



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

6 April 2023

Report of the Executive Director - Place

**Regeneration Pipeline Programme – Chesterfield-Staveley Regeneration
Route**

(Cabinet Member for Infrastructure and Environment)

1. Divisions Affected

1.1 Staveley North and Whittington and Brimington.

2. Key Decision

2.1 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/or it 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 To update Cabinet on progress and next steps for preparation of the Chesterfield-Staveley Regeneration Route (CSRR); to seek approval to the carrying out of consultation, to note the provision of further financial resources to enable work to continue; to seek approval in principle to the acceptance of grant funding.

4. Information and Analysis

- 4.1 The CSRR constitutes the single, largest project within the Council's Regeneration Pipeline (part of the Growth Zone North Programme), creating a highway link of 6km that will parallel the A619 between Tupton and Staveley and open up to the east of Chesterfield along the 'Staveley Corridor' and support the delivery of up to 1,800 homes and 3,400 jobs.
- 4.2 The scheme has a provisional grant allocation through the Government's Large Local Majors (LLM) element of the Roads Investment Strategy (RIS) programme which is managed by the Department for Transport (DfT). Currently, the scheme is at a preparatory stage – Outline Business Case (OBC) - and is targeted for construction between 2025 and 2027. Derbyshire County Council (DCC) is the scheme sponsor on behalf of DfT, working closely with Chesterfield Borough Council (CBC) as a committed delivery partner.
- 4.3 Ahead of construction, the scheme requires planning consent - for which preparatory work is underway - and land assembly, for which Cabinet approvals will be sought in due course. All affected landowners are already engaged in the preparation process through matters such as access to land for surveys, but no negotiations have yet commenced over land acquisition.
- 4.4 The project has strong governance in place which reflects the partnership nature of delivery. In addition to focused working groups involving officers from DCC and CBC framed around key themes/issues, the governance arrangements are:
- The Project Control Board - meets weekly, is chaired by DCC and attended by all key professional officers from both the County and Borough/District councils, supported by external project management and contractor input both directly and through various working groups. This informs the provision of updates to the Regeneration Programme Assurance Board.
 - The elected member Programme Board – is strategic and advisory. It meets bi-monthly and comprises senior officers and DCC portfolio holders.
 - The Joint Growth Board – meets every two months and is attended by the Leaders, portfolio holders and senior officers of both the County and Chesterfield Borough councils to address the key relationship and delivery issues across an agreed programme of projects, including the CSRR.

4.5 It is considered that the current governance arrangements provide senior officers and portfolio holders with sufficient oversight of the various workstreams to ensure that the project remains on track for successful delivery or to quickly identify and address issues during the lifespan of the project.

Current Position and Next Steps

4.6 Cabinet last considered the project at its meeting of 8 December 2022 and agreed to:

- a) Note the update and issues set out in the report and in its Appendices 1 and 2.
- b) Approve delegated authority to the Executive Director – Place, in consultation with the Cabinet Portfolio Holder, Infrastructure and Environment and Section 151 Officer to undertake final amendments to the draft OBC, prior to submission.
- c) Approve to submit the OBC to Government for access to grant funding.
- d) Approve the release of £2 million capital receipts, as allocated to the project in June 2022, to fund the next stages of project preparation work.
- e) Authorise officers to commence work on collaboration agreements with public and private sector partners over project funding and risk.

4.7 A key action to note relating to the above is that the formal submission of the OBC to Government took place during January 2023. At the time of drafting this report to Cabinet, limited feedback had been received from DfT, with a full response from Government expected from April onwards.

4.8 Other work on preparation of the project continues, in particular on scheme design and preparation of a planning application. Both of these relate to one of the two matters requiring decisions of Cabinet at this meeting.

Public Engagement

4.9 Cabinet has previously given its approval to carrying out consultation on the project. This took place during March and April 2022 and was held using an online, virtual town hall approach with printed material also available to those households without access to the internet. A total of 17,500 letters and leaflets were distributed along the length of the corridor to make residents and businesses aware of the scheme. In addition, the consultation was supported by traditional media (Derbyshire Times) and social media (DCC, CBC and Derbyshire Times Twitter and Facebook accounts) postings.

