

AGENDA ITEM NO. 3 (a)

REPORT TO: Executive (Transmodal Implementation)
Sub-Board

DATE: 26th April 2006

REPORTING OFFICER: Operational Director – Major Projects

SUBJECT: European Regional Development Fund
Application, Ditton Strategic Rail Freight
Park

WARDS: Ditton

1.0 PURPOSE OF THE REPORT

- 1.1 To describe the progress and the content of the application to European Regional Development Fund (ERDF) for Ditton Strategic Rail Freight Park (DSRFP).
- 1.2 To seek Member's approval to progress the ERDF application and the projects contained within the ERDF Application.

2.0 RECOMMENDATION: That

- (1) The key elements of the application should be noted and commented on.
- (2) Members approve the projects described within the application for further development.
- (3) Subject to Planning Approvals for the schemes, the Strategic Director – Environment be authorised to commence implementation of the schemes, in accordance with Standing Orders Relating to Contracts.

3.0 SUPPORTING INFORMATION

- 3.1 In March 2006 an application was submitted for ERDF funding for projects within DSRFP totalling £999,750. The projects contained within the application are:
 - Connection with A5300/A562.
 - Ditton Road Environmental Improvements.
 - Halebank HGV Access.
 - Ditton Business Enterprise Grants.
 - Office Development Grants.

- 3.2 The ERDF application was originally submitted under Priority 1.5 of the Objective 2 programme, which is primarily focussed on the provision of office space for Small-Medium Enterprises (SMEs) in the Hi-Tech sector.
- 3.3 ERDF is one of the key funding sources identified in the DSRFP Masterplan.
- 3.4 The nature of the DSRFP programme is infrastructure based to provide 'pump-priming' for investment by private sector companies. However, advice was given that although Priority 1.5 can provide for infrastructure, it would not be eligible without the provision of actual buildings or office space, particularly in the Hi-Tech Sector.
- 3.5 The concept of a grants scheme was developed in discussions between Major Projects Department and Economic Development Unit based on the Business Improvement Grants scheme in the Widnes Waterfront Economic Development Zone (EDZ). This scheme gives the application a stronger fit with the Priority 1.5 criteria whilst providing a scheme that will have positive effects that will further benefit the current and future occupiers of the Park.
- 3.6 In its nature the programme DSRFP is more in line with the characteristics of a Priority 3 ERDF application. Priority 3 provides funding for Economic Development Zones. Due to under spend on Widnes Waterfront EDZ there may be the opportunity to extend the EDZ boundary in terms of EDZ funding to include Ditton. This would give the application greater strength.
- 3.7 Under Priority 3 approximately double the amount of ERDF funding could be available for the scheme, making £2 million available.
- 3.8 A justification has been put for to GONW for extending the EDZ boundary to include DSRFP. From initial discussions, Government Office North West have indicated that they would accept the proposal. Further discussions will take place at the end of April 2006.
- 3.9 The application gained approval from the Halton-Vale Royal Partnership Board in April 2006. The projects are:
Connection with A5300/A562
- 3.10 At the UDP Public Enquiry, evidence was presented which demonstrated that the likely impact of the Masterplan could be mitigated by the introduction of new highway links to the A5300.
- 3.11 A link road from connecting the A5300 or A562 into the park is proposed. Feasibility studies are underway to select the preferred alignment. Depending on its alignment the route may need to cross the existing railway lines or Ditton Brook via a new bridge.

Ditton Road Environmental Improvements

- 3.12 Whilst comprehensive redevelopment of land adjacent to Ditton Road was not proposed as part of the core programme, incremental redevelopment of land and property on and along Ditton Road for use's benefiting from the adjacent rail infrastructure is expected to be brought forward by the private sector.
- 3.13 In order to encourage this investment, and to brand the location as part of the programme initiative, public realm environmental works are proposed in advance. The scheme will incorporate landscaping and highways works.
- 3.14 A concept plan for the scheme has been drawn up accordingly and is shown on the attached plan (Appendix 1).
- 3.15 The improved landscaping on Ditton Road will be maintained by Landscape Services.

