



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Thursday, 8 December 2022

Report of the Executive Director - Place

Markham Vale Progress

(Cabinet Member for Clean Growth & Regeneration)

1. Divisions Affected

- 1.1 Barlborough and Clowne, Bolsover North, Staveley, Staveley North and Whittington, and Sutton.

2. Key Decision

This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are, significant having regard to the budget for the service or function concerned (this is currently defined as £500,000) and is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

- 3.1 The purpose of this report is to inform Cabinet of the continuing success and progress being made at Markham Vale and to provide an overview of economic development activity over the period October 2021 to September 2022.
- 3.2 Cabinet is asked to note the continued success and progress in redeveloping Markham Vale and the scale and nature of work required to be undertaken over the coming years to complete the project.

4. Information and Analysis

- 4.1 Markham Vale is the Council's flagship regeneration project and was set up to create an attractive and accessible business park over 85 hectares (200 acres). Centred around the former Markham Colliery site, located between Staveley and Bolsover in the north of the County, the project was set up in 2006 to create up to 4,100 jobs, improve existing/build new roads, bring in around £170 million of private sector investment and develop over 3 million ft² of commercial floor space.
- 4.2 In short, Markham Vale was established as a catalyst for regeneration in a deprived former coalfield area of Derbyshire and to generate business rates income for re-investment in the Derbyshire economy over the long term. Progress on development at Markham Vale was last considered by Cabinet on 14 October 2021 (Minute No.171/21 refers) and this report serves as the annual update on progress.

Overview

- 4.3 To date, the Markham Vale project has brought forward 174 of the 200 acres available for development. Of the 174 acres created, 152 acres are now either fully developed or have buildings under construction.
- 4.4 A clear mark of success is progress against one of the key performance indicators on job creation measured through the annual survey undertaken in March each year. The 2022 survey recorded 2,702 people in full time equivalent jobs compared to 2,232 people in 2021; this increase of 470 is the third largest annual increase in the number of jobs created and is considered a remarkable achievement by the Markham Vale businesses given the country was still partly in COVID-19 lockdown during that period. The survey will be repeated again in March 2023 and will be a test of business resilience within the context of the national economic climate.
- 4.5 The significant progress made in relation to bringing forward individual development sites and construction of new buildings is summarised below:

Markham Vale East

- 4.6 Refer to Appendix 2 Drawing 33A1451-1 Development Land Use and availability WEST & EAST – Note the red shaded areas indicate the plots that currently are either unprepared or undeveloped.

Plot 1 North

- 4.7 Works have been partially completed to level The Sidings plot for future development, subject to securing full title ownership and the necessary

planning approval. This work includes demolition of the redundant North Tip bridge; a replacement timber footbridge will be installed further downstream in the early part of 2023.

Plot 2 South

- 4.8 The building previously occupied by X-Bite Ltd, an internet-based retail company, has been vacated as the company's interests were acquired and subsequently moved out of the area. Officers are supporting the building's owners in securing a new occupier.

Plot 5

- 4.9 The 40,000 ft² building, previously vacated by Squadron Medical, is now leased to Beacon Medeas Ltd, part of an international medical equipment supply company.

Plot 9a

- 4.10 Continues to be marketed for a range of commercial and industrial uses.

Markham Vale West

- 4.11 Refer to Appendix 2 Drawing 33A1451-1 Development Land Use and Availability WEST & EAST – Note that the red shaded areas indicate the plots that are either unprepared or undeveloped.

Plot 6

- 4.12 The Council completed works to create an additional 0.7 acre development plot at the southern end of Plot 6 on Enterprise Way.
- 4.13 The Council's development partner, Henry Boots Development (HBD) submitted a detailed planning application for the speculative development of four buildings totalling 107,250 ft² of industrial and warehousing space. Marketing of these new units is already underway.