4.10 In total, 377 responses were received to the public consultation exercise, with 60% of responses supporting the building of the regeneration route. For those that did not support the scheme, or those that were seeking changes to the scheme, the themes most strongly raised in the responses include:

- Concern at impact to the Chesterfield Canal/associated wildlife/green corridor.
- Preference to extend the route to bypass Lowgates, continue to M1, or provide a dual carriageway.
- Concern at impact on the Heritage Green estate.
- Concern at level of proposed development, proximity of route to existing housing, and
- Potential for routeing of vehicles through Hollingwood and on Station Road (Brimington).
- Concern at impact on the two junctions at either end of the scheme (Sainsburys and Duke Street, including Eckington Road).
- Concerns relating to carbon impacts.

4.11 All of the above considerations are being taken into account in the ongoing work on design and planning for the scheme. Cabinet will appreciate though, that not all can be fully resolved and in particular, comments relating to alternative routes can only be noted.

4.12 The planning application for the scheme is scheduled for submission at the end of 2023 and will be made to the County Council as a 'County Matters' application. The planning authority will carry out a further period of public consultation at this point, but the application itself will include a Statement of Community Involvement to demonstrate that interested parties have been given the opportunity to comment and that these comments have been properly considered. It is therefore proposed to carry out a further round of consultation commencing in May 2023.; this will be through a combination of virtual and physical formats. Cabinet is requested to give its authorisation and to delegate the agreement of consultation format and materials to the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment.

Ground Investigation

4.13 Alongside the work outlined above, a key element of preparing for delivery is the testing of ground conditions through an extensive programme of boreholes and assessment of the material contained with core samples. It is known that the scheme crosses land with significant contaminants and previous shallow and deep coal mining activity. Whilst the scheme design and cost estimates do take these constraints

into account, it is an important part of preparing for construction to investigate them in more detail whilst there is still time available to amend design features if required – and any implications for costs estimates.

Project Resources

- 4.14 No specific authorisation is required from Cabinet to carry out ground investigation. However, this is a significant undertaking which will be very visible to the public and is also a substantial project cost. With regard to the latter issue, it is not proposed to initiate this work until clarity from DfT has been received over OBC approval, whether this will release any of the Large Local Majors grant funding to assist with cashflow considerations and, if so, what clawback provisions would be in place. Officers are working with DfT colleagues to build an understanding of these matters. In anticipation of grant funding being offered at OBC approval, delegated authority is sought for the Director of Finance and ICT to assess any conditions attached to this and, if satisfied, accept funding towards further project preparation to support this next phase of project work.
- 4.15 Irrespective of the situation with regard to the funding of ground investigation set out in Paragraph 4.14, continued development of the project through work on design, planning and land assembly will now require resources beyond those previously reported to Cabinet. This incremental approach to ‘gateway approval’ has been discussed previously and agreed with elected members – specifically the Cabinet Portfolio Holder for Infrastructure and Environment - and the Executive Director – Place. Delegated authority rests with the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, to make allocations from the Regeneration Kick Start Fund and Cabinet is asked to note that provision of up to £1.8 million will need to be made to cover essential activity up to and including August 2023. At this point, a further report to Cabinet will be required to update on OBC approval and consultation feedback and to consider the making of the planning application for the scheme. A summary of costs and activities is set out below in Table 1:

Table 1

Date	Cost and Source	Activity
To April 2023	£3.68 m (£1.0m Kick Start, £2.0 m capital, £0.68 m grant)	Business case preparation, preliminary design and consultation
April to September 2023	£1.8 m (Kick Start)	Design refinement, planning submission deliverables

		including Environmental Statement
From April 2023	£2.5 m (grant on OBC approval)	Ground investigation (subject to grant availability)

Key Project Risks

4.16 Cabinet's attention is drawn to the following as key project risks:

- Failure to secure sufficient grant funding; mitigated through formalising the submission of the Outline Business Case and active dialogue with Department for Transport.
- Failure to secure sufficient private sector funding and appropriate public sector contributions (if required); mitigated through work towards collaboration agreements with the relevant landowners.
- Failure to maintain progress in accordance with the project's delivery programme; mitigated through the release of further funding for upcoming activity in advance of grant confirmation from DfT.
- Risks associated with ground conditions along the route, in particular of contamination and mine workings; mitigated through the recommended provision of resources to undertake detailed ground investigation.

5. Consultation

5.1 Previous and planned consultation on the Regeneration Route is set out in paragraphs 4.9 to 4.12.

6. Alternative Options Considered

Public Engagement

6.1 Option 1: to not carry out any further public engagement at this stage. The consequences of this would be either a delay to the planning application submission or a risk that this would be made with insufficient evidence of community involvement.

Ground Conditions

6.2 Option 2: to reduce or delay the undertaking of ground investigation. This is a legitimate course of action but increases the significant risk of issues being discovered later in preparation or during construction which, if known, may have affected design or even a decision on whether to proceed.