East-West Link/HGV Bypass (Halebank HGV Route)

- 3.15 The proposed HGV Route contains two key elements an East-West Link Road and a Halebank Heavy Goods Vehicle (HGV) Bypass. The latter is not part of the DSRFP Masterplan.
- 3.16 In accordance with the conditions placed on the HBC Fields site during the UDP enquiry, the layout of the development must incorporate measures actively to discourage the direct movement of goods vehicles from the site to the local road network in the Halebank area and provide a road link between the east and west sides of the park. In order to achieve this aim a road system shall be provided to connect Sites 253, 255 and 256 where they are divided by public highways or railways.
- 3.17 The East-West Link could provide some of the infrastructure for the Halebank HGV Bypass. In the Halebank Supplementary Planning Document (SPD) there is an aspiration for a HGV bypass around the residential areas of Halebank to mitigate against the noise and nuisance of traffic for the benefit of residents and the environment. It is recognised that there is potential to divert existing HGV traffic from established Halebank businesses onto a route that avoids the residential section of Hale Road. This would be achieved through new configured junctions, new sections of road and new traffic restrictions. This is outlined in the Halebank Action Area SPD Transportation Proposals.

Ditton Enterprise Grants

- 3.18 The concept for this scheme was developed in response to the ERDF Priority 1.5 criteria and would offer grants to SMEs within the boundary of DSRFP. The proposed grants scheme would contribute towards

construction and refurbishment of new office space for SMEs and environmental improvements.

- 3.19 The targeted businesses would primarily be those related to the specialist industry of rail freight and will therefore contribute towards the development of the park as a rail freight interchange. Any other high tech, high growth and high quality businesses that are contained within the park would also be eligible.
- 3.20 With regard to environmental improvements. Works to the front and rear boundaries would be viewed most favourably. This is because of the improved visual amenity to tie in with the Ditton Road environmental improvements scheme at the front and the position adjacent to the west coast mainline at the rear, which is highly visible to rail passengers.
- 3.21 An independent panel would assess the applications to ensure that best value is achieved from the expenditure and ensure that the selection process is transparent.
- 3.22 Grants would contribute up to 50% of the cost of the building works up to a maximum of £50,000 and companies who have already received European funding in the last 3 years will not be eligible. This would avoid contravening state aid rules.
- 3.23 The scheme would be project managed by the Regeneration Department who currently manage a similar scheme in Widnes Waterfront Economic Development Zone.

Office Development Grants

- 3.24 There has been interest in expansion from some of the larger existing SMEs currently operating within DSRFP. To continue to operate and expand their business effectively they need to expand their offices to take on extra staff and facilitate increased operations. It is proposed that a grant to the operators will help to ensure high design quality and maximise the number of jobs created by the schemes.

4.0 POLICY IMPLICATIONS

- 4.1 The Council adopted the DSRFP Masterplan in December 2004. The DSRFP is heralded in the Council's Corporate Plan and LSP and HBC Urban Renewal Strategy and Action Plan, and supports the Council's Urban Renewal corporate priority.

5.0 OTHER IMPLICATIONS

- 5.1 If the external public funding element for the scheme is not maximised then the financial contribution from the Council would need to be greater

or else the schemes would be of lower quality, less beneficial or in some cases undeliverable.

6.0 RISK ANALYSIS

- 6.1 If the infrastructure schemes do not go ahead, the full potential of the Park will not be realised. The benefits to the Halebank Community from the contribution towards the HGV Bypass will be lost and expansion of the Park will increase congestion on existing roads.
- 6.2 If the grant schemes do not go ahead then the ERDF funding may not be eligible depending on the ERDF Priority under which application is approved (see Section 3.0).
- 6.3 The ERDF grant will only be approved if other public funding is identified as match. Private funds will not count as match funding.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 All proposed developments will comply with the Disabilities and Discrimination Act (DDA).

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Ditton Strategic Rail Freight Park Masterplan	Major Projects	Martin Ledson
Halebank Action Area SPD Transportation Proposals.	Planning	Andrew Pannell
EXB 162 (9th December 2004) Ditton Strategic Rail Freight Park – The Draft Masterplan and Next Steps	Committee Services	Lynn Cairns