

CABINET SPOKESPERSON FOR PLACE

Record of a decision taken on:

Section 106 Projects Penistone Managed Workspace Phase III

This report seeks approval for the allocation of Section 106 monies as set out in the recommendation section of this report.

Key Risks Associated with the Proposed Action

The proposed scheme is considered to be viable from a delivery perspective. The approval report does identify risks which may arise during the delivery phase of the project. It is however anticipated that identified risks can be effectively mitigated through the formal project management arrangements established in relation to delivery. Risk areas include:

Risk Description	Solution/ Mitigation	Risk Level
There is a risk that developers may request the return of monies if the proposals contained within this report are not progressed.	The proposals contained within this report will directly mitigate this risk through the establishment of deliverable schemes.	Low

Recommendation

It is recommended that:

- **£182,982.65 of S106 monies is allocated to enable the delivery of Phase III of the Penistone Managed Workspace Project. This scheme will deliver the following outputs:**
 - **The Section 106 contribution will be matched with £322,665 of private sector investment.**
 - **A further £40,000 of match funding from EPIP**
 - **The scheme will result in the creation of 9 managed workspace units ranging in size between 1,000 sq. ft and 6,000 sq. ft, which will be utilised by new and existing businesses within the Penistone area.**
 - **It is projected the managed workspace will contribute to the creation of between 18 and 30 new jobs.**
 - **Expanded provision of a business incubation platform promoting the creation of future new businesses within the Penistone area.**

- The proposals contained within this report will have a direct contribution to the following Council performance measures:
 - GE3 number of businesses supported to grow by the Council,
 - GE4 number of business starts
 - GE6 number of jobs created

Decision / Comments of the Cabinet Spokesperson

Recommendation approved by Cabinet Spokesperson

PH Miller
.....
(Signed) Cabinet Spokesperson

10/1/18
.....
Date

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the council's definition and has not been included in the relevant Forward Plan

Report of Executive Director, Place

Section 106 Projects Penistone Managed Workspace Phase III

1. Purpose of report

- 1.1 This report seeks approval for the allocation of Section 106 monies facilitating the delivery of Phase III of the Penistone Managed Workspace project.

2. Recommendations

2.1 It is recommended that:

- **£182,982.65 of S106 monies is allocated to enable the delivery of Phase III of the Penistone Managed Workspace Project. This scheme will deliver the following outputs:**
 - **The Section 106 contribution will be matched with £322,665 of private sector investment.**
 - **A further £40,000 of match funding from EPIP**
 - **The scheme will result in the creation of 9 managed workspace units ranging in size between 1,000 sq. ft and 6,000 sq. ft, which will be utilised by new and existing businesses within the Penistone area.**
 - **It is projected the managed workspace will contribute to the creation of between 18 and 30 new jobs.**
 - **Expanded provision of a business incubation platform promoting the creation of future new businesses within the Penistone area.**
 - **The proposals contained within this report will have a direct contribution to the following Council performance measures:**
 - **GE3 number of businesses supported to grow by the Council,**
 - **GE4 number of business starts**
 - **GE6 number of jobs created**

3. Introduction

- 3.1 This report relates to monies totalling £182,982.65 which have been received from the S106 Legal Agreement relating to planning application 2003/1297 (Green Road, Penistone Former Hi-Tec Foundry). The defined spend condition contained within this legal agreement is specified as:

“...contribution towards the creation or promotion of employment opportunities in the Penistone community area and/or the provision of improvements to public transport provision in the Penistone community area.”

- 3.2 The proposals contained within this report are deemed to be compliant with the terms of the legal agreement as it makes direct provision of managed workspace within the Penistone area, which will promote and create employment opportunities within the local area.
- 3.5 This report therefore seeks approval to allocate £182,982.65 of Section 106 funding as outlined in this report.

4. Consideration of alternative approaches

- 4.1 This report has been prepared within the agreed protocols established for the progression of S106 related projects within the Council.
- 4.2 The spend conditions relating to these legal agreements are fairly rigid as monies must be spent on the provision of managed workspace within the Penistone Area. Phase III of the existing Penistone Paper Managed Workspace project is the only viable scheme that exists within the local area as the development of other managed workspace facilities would require a significantly higher capital investment than the £182,982.65 that is currently available.

5. Proposal and justification

- 5.1 It is proposed that £182,982.65 is allocated to enable the delivery of Phase III of the Penistone Management Workspace project. This scheme will deliver the following outputs:-
- The Section 106 contribution will be matched with £322,665 of private sector investment
 - The scheme will result in the creation of 9 managed workspace units ranging in size between 1,000 sq. ft and 6,000 sq. ft, which will be utilised by new and existing businesses within the Penistone area.
 - It is projected the managed workspace will contribute to the creation of between 18 and 30 new jobs.

- Further provision of a business incubation platform promoting the creation of future new businesses within the Penistone area.
- The proposals contained within this report will have a direct contribution to the following Council performance measures:
 - GE3 number of businesses supported to grow by the Council,
 - GE4 number of business starts
 - GE6 number of jobs created

5.2 The proposed allocation will build on Phases 1 and 2 of this scheme which have been highly successful with full occupancy being achieved on the site with demand far outstripping availability.

