

**CABINET – 10 MAY 2010**

**HARBOROUGH INNOVATION CENTRE, MARKET HARBOROUGH –  
URGENT ACTION TAKEN BY THE CHIEF EXECUTIVE**

**REPORT OF THE CHIEF EXECUTIVE**

**PART A**

**PURPOSE OF REPORT**

1. To advise the Cabinet of urgent action taken by the Chief Executive in consultation with the Leader and Deputy Leader in respect of the County Council underwriting a shortfall in funding for the Harborough Innovation Centre scheme.

**RECOMMENDATION**

2. It is recommended that the action taken by the Chief Executive in agreeing to underwrite a shortfall in funding of up to £200,000 for the Harborough Innovation Centre, Market Harborough, be noted.

**REASON FOR RECOMMENDATION**

3. The General Scheme of Delegation requires that any urgent action taken by the Chief Executive between meetings be reported to the next appropriate meeting of the body concerned.

**TIMETABLE FOR DECISIONS (INCLUDING SCRUTINY)**

4. Any decision taken under the urgency provisions of the General Scheme of Delegation must be reported for information to the next meeting of the body concerned.

**POLICY FRAMEWORK AND PREVIOUS DECISIONS**

5. The General Scheme of Delegation in Part 3 of the Constitution authorises the Chief Executive (in consultation with the relevant members) to take action between meetings where such action is urgently required. In the case of the Cabinet, the relevant members are the Leader and Deputy Leader or other members nominated by them.
6. The Cabinet at its meeting on 11 September 2007 resolved that the County Council should act as enabling partner to progress the scheme, dependent upon a successful bid for funding being made to the East Midlands Development agency (EMDA). The bid to EMDA was successful.

**RESOURCES IMPLICATIONS**

7. The scheme is estimated to cost £5,200,000 and is primarily funded by contributions from EMDA and the European Regional Development Fund. EMDA's funding for 2011/12 cannot be guaranteed in advance of the next Spending Review. In order for the scheme to proceed the County Council will be asked to underwrite up to £200,000 in the event of EMDA having insufficient funds to make their agreed contribution. There would have to be a substantial reduction in EMDA's funding for the guarantee

to be invoked. Harborough District Council is also underwriting some of the EMDA funding.

8. The District Council is the accountable body and, as such, is bearing the major risks including the revenue deficit. The County Council's risk is limited to underwriting a maximum of £200,000 in the event of a shortfall in EMDA funding in 2011/12.
9. The Director of Corporate Resources has been consulted in the preparation of this report.

#### **CIRCULATION UNDER THE SENSITIVE ISSUES PROCEDURE**

Dr. R. K. A. Feltham CC; Mr. S. J. Galton CC; Mr. G. A. Hart CC; Dr. S. Hill CC;  
Mr. W. Liquorish CC; Mrs R. Page CC; Mr. B. L. Pain CC

#### **OFFICERS TO CONTACT**

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## **PART B**

### **BACKGROUND**

#### **Harborough Innovation Centre**

10. This proposal would assist with the delivery of the Sustainable Community Strategy's priority outcome: an improved image for business and tourism and recognition as a centre for innovation. Whilst Harborough district is a relatively prosperous area some potential weaknesses and threats exist. These include: -
  - i) Low unemployment and a high economic activity rate which limit available labour supply.
  - ii) Over representation in sectors with limited prospects for future growth.
  - iii) The presence of very few large service sector firms, a limited amount of inward investment taking place in growth sectors in recent years with a high and increasing level of out-commuting, particularly of higher skilled workers.
  
11. The Innovation Centre would provide a range of flexible, high quality office units in a single building for rent by local knowledge - focussed and innovative businesses that require support in terms of a working environment conducive to growth. It is intended as a catalyst and focus to support entrepreneurs, innovation and business growth within the area.

#### **Relevant Impact Assessments** **Equal Opportunities Implications**

None.

Background Papers

None.