

## **CABINET – 9TH MARCH 2023**

### **Report of the Scrutiny Commission**

#### CHARNWOOD ENTERPRIZE ZONE – REQUEST FOR FORWARD FUNDING (BUILDING 28E)

##### Purpose of Report

To consider the comments and recommendations of the Scrutiny Commission in relation to the Charnwood Enterprise Zone – Request for Forward Funding (Building 28E).

##### Recommendation of the Scrutiny Commission

That the Cabinet be informed that the Commission welcomes and supports the recommendations set out in the report of the Director of Finance, Governance and Contracts.

##### Reason

The Commission, having carefully considered and asked questions on the report felt the Cabinet should approve the recommendations set out.

##### Meeting Discussion

- i. Members felt that Enterprise Zone was beneficial to the Borough in that it provided significant employment opportunities and encouraged the retainment of University graduates in the area.
- ii. There was potential to utilise pre-existing business rates generated by the Charnwood Campus site to support the repayment of the loan if this was necessary. The Enterprise Zone would continue for the next 18 years and the loan repayment term was anticipated to be 15 years. It was projected that the loan would be repaid comfortably, during this time, although there was an additional three years following the anticipated repayment term, which could be used to claim further payments if required.
- iii. It was expected that the revenue projections for the entire site would be £1.3m pa. The overarching business rates agreement was that 85% of the business rates collected would be collected by the LLEP (Leicester and Leicestershire Enterprise Partnership). The loan and repayment scheme would allow the Council to withhold some of these business rates in order to facilitate repayment of the loan.
- iv. The building had been unoccupied for some time and required some refurbishment and upgrading of equipment.

- v. A Heads of Terms agreement had been signed by prospective tenants which suggested there was little risk in the building not being let.
- vi. Although the total amount of the loan was expected to be £4.6m, the corresponding figure in the report was £5m. This allowed for some headroom in negotiating the final amount. The Director of Finance, Governance and Contracts (S151) agreed to send a spreadsheet detailing the costings to Councillor Brookes.
- vii. The Council had lobbied for the establishment of the Enterprise Zone over a number of years, which was based over three locations in Leicester and Charnwood and had taken a significant amount of time and effort to progress.

### Policy Justification and Previous Decisions

Scrutiny Commission Procedure Rule 11.12 sets out the procedure by which a report of a Scrutiny Committee should be considered by Cabinet.

### Implementation Timetable including Future Decisions and Scrutiny

The information on this in the Cabinet report is not affected by the recommendation of the Scrutiny Commission.

### Report Implications

The following implications have been identified for this report.

#### *Financial Implications*

There are no further financial implications associated with the recommendation of the Scrutiny Commission.

#### *Risk Management*

There are no specific risks associated with the recommendation of the Scrutiny Commission.

Key Decision:	Yes
Background Paper:	Scrutiny Commission Minute 98 2022/23, 7th March 2023.
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