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PUBLIC

To: Members of Cabinet Member meeting - Clean Growth and Regeneration

Wednesday, 1 July 2020

Dear Councillor

Please attend a meeting of the **Cabinet Member meeting - Clean Growth and Regeneration** to be held virtually on MS Teams at **9.30 am** on **Thursday, 9 July 2020**; the agenda for which is set out below.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue horizontal line.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Declarations of Interest

 To receive declarations of interest (if any)
2. To confirm the non-exempt minutes of the meeting of the Cabinet Member – Clean Growth and Regeneration held on 19 March 2020 (Pages 1 - 4)
3. To consider the non-exempt report of the Executive Director of Economy, Transport and Environment on the Regeneration of the Former Coalite Chemicals Site (Pages 5 - 8)

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MINUTES of a meeting of the **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND REGENERATION** held on 19 March 2020 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillors G Hickton and R Mihaly

03/20 **MINUTES RESOLVED** that the minutes of the meeting held on 16 January 2020 be confirmed as a correct record and signed by the Cabinet Member.

04/20 **BUDGET MONITORING 2019-20 PERIOD 9** The Cabinet Member was provided with an update of the Revenue Budget position for 2019-20, up to the end of December 2019. Despite the current pandemic, everything was currently remaining fluid and the Government were responding quickly.

The net controllable budget for the Economic Development and Regeneration Portfolio was £0.701m. The Revenue Budget Monitoring Statement, prepared at Period 9, indicated that there was a projected year end underspend of £0.034m. The areas which made up this projection were detailed in the joint report.

There was an Economic Development underspend of £0.049m: matched funding had been successful with the leveraging of EU funding (notably European Regional Development Fund) since 2015. The implementation of the revised 'enterprise and investment' function was continuing however recruitment had not been completed resulting in some staff underspend. Business support interventions and investment/trade promotion continued to be developed.

There was an Employment and Skills overspend of £0.075m due to incurring salary costs that were not budgeted for and which were pending rationalisation of the whole Economy and Regeneration Service structure.

There was an underspend of £0.063m for Markham Vale due to a reduction in salary spend as relevant salaries were being charged to capital.

The impact of Brexit on the demand for services from the Economy and Regeneration portfolio was not yet known. Partnership working to support Brexit readiness was continuing.

Earmarked Reserves, totalling £0.691m, were currently held to support future planned expenditure. These were detailed within the report.

RESOLVED that the Cabinet Member note the report.

05/20 D2EE (DE-CARBONISE) PROJECT EXTENSION AND DELIVERY The Cabinet Member accepted the late report which sought approval to endorse the grant funded D2EE project extension to October 2022, now entitled DE-Carbonise.

The D2EE project was to build on Derby City Council's 'BESPOKE' pilot project, which provided energy efficiency support and advice to local businesses. Building a Derbyshire-wide programme helped ensure the County started to develop increasing renewable and de-centralised energy capacity, and assisted businesses with reducing their carbon footprint.

The project had delivered a number of key outputs, including over 400 energy audits for D2 businesses; 168 companies had been supported with grants to assist with energy efficiency measures, resulting in 1,179 tonnes of carbon being saved. Outputs had been impressive for the County Council with over 300 energy audits being undertaken, 110 businesses obtaining grant funding and over 860 tonnes of carbon being saved.

Furthermore, the project was the local authority category winner of the East Midlands Regional Energy and Efficiency Awards 2019, as well as being a finalist in the Association of Public Service Excellence (APSE) Energy Efficiency Awards and the Institute of Environmental Management and Assessment (IEMA) Sustainability Impact Awards.

The Business Rate Retention Programme was contributing £224,904 towards staff costs up to October 2022 and ERDF was contributing £2.3m funding for business grants at a 40% intervention rate, matched with 60% from the private sector. The total funding for the project extension would be £5,172,000 for which 50% ERDF had been sought.

Direct D2 outputs for the project had been forecast as over 400 businesses supported and over 115 businesses receiving grant support. As a result of the extension and respective interventions, the project would lead to a reduction in greenhouse gases of 969 tonnes.

The additional monies were wholly reclaimable via the University of Derby, as the project accountable body for the Ministry of Housing Communities and Local Government (MHCLG) and ultimately the ERDF, and was paid over to Derbyshire County Council on a quarterly basis.

RESOLVED that the Cabinet Member (1) note the success of the project in terms of the 1,179 tonnes of carbon being saved, and being the local authority category winner of the East Midlands Regional Energy and Efficiency Awards 2019, in addition to being a finalist in the Association of Public Service Excellence (APSE) Energy Efficiency Awards and the Institute of Environmental Management and Assessment (IEMA) Sustainability Impact Awards; and

(2) agree an extension to the project until October 2022 at an additional amount of £0.460m, which would be wholly reclaimed from the Ministry of Housing Communities and Local Government (MHCLG) and ERDF via the University of Derby, on a quarterly basis.

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Author: Peter Storey
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DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – CLEAN GROWTH AND REGENERATION

9 July 2020

Report of the Executive Director – Economy, Transport and Environment

REGENERATION OF THE FORMER COALITE CHEMICALS SITE

(1) **Purpose of Report** To seek the Cabinet Member's approval to accept and sign the revised Grant Confirmation Document dated 5 May 2020 issued by Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) and the programme of payments for the previously agreed Derbyshire County Council grant contribution based on the revised outputs and target dates submitted by Bolsover Land Ltd (BLL) for the regeneration of the former Coalite Chemicals site, as set out at Appendix 1.

