



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

15 June 2023

Report of the Executive Director - Place

Regeneration Pipeline Programme Update

(Cabinet Member for Infrastructure and Environment and Cabinet Member
Clean Growth and Regeneration)

1. Divisions Affected

County-wide

2. Key Decision

- 2.1 This is a key decision because 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 The purpose of this report is to provide a quarterly progress update to Cabinet on the on-going and planned programme of regeneration projects, noting the successful completion of three major projects over the last reporting period.
- 3.2 The report also highlights key gateways that have been reached on a number of projects where go/no go decisions are required to enable progress or confirm next steps. These decisions are to:
- a) Approve the Council to acting in a delivery role for the Long Eaton (Town Deal) High Street project by undertaking highway and public realm works on behalf of Erewash Borough Council.

- b) Approve the addition of Long Eaton High Street to the capital programme and, in principle, to the Council acting as applicant for planning consent, carrying out procurement of contractors and carrying out public consultation, subject to appointment by Erewash Borough Council.
- c) Delegate approval for the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment and the Director of Legal and Democratic Services, to enter into legal agreements with Erewash Borough Council over Long Eaton High Street.
- d) Approve the proposed approach to project delivery and risk management for the Chesterfield-Staveley Regeneration Route over the short-term set out in paragraphs 4.24 and 4.25 pending outline business case approval by Government; this approach includes making arrangements to carry out non-statutory public engagement.

3.3 This report also sets out work being undertaken on two new projects which have emerged in recent months and seeks:

- a) Approval to add the projects to the Regeneration pipeline.
- b) Delegated approval to the Executive Director – Place, in consultation with the Cabinet Member for Clean Growth and Regeneration to prepare and submit proposals to Government to create an East Midlands Investment Zone.
- c) Approval in principle to the provision of up to £800,000 from the Climate Change Reserve to support the ‘Sixes’ project to provide hydrogen buses and re-fuelling facilities in the south of the County.
- d) Delegated approval for the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, the Director of Legal and Democratic Services and the Director for Finance and ICT to conclude negotiations with partners over the Sixes project and to enter into necessary agreements.

4. Information and Analysis

4.1 At its meeting on 23 February 2023, Cabinet received an update on the Council’s active regeneration programme which consists of a pipeline of 50+ major projects, framed around four broad programme areas which are:

- Market Towns
- Enabling Infrastructure
- Growth Zone South
- Growth Zone North

4.2 At the February meeting, Cabinet resolved to:

- Note the continued progress made across the current regeneration pipeline and the addition of Ashbourne Reborn.
- Approve the County Council acting in a delivery role for highway and public realm works under the Ashbourne Reborn programme.
- Agree to the addition of Ashbourne Reborn works to the capital programme and, in principle, to the Council acting as applicant for planning consent, carrying out procurement of contractors and carrying out public consultation as required.
- Authorise the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment and the Director of Legal and Democratic Services, to enter into legal agreements with Derbyshire Dales District Council over Ashbourne Reborn
- Approve the receipt of £750,000 of grant funding for delivery of walking and cycling infrastructure within Markham Vale. (Minute No. 25/23 refers).

4.3 Projects within the programme have been initiated either by the Council (e.g. transport schemes such as Ashbourne Relief Road), by Government (e.g. town deal proposals) or by district/borough councils (e.g. Hollis Lane Link Road) and are mostly externally funded – in whole or in part. The grant conditions of external funding often present significant challenges in terms of business case approval, cashflow and delivery timescales. The pipeline has a gross value of over £500m of capital costs. It is worth noting, however, the pipeline itself is a subset of a wider capital programme of work that consists of over 300 projects linked to Council assets.

4.4 The projects which make up the regeneration programme are at varying stages of preparation. Some, such as Swarkestone and Shirebrook Access, are at very early stages of development (Stage 0) whilst others are more advanced at either outline business case stage (Stage 2 to 3) or beyond (detailed design and construction etc).

4.5 The Council has a key role to play either as a direct sponsor or as a delivery partner in any of these projects, some of which have been subject to separate reports and approvals (e.g. for match funding of submission of business cases to Government); others may not have needed approvals to date, due to their state of preparation, i.e. the projects are at an early stage of development. Also, the Council's role in a project may vary over time; for example, from lead sponsor and enabler to 'delivery partner' when perhaps a district/borough authority may pick up lead responsibility.