Plot 7

- 4.14 Construction of a drive-thru family fish restaurant for Chesterfield-based Chesters Ltd is nearing completion with a planned opening before the end of 2022.
- 4.15 Terms have been agreed for the sale and subsequent development of the remaining 'service area' plot on Plot 7 East. Subject to securing planning approval, the construction of a Dunkin Donuts restaurant will commence in early 2023.
- 4.16 Planning approval has been secured for the development of an Electric Forecourt on Plot 7 West. The all-electric service station on Enterprise

Way, to be built and operated by Gridserve, will provide 30 charging points for cars, electric lorries and other HGVs, as well as shops and a café. When complete, it will be the region's first all-electric service station offering Derbyshire residents access to environmentally friendly energy services. Subject to securing all necessary approvals and completing legal agreements, construction is planned to start during Summer 2023.

4.17 Marketing of the remaining part of Plot 7 West is underway.

4.18 The work programme for the coming year will be focused on completing the highway and access infrastructure as new built developments come on stream.

Markham Vale North

4.19 Refer to Appendix 3 Drawing 33A1451-2 Development Land Use and Availability NORTH.

Plots 13 and 14

4.20 There are four businesses based on these two plots comprising Great Bear, Sterigenics, Protec International and Ferdinand Bilstein; the latter three all have options to increase the size of their facilities as their businesses grow. Discussions are ongoing with the companies to identify potential opportunities for bringing forward the expansion and growth options.

Plot 15

4.21 The two speculatively developed industrial buildings on the 15 acres site for Aver are both leased to occupiers, Gallery Lighting and Smurfitt Kappa. Gallery Lighting, a furniture and lighting company, lease the larger of the two buildings measuring 221,518ft² building. The 75,500ft² building is leased to Smurfitt Kappa; this is in addition to its existing manufacturing and printing facility on Markham Vale East.

Plot 16

4.22 During the year, Gist completed construction works to extend its facility on land previously acquired from the Council.

Markham Vale North Expansion (MVNE)

4.23 The Council's development partner, HBD, has established a joint venture company, MVNE LLP, with the owners of adjoining land to bring forward additional sites for industrial and commercial use. The Council has agreed terms, subject to the company securing planning approval, for the release of surplus land at Markham Vale to enable the expansion site to be brought forward.

- 4.24 Of the above developments that have been completed, the private sector investment secured at the site is estimated in excess of £270m.
- 4.25 Marketing of the remaining development plots continues and it is likely that additional infrastructure provision will be required for each new development to meet occupier and business needs. Two further, large development plots, comprising 11 acres, remain to be remediated on the site. Terms have been agreed to secure clean ownership title on both plots; subject to legal completion, works can start on bringing them forward for development.
- 4.26 One of the original concepts for the Markham Vale project was to facilitate sustainable travel options for both home-to-work routes and for the benefit of the local community to access and enjoy the newly restored and landscaped areas. Several routes to, from and through the site have already been constructed but some phases remain to be completed. One such route runs parallel with the A632 connecting Markham Vale with Bolsover Business Park where it meets the current end of the Stockley Trail – works to construct this 1.1km long walking/ cycling route were completed during the year. Designs for a further 2km cycling route between the Environment Centre and Seymour Link Road have been completed and a bid for funding to meet the costs of the works has recently been submitted as part of the Council’s Devolution Deal for Cycling and Walking projects; subject to securing funding, construction works can start in early 2023.

Planning and Environmental Quality

- 4.27 The Council continues to work closely with the district/borough planning authorities in the preparation and submission of planning applications for either new, individual development proposals and/or the discharge of the outstanding conditions relating to the various phases of the overall Markham Vale site. The three local planning authorities (Chesterfield, North East Derbyshire and Bolsover) have recently approved a revision to the site-wide Design Framework which sets out a range of parameters to be used in the design of the scale and appearance of all new built developments including hard and soft landscaping areas.
- 4.28 BEAM continues to assist the Council in delivering its Public Art Action Plan, one element of which is the Markham Mining Memorial where the artist, Stephen Broadbent, was commissioned to develop the Walking Together installation. The installation comprises 106 figures that represent those individual miners killed in the three colliery disasters at Markham (Appendix 4 Walking Together).