(2) **Information and Analysis** At the meeting on 11 October 2016, Cabinet approved grant funding of £2.0022m towards the £21.8m regeneration of the former Coalite Chemicals site subject to satisfactory compliance with State Aid requirements and a robust, acceptable business being submitted by BLL (Minute No. 305/16 refers).

BLL also secured £5,797,800 Local Growth Fund (LGF) grant funding from D2N2 towards the costs of the regeneration works.

The business case submitted by BLL and agreed by both the Council and D2N2, required BLL to achieve a series of spend target dates and outputs relating to job numbers (1,525), areas of land remediated (28.2ha), areas of commercial development land created (28.2ha) and 660 housing units constructed.

BLL achieved its target spend requirement (end of 2016-17 financial year) for the D2N2 contribution of £5,797,800, but has not yet claimed the Council contribution of £2.0022m towards the costs of the infrastructure. BLL also achieved the target of 28.2ha of land remediated, but not the other output targets for the reasons set out below.

As a result of HS2 Ltd announcing a revised alignment for the proposed High Speed HS2 route through the Coalite site, BLL, in consultation with the Council, D2N2, North East Derbyshire District Council and Bolsover District Council, sought to revise the planned layout and use of the site. This change in use of the site resulted in the removal of all the proposed housing land to be replaced with a greater area of commercial development. This change in use of the site

necessitated the requirement for BLL to secure revised planning approval and approval for the necessary changes in both on-site and off-site highway infrastructure. These design revisions and the process of securing the necessary regulatory approvals took BLL longer than originally anticipated.

Current Position

BBL has secured full planning permission from both North East Derbyshire and Bolsover District Councils for completing the remediation of the site for employment use. In addition, a Masterplan for the whole site development has been agreed, along with a design framework providing the principles on how the built development will look and fit in to the overall landscape design.

Work is currently underway to complete the remediation of the site following the completion of Phase 1 in 2017 which was funded using the D2N2 grant. BLL has also agreed a revised programme for completing the highway infrastructure.

Following receipt of planning approval for the revised masterplan, BLL approached D2N2 to seek a revised funding approval based on the revised outputs of:

New Jobs:	2,253
Area of commercial development:	42.49ha

D2N2 agreed BLL's revised funding request and issued the revised Grant Confirmation Document on 5 May 2020. The document also sets out revised target dates for the completion of the works (see Appendix 1).

(3) **Financial Considerations** Cabinet previously approved grant funding of £2,002,200 (Minute No. 305/19 refers) towards the £21.8m regeneration of the former Coalite Chemical site, but the need by BLL to agree revised outputs and delays in delivering the project has meant that the council's contribution has not yet been claimed. Appendix 1 illustrates the key milestones that claims for payment of the Council's contribution towards the infrastructure costs will be assessed against prior to the authorisation of stage payments.

Given the complex nature of the project and the potential for delays in achieving output and spend profiles, exact details of the grant drawdown schedule have yet to be agreed. In any event, grant payments will only be made based on the developer achieving the required outputs and copies of invoices submitted with each claim. Therefore, Cabinet Member approval is sought to delegate responsibility to the Executive Director – Economy, Transport and Environment to agree a programme of payments with BLL, as it achieves the revised outputs and target dates.

Other Considerations

In preparing this report, the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity,

human resources, environmental, social value, health, property, and transport considerations.

(4) **Key Decision** No.

(5) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Held on file by the Economy and Regeneration Service within the Economy, Transport and Environment Department.

(7) **OFFICER'S RECOMMENDATIONS** That Cabinet Member:

7.1 Accepts and signs the revised Grant Confirmation Document, dated 5 May 2020, issued by Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2).

7.2 Agrees to delegate responsibility to the Executive Director – Economy, Transport and Environment to agree a programme of payments with Bolsover Land Ltd (BLL) for the previously agreed Derbyshire County Council grant contribution, as BLL achieve the revised outputs and target for completing the infrastructure for the regeneration of the former Coalite Chemicals site.

Mike Ashworth
Executive Director – Economy, Transport and Environment

Appendix 1

Extract from the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Funding Confirmation Agreement dated 5 May 2020.

Bolsover Land Ltd to complete the project to the key milestones set out below.

	Key milestones from the Business Case e.g. Planning Permission granted, work commences on site etc.
2019/20	
Quarter 1	
Quarter 2	
Quarter 3	Phase 1A & 1B-reserved matters planning approval. Phase 2A outline planning application submitted.
Quarter 4	Phase 2C planning submitted
2020/21	
Quarter 1	Phase 1B & 2C remediation commences. Phase 2A outline planning approved.
Quarter 2	Phase 2C planning to be granted. S278 works commence
Quarter 3	Phase 1A infrastructure commences
Quarter 4	Phase 1B & 2C remediation complete. Phase 2A remediation commences
2021/22	
Quarter 1	
Quarter 2	Phase 1B infrastructure commences. S278 works complete. Phase 1A infrastructure works complete.
Quarter 3	
Quarter 4	Phase 2A remediation complete. Phase 2C infrastructure commences.
2022/23	
Quarter 1	
Quarter 2	Phase 1B infrastructure complete. Phase 2C infrastructure complete
Quarter 3	Phase 2A infrastructure commences
Quarter 4	
2023/24	
Quarter 1	
Quarter 2	
Quarter 3	Phase 2A infrastructure complete
Quarter 4	