

REGENERATION, CULTURE AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

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INNOVATION PARK MEDWAY

Report from: Richard Hicks, Director of Place and Deputy Chief Executive

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Summary

This report provides an update to Committee Members and outlines progress made on the Innovation Park Medway (IPM) project.

1. Budget and policy framework
 - 1.1 Innovation Park Medway (IPM) has been awarded a circa £11m external funding from the Government's Local Growth Fund (LGF), Growing Places Fund (GPF) and Getting Building Fund (GBF) through the South East Local Enterprise Partnership (SELEP) for the enabling infrastructure and public realm on the site, in addition to further Council borrowing against future business rates.
 - 1.2 Medway Council adopted the Innovation Park Medway (IPM) Masterplan in March 2019, which sets the vision for the site. Due to the authority boundary falling across the site, the masterplan was also adopted for economic development purposes by Tonbridge & Malling Borough Council on 19 March 2019.
 - 1.3 The adopted Local Development Order (LDO) provides a simplified planning process, allowing future developers to submit proposals through a self-certification form, verifying their proposals against the criteria set out in the LDO and Design Code.

2. Background

- 2.1 The delivery of IPM is a regeneration priority for Medway Council and the Southeast LEP, which share an ambition to strengthen the local economy, and secure high-value job growth.
- 2.2 Despite the challenges faced by Covid-19 and the delays due to the archaeology and ground investigation stage, significant progress has been made in bringing this site forward and we are on track to provide over 60,000m² of commercial space to help grow Medway's local economy.
- 2.3 IPM will create up to 3,000 High Value (high GVA) jobs attracting high value technology, engineering, manufacturing, and knowledge intensive businesses looking to grow.

3. Progress

- 3.1 Breheny were appointed in 2020 to deliver the infrastructure on the southern site. The southern site enabling infrastructure work is complete, including drainage, utilities and lighting and design work for an office building and car park has begun.
- 3.2 An anchor tenant has been secured for the first office building on the site and Heads of Terms have been agreed. It is anticipated that construction will be complete by September 2024 ready for occupation.
- 3.3 FM Conway were appointed in 2021 to deliver the infrastructure and public realm on the northern site. Works are due to be complete in April 2023, including drainage, lighting, utilities, and the public realm Runway Park, ahead of the development of 28 office and light industrial plots.
- 3.4 Top road surface has been installed, and paving continues to be laid. Planting areas are being prepared with edging and topsoil ready for lawn and planting.
- 3.5 Runway Park gym equipment and lighting will be installed along with wayfinding signage.

4. Potential occupants

- 4.1 Officers are in early discussions with four potential occupants for the Northern site. In addition, over 20 enquires have been received, however, not all meet the criteria for Innovation. The Council has also decided not to accept a multi-million pound offer for circa 9 acres, as this was not the right fit for IPM.

4.2 The Council is setting a high standard for IPM, so occupants that do not meet the vision will not be considered, regardless of their offer.

5. Marketing

5.1 A Demand Study was carried out by SWQ in 2022 to inform recommendations for delivery and market demand. The study concluded that there is demand for industrial and office space in Medway. The report recommends: -

- It may be appropriate to ring-fence a proportion of the development for pre-let design and build opportunities.
- In addition to physical facilities, a good connection to universities, researchers and academics is important as well as intensive supportive management systems with specialist business support and access to funding streams.

5.2 Officers are working with Medway's communications team and the appointed nationwide agent, Avison Young and local agent Harrisons to promote and market IPM.

5.3 Promotional material is being installed across Medway and other strategic areas:

- Advertising boards are due to be installed along Maidstone Road on the IPM temporary fence.
- Bus stop campaigns and lamppost flags around the site area.
- Billboards outside key train stations including Ashford International, Chatham, Dartford, and Sittingbourne.

5.4 Two IPM launch events to celebrate the completion of infrastructure works. The southern event took place at the end of January and northern site event end of February.

6. Programme and next steps

Southern site completion/media event	January 2023
Northern site completion/media event	February 2023
Southern site tender activity to appoint construction team	March 2023
Completion of Northern site infrastructure work	April 2023
Mobilisation and construction work starts on Southern site building	Autumn 2023
First tenant occupation of Southern Site	September 2024

7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Interest in the site is not as expected; if businesses do not come forward to occupy the site.	Legal terms being agreed with potential occupants for both Southern and Northern site	Continue to market plots on northern site and office space available to lease on southern site. Promotional events have been planned as well as other marketing activity to promote the site.	C2
Inconsistencies in the IPM Masterplan and Design code have come to light. This needs to be reviewed prior to construction of buildings on site.	Consultants working with Planning and Project Officers to review the updates and agree a way forward.	Once agreed the recommendation may need to go to Cabinet for adoption.	C2

For risk rating, please refer to the following table (please **retain** table in final report):

Likelihood	Impact:
A Very high B High C Significant D Low E Very low F Almost impossible	1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible

8. Financial implications

8.1 There are no financial implications as a direct result of this report.

9. Legal implications

9.1 There are no legal implications as a direct result of this report.

10. Recommendations

10.1 The Committee is asked to note the contents of the report and provide any comments.

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Appendices

None

Background papers

IPM Masterplan, Design Code and LDO - <https://www.medway.gov.uk/ipm>