- 4.6 Given the inevitable changes over time in the release of Government grant funding, plus the emergence of district and borough council policies and priorities – often in response to Government funding - the exact content of the pipeline will always be fluid.
- 4.7 In order to ensure that Cabinet remains sighted on the entire regeneration programme, regular updates (such as this report) are provided to confirm progress, highlight issues and bring forward key matters for approval. The table below provides an ‘at a glance, RAG-rated summary’ of the individual projects that make up the four programmes of work and highlights those requiring gateway decisions.
- 4.8 Cabinet should note that a more detailed review of progress, escalation of issues and operational decisions regarding pipeline projects is managed through recently refreshed governance which includes the Place Programme Board (chaired by the Executive Director - Place, Member Regeneration Steering Group (attended by the Cabinet Members for Clean Growth & Regeneration and Infrastructure & Environment), and corporate Portfolio Direction Group.
- 4.9 Some projects within the pipeline are close to completion but will be retained in future programme updates to report on the achievement of wider project outcomes such as the delivery of homes or commercial premises.
- 4.10 The current programme overview is provided in the table below. RAG ratings are provided based on the following criteria:
- Green – Progressing well, no escalation issues. On track and on budget.
 - Amber – Progressing. Issues relating to delivering programme or costs may be emerging. Likely to prompt escalation.
 - Red – Significant challenges to progress or budget resulting in escalation.

PROJECT (approximate gross cost)	CURRENT POSITION	DECISION REQUIRED	STATUS RATING
KEY UPDATES SINCE PREVIOUS REPORT			
Woodville- Swadlincote Regeneration Route (£13.4m)	Complete and open to traffic (Grant funded) New 1km road to facilitate development and relieve traffic congestion at Clock island.	N	GREEN

	Employment land now being brought forward		
Ashbourne Airfield Expansion (£6m)	Complete and opened to traffic on 19 May 2023. (Grant funded) New roundabout and link road to bring forward employment and housing site;	N	GREEN
Fairfield/Hogshaw Enabling Infrastructure (£2.4m)	Complete (Grant funded) Led by High Peak Borough with DCC as technical advisor. New roundabout and access to facilitate housing development. Provides section of White Peak Loop.	N	GREEN

GROWTH ZONE NORTH			
Hollis Lane Link Road Phase 1 (£10.8m)	Progressing (grant funded) Enabling work (land assembly and relocation of builders' merchant) complete. Highway construction is due to commence during 2023 and will facilitate delivery of the Chesterfield Station Masterplan by providing a new access to the station and through road. Revised planning application awaiting determination. Contractor engagement on-going to help confirm construction costs	N	AMBER
Chesterfield Station Masterplan (costs to be established)	Progressing (funding to be secured) Proposal includes Hollis Lane Link Road Phase 2 . Delivery & funding plan to be agreed with Chesterfield BC	N	AMBER
Revitalising the Heart of Chesterfield (£20m)	Progressing (Grant funded) Part of Government's Levelling Up programme. DCC acting in technical advisory role to assist Chesterfield Borough Council	N	GREEN
Chesterfield-Steveley Regeneration Route (£165m)	Progressing (proposed grant funded) Forms part of Large Local Majors programme funded by Government. DCC is project sponsor, working with Chesterfield BC. Outline Business Case submitted to Government and initial response now received but requiring further work. OBC approval to be confirmed	Y (agreement of approach to managing risk and progress pending business case approval)	RED

GROWTH ZONE SOUTH			
South Derby Growth Zone (£55m)	Progressing (Grant Funded) Part of Government's Levelling Up programme with DCC as project sponsor. Outline Business Case submitted to Government -detailed discussions ongoing to finalise OBC	N	AMBER
Elvaston Castle (£35m)	Progressing DCC-led project. Business case in preparation. Planning application for access, car park and conversion of building to enable wider regeneration awaiting determination Work on-going to understand market preferences for future uses on the site which will inform future decisions by DCC	N	RED
East Midlands Freeport (£25m seed funding)	Progressing (Part grant funded) DCC role in delivery of enabling infrastructure in the form of walking and cycling routes around a key site. Awaiting funding offer.	N	AMBER

MARKET TOWNS PROGRAMME			
Clay Cross Town Deal (£25m)	Progressing (Grant funded) There are five projects impacting DC through use of assets and/ or delivery. Projects mostly focused on the new skills hub in town centre to consolidate adult learning and library provision (subject to separate Cabinet report), plus highway improvements and rail feasibility studies.	N	AMBER
Long Eaton Town Deal (£25m)	Progressing (Grant funded) Work to improve the highways public realm on the High Street. DCC in role of project sponsor as the Highway Authority	Y (DCC role in delivery)	AMBER
Staveley Town Deal £25m)	Progressing (Grant funded) Three projects that require DCC role in delivery: Staveley Basin (Waterside) – new commercial and retail building linked to Markham Vale proposals; Wheels to Work (low carbon mobility scheme providing access to jobs and learning); and Barrow Hill Station. In addition, Chesterfield BC has proposed a very recent project to consider	N	AMBER

	co-location of Staveley Library into new town centre building(subject to separate Cabinet report)		
Market Towns Programme – Mobility Hubs	Progressing (part grant funded) Preparation and delivery of hubs across all market towns to cluster active and public transport infrastructure, vehicle hire, charging points information and services.	N	GREEN