- 4.29 The final 13 figures of the Walking Together Memorial were installed in October 2022, thanks to the support of a range of organisations and individuals. Sponsorship was generously provided by Valencia Communities Fund, Great Bear, Reckitt and Henkel, The National Lottery Heritage Fund and generous public donations. This installation event was a milestone in the public art Mining Memorial project as it is 10 years since the first two figures were installed.
- 4.30 The National Lottery Heritage Funding enabled the Council to hold a 10th year celebration event and to update the Story Mine by commissioning:
- Broadbent Studios to install stencils along the Walking Together route where there are gaps between the various groups of miner's figures.
 - Rhubarb Design to design and print Walking Together display panels and leaflets and to help publish a commemorative book.
 - Angie Hardwick, a ceramics artist, to work with schools to design and create 106 ceramic medallions.
 - Kyle Evans, a George Formby tribute act to perform at the event – the original George Formby performed at a fund-raising concert in Chesterfield in 1938 to raise funds for the mining disaster families.
 - The writer Lynn Ludditt to work with schools and local communities on creative writing projects.
 - The Markham Vale Heritage Group to lead mining heritage themed walking tours around Markham Vale.
 - David King Photography to record the event through photos and video and to publish a video.
- 4.31 In conjunction with the 10th anniversary event, National Lottery Heritage Fund also allowed the Council to commission Harper Creative to refresh the Story Mine website (<https://markhamstorymine.org/>) to include the stories and family history of the final 13 miners to be commemorated and also to incorporate photos and videos of the launch event and the new route map.

Other Services

- 4.32 The Council has a growing reputation and success in assisting new businesses to identify and fulfil recruitment and training needs. The 'Grow Your Workforce' service aims to connect businesses with other organisations and resources to help secure employment and training opportunities for local people. Discussions are ongoing with existing businesses, and the new ones locating to Markham Vale, to identify areas where the Council can assist including support and promotion of recruitment and careers fairs where businesses have been encouraged to attend and resulting in the successful recruitment of new employees.

- 4.33 The Markham Vale team has been proactive in making greater use of social media accounts to help businesses promote vacancies and job creation news to as wide an audience as possible. Over the past year, the rate of new job opportunities being created has remained constant and between 80 and 100 vacancies are promoted each month.
- 4.34 Another example of the type of service provided is the connection provided to the Human Resources (HR) Team at X-Bite in assisting its 50 plus employees who were facing redundancy as the business closed its Markham Vale facilities. Discussions were quickly opened by the Markham Vale team with other businesses to identify potential vacancies. All redundant employees quickly found alternative employment, most of them with other businesses at Markham Vale.
- 4.35 The local business community is supported by the availability of conference and training facilities at the Environment Centre to support businesses in delivering courses and conferences to meet their growing needs. The Environment Centre also hosts a number of small and start-up businesses in varying sized offices and workshops. The Council provides a range of signposting and support services to help them grow their businesses. Over the past year, a small number of these businesses have grown to the extent that they have left the Environment Centre to locate to larger premises and likewise, the Council has welcomed new ones; companies which have recently located to the Environment Centre include Abbey Perfumery, Chesterfield Glazing Services, Wax this Way (a scented candle manufacturer) and Spire Access (a working at heights specialist company).

Governance: Partnership Working with HBD

- 4.36 HBD was appointed in 2003 as the Council's private sector partner to develop the Markham Vale project. The Partnership Agreement requires both partners to work in a spirit of mutual trust and co-operation and sets out key elements and roles of each partner. Following Cabinet approval, the Partnership Agreement was recently extended to December 2027, with an option to mutually end sooner if development work is completed at an earlier date.
- 4.37 A number of boards have been established to oversee delivery of Markham Vale, including an Operations Board which undertakes day to day supervision of site and infrastructure development; a Senior Officers' Board which manages implementation of the development as a whole; and a Partnership Board to oversee the Development Partnership. Each Board consists of three representatives from the Council and three from HBD.

- 4.38 Legal advice on managing the Partnership Agreement between the Council and HBD and the individual development disposals continues to be provided by Geldards LLP.
- 4.39 The Council continues to provide a range of site management and maintenance services across the wider 900 acres Markham Vale site under the branding of Markham Vale site facilities. The costs of providing services will be fully met when the site is fully occupied by income from the site facilities charge levied on all the businesses based at Markham Vale. This index linked charge is based on the acreage that the businesses occupy. Currently, the development site is approximately 75% sold and occupied.

