



REPORT OF:	Head of Property
AUTHOR:	JOHN REED
TELEPHONE:	01737 276571
E-MAIL:	John.Reed@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	25 JANUARY 2018
EXECUTIVE MEMBER:	COUNCILLOR MRS N. BRAMHALL

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	HORLEY

SUBJECT:	LOCAL ENTERPRISE FUNDING FOR INFRASTRUCTURE AT HORLEY BUSINESS PARK
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RECOMMENDATION:

1. The Head of Property be authorised, in consultation with the Head of Finance and the Leader of the Council, Deputy Leader of the Council, Executive Member for Finance and the Executive Member for Property and Acquisitions, to enter into the funding agreement with the Coast to Capital Local Enterprise Partnership to contribute towards the anticipated improvements to Junction 9a on the M23 spur road into Gatwick Airport. The terms of the funding are set out in the Executive Part 2 (Exempt information) report of this meeting.

EXECUTIVE SUMMARY

The Executive on the 15th October 2015 agreed to progress the Horley Business Park, by forming a Joint Venture Special Purpose Vehicle with the ambitious plan to bring forward a business park on a strategic scale. Progress on this development is set out in a separate report at this agenda.

The Council has subsequently supported this goal by proposing that the development site be allocated for a Business Park and Public Park in the Regulation 19 Consultation of the draft Development Management Plan which has been approved by the Council for publication and consultation as the "Regulation 19" submission to the Secretary of State for Communities and Local Government.

The Council has made an application to the Coast to Capital Local Enterprise Partnership for grant funding towards the required improvements to Junction 9a off the spur road to the M23. The Local Enterprise Partnership has now approved the application of funding with the details set out in the Executive Part 2 (exempt information) report.

This represents support from one of the Council's strategic partners and marks a

significant step forward in the project.

The Executive has authority to determine the recommendations.

STATUTORY POWERS

1. Section 2 of the *Local Government Act 2000* gives local authorities the power to do anything in the furtherance of the economic, social or environmental wellbeing of their area. The exercise of that power is specifically linked, in section 4 of the Act, to works required in furtherance of community and corporate plan objectives. The Council is empowered to enter into the funding agreement with the LEP through the General Power of Competence under Section 1, Localism Act 2011 which allows the Council to do anything that an individual may generally do
2. Entering into the funding agreement will be a significant step in the Council's aspiration to bring forward the Business Park. The Business Park itself will contribute to the delivery of key Council aspirations set out in its Corporate Plan. These are summarised in this report and the report at the exempt Part 2 part of this agenda.

BACKGROUND

3. The Council's 5 Year Plan identifies property investment and development as one of its key corporate objectives to help secure the longer term financial sustainability of the Council. The 5 Year Plan also sets out the Council's key objectives with relation to economic prosperity, that is, to create new jobs for our residents' benefits and to ensure that the borough has a resilient and vibrant economy.
4. The Council set up a Joint Venture vehicle to deliver the Business Park and contribute towards delivery of these objectives. The Business Park is anticipated to create significant number of jobs and bring economic benefits to Horley, the rest of the borough and the wider Gatwick Diamond area.

ISSUES

5. The Council and its Joint Venture Partner have been progressing work on scheme design, and in particular the infrastructure and highways work required to support the Business Park and Public Park. This has identified that significant junction improvements are necessary to Junction 9a to facilitate the access to the Business Park. The cost of these works are considerable, and receiving funding towards them will bring forward delivery of a key part of the Business Park.
6. The Council therefore made an application to the Local Enterprise Partnership for funding towards the Junction 9a improvements and have now received an offer from the LEP.
7. The funding offer and the conditions attached are set out in the Part 2 report (Exempt information) of this agenda.

OPTIONS

8. Enter into the funding agreement as the conditions set out in the Part 2 (exempt information) report of this agenda. This will enable the scheme design/delivery to be progressed and will reduce the need for the Joint Venture and the Council to fund this part of the scheme. This is the recommended option.
9. Not to enter in the agreement. This is not the recommended option, not using the funding opportunity will make delivery of the Business Park less likely, the funding is likely to improve the speed of progressing the works and will reduce the requirement for funding from other sources
10. Do Nothing – This is not the recommended option, there is no benefit in the Council not entering into the agreement for the reasons set out in this report.

LEGAL IMPLICATIONS

11. These are set out in the Part 2 report (Exempt information) of this agenda.

FINANCIAL IMPLICATIONS

12. The financial implications are set out in the Part 2 report (Exempt information) of this agenda

CONSULTATION

13. The Leader, Deputy Leader and Portfolio Holders for Property and Acquisitions and Finance have been consulted about this grant funding. .

POLICY FRAMEWORK

14. This funding will support the aspirations of the Council set out in its corporate plan to help secure the longer term financial sustainability of the council via property investment and development, and to create new jobs and a vibrant and resilient local economy.
15. The site has been proposed for allocation in the Regulation 19 version of the Council's published draft Development Management Plan which was approved by Full Council in December 2017 for publication and consultation as the "Regulation 19" submission to the Secretary of State.

Background papers: None