional items are considered to support the future operational and financial sustainability of the Science Park.

Financial implications:

Financial details are included in the report and is within existing funding approval.

Legal implications:

It is permissible to vary the funding agreement for the purposes requested if that is considered desirable. Other than to note that a variation to the legal documentation needs to be entered into, there are no other legal implications requiring comment.