

**ANGUS COUNCIL****ECONOMIC DEVELOPMENT COMMITTEE****27 FEBRUARY 1997****SUBJECT: FEES ASSOCIATED WITH FACTORY DESIGN****REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT**

**Abstract:** In order to progress the design of advance factories associated with the Council's Challenge Fund Bid associated with the closure of RAF Edzell it will be necessary to incur some Architectural and Quantity Surveying fees within the current financial year. This report seeks to incur £20,000 on fees within the current financial year.

**1 RECOMMENDATION**

It is recommended that the Committee approve the expenditure of £20,000 on fees to Property Services associated with progressing design work on advance factories at Forties Road, Montrose and at Arbroath Enterprise Park.

**2 INTRODUCTION**

- 2.1 The Committee is referred to Article 5 of the Economic Development Committee meeting on 16 January 1997 which records that the Committee approved the Challenge Fund Bid submitted in association with efforts to ameliorate the impact of the RAF Edzell US base closure. The Committee is also referred to Article 8 of the Economic Development Committee meeting on 21 November 1996 which considered the need to proceed with investigations into the provision of land and premises throughout Angus.

**3 ADVANCE FACTORY PROVISION**

- 3.1 The Challenge Fund Bid submitted on behalf of the Council and Aberdeenshire Council identifies the need to provide an advance industrial unit at Forties Road, Montrose as part of the package of measures to improve job opportunities in North Angus. The construction of this factory (2787m<sup>2</sup>) estimated cost £1,615,402 was programmed within the bid to proceed within the 1997/98 financial year and there is therefore an urgent need to progress design work. In addition, allowance has been made within the 1997/98 Capital Programme for £160,000 for the construction of an advance industrial unit. There is an identified demand for units capable of being utilised for the food industry, particularly within the Development Area where potential exists for companies to take advantage of Regional Selective Assistance. Proceeding with the provision of such a unit within Arbroath Enterprise Park will allow the Council to submit an application for European Assistance at an estimated intervention rate of 40% (£64,000) thereby increasing the capital available to £224,000. It is anticipated that a unit(s) totalling around 500m<sup>2</sup> could be constructed for this cost.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 The overall fees associated with the construction of 3,287m<sup>2</sup> of industrial floorspace will be considerable. The Director of Property Services has agreed to structure his fees to achieve a high design return initially on the understanding that the factory construction at Montrose in particular is dependant on the Challenge Fund being successful and will not proceed in 1997/98 if unsuccessful. An allowance has been made for £20,000 of fees to be incurred from the Economic Development Capital Programme within the current financial year.

#### **5 CONSULTATION**

- 5.1 The Chief Executive and Directors of Law and Administration, Finance and Property Services have been consulted in the preparation of this report.

#### **6 CONCLUSION**

- 6.1 In order to achieve the projected Capital spend within 1997/98 financial year it is imperative that design of the factory buildings identified above should proceed immediately. A further report on the Montrose factory will be submitted pending the Scottish Office decision on the Challenge Fund Bid. Details of the proposed Arbroath factory will also be reported in advance of tenders being sought.

#### **NOTE**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/NP/MR

11 February 1997

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