6. Delivering Community Strategy Ambitions

6.1 The proposals contained within this report will ensure that S106 monies are allocated to projects within the local area that will provide a direct contribution to the Growing the Economy priority. More specifically, the project will provide a direct contribution to the following corporate performance measures:-

- GE3 number of businesses supported to grow by the Council,
- GE4 number of business starts
- GE6 number of jobs created

7. Long Term Sustainability of the Proposal

7.1 The proposals contained within this report are fully sustainable within the context of the lifespan of the scheme.

8. Impact on Local People

8.1 The proposals contained will benefit local businesses within the Penistone area by expanding the existing managed workspace facility, which acts as an incubation and growth facility.

9. Compatibility with European Convention on Human Rights

9.1 In considering the European Convention of Human Rights, particularly article 8, no incompatibility was found with the options set out in this report.

10. Promoting Equality and Diversity and Social Inclusion

10.1 Equality and Diversity issues have previously been considered within the context of this proposal. It is not believed that an equality impact assessment is required on respect of the proposals contained within this document.

11. Reduction of Crime and Disorder

11.1 In investigating the options set out in this report, the Council's duties under Section 17 of the Crime and Disorder Act 1998 have been considered.

12. Conservation of Biodiversity

12.1 Not applicable within the context of this proposal.

13. Risk Management Issues

13.1 A high level analysis of risks relating to this proposal can be found below. Due to specific nature of the existing legal agreement and relatively low value of works, risks relating to this proposal are felt to be minimal. Formal risk management arrangements will be established and managed through the delivery project.

Risk Description	Solution/ Mitigation	Risk Level
Deliverability of proposed schemes	Initial estimates have been undertaken in order to establish the viability of this schemes contained within this report. Those assessments have determined that deliverability is possible within the identified budget.	Medium
There is a risk that developers may request the return of monies if the proposals contained within this report are not progressed.	The proposals contained within this report will directly mitigate this risk through the establishment of deliverable schemes. An extension of time has recently been agreed with the developer in relation to the spend of these monies via a deed of variation which further mitigates the likelihood of this risk materialising.	Low

14. Financial implications

14.1 Consultations on the financial implications have taken place with representatives of the Director of Finance, Property & Information Services.

14.2 Section 106 monies totalling £182,982.65 are available to fund the provision of the scheme identified within this report through the S106 legal agreement established through planning permission 2003/1297. There is no spend time limit associated within this legal agreement.

14.3 £322,665 of private sector investment will be used as match funding against the Section 106 monies.

- 14.4 Expenditure identified within this scheme will be managed within the resources available.
- 14.5 The financial implications relating to this proposal are shown in Appendix A of this document.

15. Employee implications

- 15.1 There are no employee implications arising through the proposals contained within this report.

16. Glossary

PBP - Penistone Board Paper

17. List of Appendices

Appendix A - Consultations on the financial implications have taken place with representatives of the Executive Director of Finance

18. Background Papers

- 18.1 None

Office Contact: Andy Arnold	Telephone No: 01226 786536	Date: 06/12/2017
-----------------------------	----------------------------	------------------

CONSULTATIONS ANNEX

Section 106 Projects – Penistone Managed Workspace III

- a) **Financial Implications**
Consultations on the financial implications have taken place with representatives of the Executive Director of Finance.
- b) **Employee Implications**
There are no employee implications arising from the proposals contained within this report.
- c) **Legal Implications**
An assessment has been undertaken on the proposals contained within this document which showed that the utilisation of monies is compliant with the terms of the original S106 Legal Agreement.
- d) **Policy Implications**
There are no policy implications arising from the proposals contained within this report.
- e) **ICT Implications**
There are no ICT implications arising from the proposals contained within this report.
- f) **Local Members**
There are no specific implications for local members in relation to this proposal.
- g) **Health and Safety Considerations**
There are no health & safety implications arising from the proposals contained within this report.
- h) **Property Implications**
There are no direct property implications arising through the proposals contained within this report.
- i) **Implications for Other Services**
There are no implications for other services.
- j) **Implications for Service Users**
There are no service use implications arising from the proposals contained within this report. Specific implications relating to the proposed work will be considered within the implication project.
- k) **Communications Implications**
It is envisaged that the proposals contained within this report will have a positive impact of the local economy and therefore work will be carried out in conjunction with the Corporate Communications team to positively and proactively promote this scheme.

Report of the Executive Director Development, Environment and Culture

FINANCIAL IMPLICATIONS

i) Capital Expenditure	<u>2017/18</u> £	<u>2018/19</u> £	<u>2019/20</u> £	<u>2020/21</u> £
To enable the delivery of Phase 3 Penistone Managed Workspace, in the creation of 9 managed workspace units.	182,983			
	<hr/> 182,983	0	0	0
To be financed from:				
Section 106 planning permission 2003/1297 Former Penistone Hi-Tec Foundry	182,983			
	<hr/> 182,983	0	0	0
ii) Revenue Effects	<u>2017/18</u> (£)	<u>2018/19</u> (£)	<u>2019/20</u> (£)	<u>2020/21</u> (£)
	0	0	0	0
	<hr/> 0	0	0	0
To be financed from:				
	<hr/> 0	0	0	0

<p>Impact on Medium Term Financial Strategy</p> <p>Not applicable in this report</p>

<p>Agreed by: On behalf of the Director-Finance, Assets & IT Services</p>