Project Resources

6.3 Option 3: Noting that no decision on resources is placed in front of Cabinet through this report, the alternative to the proposed course of

action would be to delay the deployment of grant or of County Council resources which would impact upon the programme and hence the deliverability of the project.

7. Implications

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

8. Background Papers

- 8.1 Previous reports to Cabinet relating to the project: Regeneration Programme Pipeline reports dated 10 March 2022 (restricted) 16 June and 8 December 2022 (Minute Nos. 80/22, 118/22 and 208/22 refer).

9. Appendices

- 9.1 Appendix 1 – Implications

10. Recommendations

That Cabinet:

- a) Notes the progress being made on preparation of the Chesterfield- Staveley Regeneration Route.
- b) Approves in principle the carrying out of further consultation, and delegates authority to the Executive Director – Place, in consultation with the Cabinet Portfolio Holder, Infrastructure and Environment to agree the format and timing of this.
- c) Notes the need for the allocation of up to £1.8 million from the Regeneration Kick Start Fund to cover essential work before Cabinet next receives a report on the project, expected to be in September 2023.
- d) Approves in principle the acceptance of grant funding towards project preparation and delegates authority to the Director of Finance and ICT to review terms and conditions and to accept grant of up to £7.3 million.

11. Reason for Recommendations

- 11.1 To enable progress to be made towards delivery of the Chesterfield- Staveley Regeneration Route in accordance with the programme required in order to obtain grant funding for this.

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

12.1 No.

Report Author: Jim Seymour

Contact details: Jim.Seymour@derbyshire.gov.uk

Implications

Financial

- 1.1 Feasibility work on the Chesterfield-Steveley Regeneration Route has been supported through the Regeneration Kick Start Fund (£1.000m allocation made in 2021-22 and 2022-23) and £0.680m of capacity funding provided by Government on earlier approval of the Strategic Outline Business Case (OBC) for the project.
- 1.2 As noted in the body of the report, an additional allocation of up to £1.800m from the Regeneration Kick Start Fund has been made available to fund essential activity ahead of a further report to Cabinet expected to be in September 2023.
- 1.3 At its meeting of 8 December 2022, Cabinet also approved virement of £2.000m of capital receipts to the project.
- 1.4 The allocations from the Regeneration Kick Start Reserve (total £2.800m) will be recoverable from grant funding in due course, should the Outline Business Case be approved. This report seeks delegated authority for the acceptance of up to £7.3 million, representing £3.0 million of budget allocated to the project to date, £1.8 million required for essential work up to September 2023 and £2.5 million for ground investigation.
- 1.5 However, Cabinet should note that there is a risk that should the project not proceed to construction, grant funding will no longer be available. Meaning that the Regeneration Kick Start funding used to support the CSRR project will not be replenished and would mean limited funds would be available for other schemes.
- 1.6 Also, as these costs would be revenue it would mean that the £2.000m of Capital Receipts could not be utilised to cover any spend to date over that funded by the Kick Start Reserve.

Legal

- 2.1 Further reports to Cabinet will be required in line with the programme of gateway decisions to seek approval for progressing key steps in project delivery, including planning application submission, land assembly and Full Business Case submission, and to update Cabinet generally as to progress.

- 2.2 Collaboration agreements are required between the various delivery partners – public and private sector – to ensure expectations on the relevant level of financial contribution, risk management and commitment to cost management and timely delivery are fully understood and agreed. Work on the Heads of Terms which will support the more detailed collaboration agreements is commencing.

Human Resources

- 3.1 The portfolio of regeneration projects has significant implications for the workload of staff within the Economy and Regeneration Service and for supporting legal, property, finance and highways functions in particular. External support is commissioned for individual projects including the Chesterfield-Steveley Regeneration Route.

Information Technology

- 4.1 None.

Equalities Impact

- 5.1 Work on preparing and updating an equalities impact assessment will continue throughout project development. Issues will be identified and mitigated as far as possible within the scheme proposals.

Corporate objectives and priorities for change

- 6.1 The regeneration portfolio addresses directly a number of objectives set out in the Council Plan.

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

Property and Asset Management

- 7.1 No direct implications arise from the recommendations of this report.

Environmental Sustainability

- 7.2 Under the Council's Climate Change Strategy and Action Plan all infrastructure projects sponsored by the County Council will now be subject to a Climate Impact Assessment covering the whole-life carbon cycle and impacts upon resilience. For this project, it is under commission in parallel to an Environmental Statement.