Programme Management

- 4.40 As outlined earlier in this report, priority over the past year has been focused on securing new occupiers and completing developments. The anticipated progressive development on Markham Vale West and the infill development on Markham Vale East will require the completion and installation of plot-specific infrastructure over the coming 2-4 years, along with completing outstanding planning obligations. Pace and momentum in the final stages of the project will be dependent on external market forces.
- 4.41 Ensuring effective project and programme delivery to meet the timely requirements of inward development investment challenges is aided by the Council's approach to delegated approval aligned to the Executive Director – Place, and the Leader of the Council. To support continued programme delivery, the Place Department will continue its approach to project and programme management, ensuring critical alignment of available resources to support delivery.

5. Consultation

- 5.1 Not required.

6. Alternative Options Considered

- 6.1 Ensuring timely and effective progress against the planned delivery programme is essentially in supporting growth in this deprived area of Derbyshire. There is an option to slow down the rate of progress and deprioritise site development but this would be counter-productive to job creation and achieving the much-needed rate of return on the Council's previous level of investment. There is approximately 2 to 3 years of site development remaining at Markham Vale and opportunities for long term delivery options will be considered over this period.

7. Implications

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

- 8.1.1 Annual Jobs Survey.
8.1.2 The Markham Vale Design Framework.
8.1.3 Project Files.

9. Appendices

- 9.1 Appendix 1 – Implications
9.2 Appendix 2 - Drawing 33A1451-1 Development Land Use and availability WEST & EAST.
9.3 Appendix 3 - Drawing 33A1451-2 Development Land Use and Availability NORTH.
9.4 Appendix 4 - Walking Together

10. Recommendations

That Cabinet:

- a) Commends the level of success and recent progress in bringing forward development sites and jobs at Markham Vale since October 2022.
b) Notes and agrees the scale and nature of work planned to be undertaken over the coming years to complete development of the project.

11. Reason for Recommendation

- 11.1 This report is an annual progress report prepared in order to keep Members informed of the progress of the Markham Vale project.

12. Is it necessary to waive the call in period?

- 12.1 No.

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Implications

Financial

Budget 2020-21

- 1.1 The Capital budget for 2021-22, incorporating slippage from the previous year, resulted in an outturn expenditure of £0.970m.
- 1.2 Remaining Capital expenditure on the project is estimated at £2.333m. Works included in this cost estimate comprise remaining land disposal legal fees, provision of infrastructure as each plot is brought forward for development, works to meet the outstanding planning and contractual obligations, remaining landscaping works and all associated design fees. The costs of these remaining works can be fully funded from capital receipts from the sale of the remaining development plots currently, but all opportunities will continue to be identified to secure alternative grant funding where appropriate.
- 1.3 The Markham Vale project will see the creation of up to 200 acres of new development land sold and occupied to the private sector. The remaining area of over 600 acres largely comprises woodland, water features, grassland and other amenity land and on completion of the project, is intended to be managed and maintained through the Markham Vale Site Facilities which is fully funded through an index-linked charge levied on each occupier based on the acreage they own/occupy. The current charge amounts to £1,330 per acre and in this financial year generates a revenue income of approximately £201,000 towards the Site Facilities Maintenance costs of £266,000; the shortfall is currently funded by part of the surplus generated by rental income from the business units at the Environment Centre. As each plot is sold and developed then the revenue generated from the Site Facilities Charge will increase, such that when the site is fully developed the service will be cost neutral.
- 1.4 The budget and programme will be kept under review and regular reports made to Cabinet.

Legal

- 2.1 Advice on managing the Partnership Agreement between the Council and HBD and the individual development disposals continues to be provided by Geldards LLP.

Human Resources

3.1 None directly related to this report.

Information Technology

4.1 None directly related to this report.

Equalities Impact

5.1 Work with developers and new occupiers at Markham Vale is undertaken to support recruitment of new staff – advertising, encouraging and supporting recruitment from within the local area.

Corporate objectives and priorities for change

6.1 The continued redevelopment of Markham Vale directly supports the Council's objective to create a 'green and prosperous Derbyshire' as set out in the Council Plan 2021- 2025. Specifically, the creation of new employment opportunities at Markham forms part of the county's response to tackling the economic impacts of COVID-19 which is a stated priority action in the Council Plan.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.