

**REPORT TO:** Executive Board

**DATE:** 4 June 2009

**REPORTING OFFICER:** Strategic Director, Environment

**SUBJECT:** Establishment of the Daresbury Science and innovation Campus Joint Venture

**WARDS:** Daresbury

## **1.0 PURPOSE OF THE REPORT**

1.1 Over the last several years the Borough Council has worked with a number of partners to deliver a major international science based campus at Daresbury, building on the presence of the established Laboratory. To move delivery forward, it has been concluded that this can best be achieved by the establishment of a joint venture company. This report sets out the process for the formation of a joint venture company and the implications for the Council.

## **2.0 RECOMMENDATION:**

### **2.1 It is recommended that:-**

- (i) the principle of the joint venture as set out in this report be supported;**
- (ii) the Council's land ownership at Daresbury Firs be included in the joint venture;**
- (iii) the Chief Executive in consultation with the Leader and Portfolio Holder for Corporate Services be authorised to take any necessary action to establish the joint venture; and**
- (iv) the Strategic Director, Environment in consultation with the Operational Director, Legal Services be authorised to take such action in relation to the use or disposal of land at Daresbury Firs as may be necessary to give effect to the joint venture.**

## **3.0 SUPPORTING INFORMATION**

3.1 Since the Government published the Science and Innovation Investment Framework 2004-2014: Next Steps which launched the Daresbury Science and Innovation Campus (DSIC) as providing facilities that would be internationally competitive, support world class science and technology and maximise the opportunity for knowledge exchange, considerable progress has been achieved: The Daresbury Innovation Centre and the Cockcroft Centre are established, plans are well advanced for a significant grow-on building, Vanguard House and the Government has announced its intention to invest £65 million in the Hartree and Detector Science Projects.

- 3.2 The Daresbury Science and Innovation Campus Board is now firmly established with membership comprising the Universities of Manchester, Lancaster and Liverpool, the Science and Technology Facilities Council, Daresbury Laboratory, the North West Development Agency and Halton Borough Council.
- 3.3 Consultants have been employed to prepare a masterplan for the wider area which encompasses the Laboratory and adjacent buildings, Daresbury Park and Wharford Farm. The adjoining Sandymoor Area with potential for future significant residential growth is closely knitted into the masterplan proposals as are improvements to transport infrastructure and issues of accessibility and connectivity. Work is now underway to convert the Masterplan into a Supplementary Planning Document (SPD) which will fit into the Council's overall Local Development Framework. A Strategic Development Group comprising Borough Council Officers and representatives from the Laboratory, NWDA, and Marshalls and Redrow, as the commercial organisations with the greatest involvement and land ownership in the area, has been established to ensure that the planning process for the wider area pays appropriate attention to the various significant interests in the area.
- 3.4 Attention is now being paid in further detail to the consolidation of present achievements and to allow the development programme to accelerate. The DSIC Board has concluded that its objectives can best be achieved by the establishment of a joint venture (JV), (with similarities to the process being followed at the nation's other Science and Innovation Campus at Harwell near Oxford) and King Sturge and Eversheds were commissioned to undertake an options appraisal establishing a route for progress to be made. The DSIC Board recently agreed the appointment of a Project Director on a part-time basis for 6 months and following his appointment further legal advice has been obtained and some initial "soft market testing" has taken place. That advice and these discussions have indicated that the approach being adopted would be appropriate and the DSIC Board at a meeting on 5 May agreed the JV Model and the process required to move this forward.
- 3.5 The joint venture will comprise a commercial partner working with the three public sector landowner partners (i.e. HBC, NWDA and STFC). The preferred model which the Board has approved as the method of procurement is as follows:-
- i. To utilise the OJEU process to secure a full service and flexible model.
  - ii. To utilise the EU Competitive Dialogue process to secure the JV in place by 1<sup>st</sup> April 2010 (a project timetable prepared by Eversheds based on discussions on 9/4/2009 is attached for information).

- iii. To utilise one set of retained consultants for the 3 public sector partners who will act as one body through a collaborative agreement.
- iv. To create a JV with parity of voting between the public sector (1 vote) and the commercial partner (1 vote) AND where the commercial partner provides agreed land values, manages assets and the JV for a management fee(s) and takes a fee for providing development services. Profits from development would go back into the JV and not be withdrawn by the equity share owners for an agreed period (this is a similar set of arrangements to those that exist at Harwell SIC).

3.6 The STFC and NWDA have agreed to fund the creation of the JV.

3.7 The discussions with Eversheds and the DSIC partners has established a clear way forward to have the JV in place by 1<sup>st</sup> April 2010. The attached timetable is challenging but achievable at a cost within the original estimates. The soft market testing has reinforced the views that emerged from the King Sturge work and there are a number of commercial partners with knowledge of the unique science and innovation market who are interested in being involved in the creation of the JV and see the sense in doing the planning and start-up work now in readiness for an improved economic climate. Eversheds have been asked to clarify some legal points but it is likely that the three public bodies will need to form a “public sector consortium” to enter into the JV with a private sector partner.

#### **4.0 IMPLICATIONS FOR HALTON BOROUGH COUNCIL**

4.1 As noted above (para 3.6) funding for the JV is being provided by the STFC and NWDA. So far as Halton is concerned the input will be largely restricted to officer time. Apart from the present commitment, it is anticipated that workstream sub-groups will be created to oversee the strategy/procurement process and documentation; for property, planning and infrastructure; and for finance and funding. Halton will be represented on the first two groups and will have a significant contribution to make as the Local Planning Authority and Highway Authority for the area.

4.2 Halton also has an involvement as landowner. Daresbury Firs was acquired by the Council in 1997, and has been managed by the Council since then. It is an important natural habitat and is used extensively by local residents for informal recreation. The Firs abuts the existing laboratory and it has been considered appropriate to include this area of land in the JV to ensure that the Borough Council can be closely involved in the operation of the JV. Inclusion of Daresbury Firs in the JV does not imply any change to its future planning status.

#### **5.0 POLICY IMPLICATIONS**

- 5.1 Daresbury is a Regionally Significant Site and development of the Science and Innovation Campus would be consistent with the Regional Spatial Strategy and the Regional Economic Strategy. Establishment of a JV would assist in the development and implementation of these strategies. Establishment of a JV would also be consistent with the UDP, Corporate Plan and Community Strategy.

## **6.0 OTHER IMPLICATIONS**

- 6.1 The Council's management and control of Daresbury Firs will be influenced by decisions made by the JV.

## **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 7.1 Children & Young People in Halton:  
Entering into a JV will accelerate the pace of development at Daresbury providing opportunities to raise aspirations for young people in Halton.
- 7.2 Employment, Learning & Skills in Halton:  
The opportunities for employment and improvement in training and skills arising from the development of the DSIC are considerable.
- 7.3 A Healthy Halton:  
DSIC will contribute an increased opportunity for employment with significant benefits for the health of local residents.
- 7.4 A Safer Halton:  
Establishing a Joint Venture would have only a marginal impact on this priority.
- 7.5 Halton's Urban Renewal:  
Daresbury SIC is a major element of the Borough's Urban Renewal Strategy and progress will be enhanced by entering into a JV.

## **8.0 RISK ANALYSIS**

- 7.1 Will the exception of the inclusion of Daresbury Firs in the Joint Venture, the risk to the Borough Council is restricted to the potential demands on time and effort to bring the initiative to a successful conclusion.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 There are no direct equality and diversity issues but the proposed joint venture should improve opportunities for all.

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Daresbury Laboratory and Science Park File	6 <sup>th</sup> Floor, Municipal Building	Dick Tregoe