

NOTICE OF KEY DECISION

Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Decision made at the meeting of cabinet – 20 Jan 2021.

Decision Maker: Director of Place in consultation with the relevant portfolio holders (in this case Cllr Waters, Cllr Kendrick and Cllr Stonard)

Decision status: Is Key decision?: Yes

Is subject to call in?: Yes

Decision details: At its meeting on 20 Jan 2021, cabinet resolved to delegate authority to sign-off individual project business cases for Towns Fund projects to the Director of Place in consultation with relevant portfolio holders authority.

The Towns fund consists of a series of eight projects totalling £25m of funding to support skills and enterprise infrastructure and urban regeneration initiatives. Heads of term of the overall programme have been agreed with government. Under these heads of terms sign off of individual business case is delegated to lead authorities. This requires the prior sign off of the Towns Deal Board. Following sign off of the business case a summary is submitted to government for consideration of whether to release the funding requested.

Two of the eight projects in the programme are promoted as accelerated projects with expenditure to be drawn down in the current financial year.

East Norwich is an accelerated project. The proposal is to draw down £4,291,955 of towns deal funding to assist with delivery of the East Norwich Masterplan and Carrow House. The project is being managed by the City Council and has a total project cost of £4,786,955.

Norwich has a major opportunity to accelerate the regeneration of East Norwich to create a new high-quality urban quarter. This project will develop a comprehensive Masterplan for this important growth area of the city, enabling the City Council and partners to ensure that the new urban quarter becomes a high-quality addition to the city, providing a base for the long-term growth of Norwich. The decision to award the contract for the preparation of the masterplan was agreed at Cabinet on 10th February.

The East Norwich development area itself is approximately 50Ha and is comprised of sites including the Deal Ground, land in Trowse and the former Utilities site and Carrow Works. This is a nationally significant development area, with the potential to deliver a major extension to the city centre - up to 4,000 new homes and 100,000 sq. metres of new employment space, accommodating up to 6,000 new jobs - and act as a catalyst for regeneration of both East Norwich and the wider city.

Alongside the development of the Masterplan we propose to invest repurposing a prominent office building within the regeneration area - Carrow House - to provide circa 3000 sq. metres of lettable floorspace for the professional services and knowledge industry. This refurbishment will help kickstart the revitalisation of the area and is able to be delivered within a year of funding being released however, the longer term future of Carrow House will be determined via the Masterplan. A full appraisal of the purchase of Carrow House has been prepared by finance colleagues and is attached to the business case.

In approving the business case particular regard was had to the following risks:

- Costs and complexity of managing the restoration of Carrow House – we have sought to address this by increasing the contingency to 25% and there is also the possibility of meeting additional capital costs through virement from other towns fund budgets;
- Potential revenue costs of holding the facility in the medium term as some security and maintenance costs will not be able to be capitalised. The risk is these will not be able to be covered by the rental income if the property cannot be rented as anticipated or rents fall below expected levels. The business case flags up the potential for a total £200k pressure on revenue funding to cover these. Clearly this risk cannot be addressed entirely at this stage although the option of disposing of the asset sooner rather than later can be taken should this risk manifests itself.

Bearing in mind the very considerable wider benefits to Norwich of getting development away in East Norwich the view is taken that these risks are well worth taking. Detail of resourcing to deliver and provide project management and assurance still need to be produced. Work on these will continue whilst government is considering whether to release the funding.

Publication date: 5 March 2021

Date of decision: 7 February 2021

Call-in deadline date: 8 March 2021 (5pm)

Date comes into force if not called in: 9 March 2021