ENABLING INFRASTRUCTURE			
Ashbourne Relief Road (>£20m)	Progressing Work being undertaken by DCC to prepare more detailed design and planning application for creation of new relief road.	N	GREEN
Access to Shirebrook (c£50m)	Progressing Option assessment work currently on-going by DCC in liaison with Bolsover District Council.	N	AMBER
Swarkestone Bridge (c£50m)	Progressing Early assessment of size and scale of problem being undertaken by DCC.	N	AMBER
A61 South of Chesterfield	Progressing Assessment of scheme options to improve connectivity; new stage of work due to commence utilising Midlands Connect and DCC funding.	N	GREEN
Ashbourne Reborn	Progressing (Grant funded) Forms part of Government’s Levelling Up programme. DCC acting as lead for preparation and delivery of highways and public realm works.	N	AMBER
Key Cycle Network	Progressing (Part grant funded) Strategy and implementation plan for walking and cycling routes	N	AMBER

PROPOSED NEW PROJECTS			
Low-Carbon Mobility	Proposal to support de-carbonisation of transport, in line with Climate Change Strategy. Project will bring forward a hydrogen bus fleet and re-fuel provision.	Y (DCC match funding required)	AMBER

East Midlands Investment Zone	Following recent Government announcement to create a small number of Investment Zones linked to combined authority status. Work required to DCC role in agree sites and prepare business plan for submission.	Y (approval of delegated authority)	AMBER
--------------------------------------	---	-------------------------------------	-------

Projects at Key Gateways Requiring Cabinet Approval

4.11 Two existing projects are at a critical stage of development and require approval to progress. These are Chesterfield Staveley Regeneration Route and Long Eaton Town Deal, details of which are set out below. Cabinet will also receive a separate report at this meeting relating to consultation on potential relocation of libraries within the context of the Staveley and Clay Cross Town Deals:

Long Eaton Town Deal

4.12 At its meeting of 16 June 2022, Cabinet approved a recommendation for the County Council to act as agent and commissioner of works in support of the Long Eaton Town Deal programme (Minute No. 118/22 refers). Since that time, preparatory work has been undertaken on two specific projects within the Town Deal programme -the Derby Road Junction and the High Street. The former has now been removed from the Town Deal Programme by the Town Deal Board as it was not able to demonstrate sufficient value for money. However, at its meeting of 24 March 2023, the Board approved submission of the business case to Government to access Town Deal funding for the High Street project; this included a package of highway and public realm work at a gross cost of approximately £10m.

4.13 Through discussion with Erewash Borough Council, it is proposed the Council takes on the role of project sponsor for the works to High Street; this has the benefit of eliminating the need for planning consent and for legal orders. (Cabinet will note the similarity between this proposal and that for Ashbourne Reborn for which Cabinet agreed a number of recommendations at its meeting of 23 February 2023).

4.14 To facilitate the High Street project, a number of principles are proposed (these are set out in the recommendation of this report):

- The Council acting in a delivery role for highway and public realm works.
- The addition of Long Eaton High Street to the capital programme – at a value of £10 million.
- The Council acting, in principle, as applicant for planning consent, carrying out procurement of contractors and carrying out public consultation as required.

- Further work being undertaken to draw up and enter into the necessary legal agreements with Erewash Borough Council. These will need to establish the transfer of funding and the apportionment of risk between Borough and County Councils.

Chesterfield-Steveley Regeneration Route

- 4.15 Cabinet is asked to support a prudently managed approach to the next stage of work on the CSRR, until the Council has received approval (or not) of the project's Outline Business Case by Government. In practical terms this means: a) commitment now to funding work required to progress design and planning application to keep to a tight schedule, b) delaying a proposed non-statutory public consultation until there is sufficient confidence that the project will proceed, and c) delaying detailed Ground Investigations until after approval. The rationale for and implications of this are set out in the paragraphs below:
- 4.16 This is the largest project within the Council's regeneration pipeline and has been subject to numerous update reports to Cabinet. The proposal is to construct a new 6 kilometres highway with parallel provision for walkers and cyclists, supporting the delivery of up to 1,500 homes and 5,700 jobs. At its meeting on 8 December 2022, Cabinet received an update on the project and resolved to:
- Consider the issues set out in the report and in Appendices 1 and 2 to that report.
 - 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 Outline Business Case, prior to submission.
 - Approve formal submission of the Outline Business Case for the Chesterfield-Steveley Regeneration Route (CSRR) to Government for access to grant funding.
 - 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.
 - Authorise officers to commence work on collaboration agreements with public and private sector partners over project funding and risk (Minute No. 208/22 refers).
- 4.16 The OBC had been submitted to the Department for Transport (DfT) on 3 September 2022 in draft and following approval by Cabinet was formally submitted in early January 2023. By way of summary, the OBC confirmed:

A gross cost estimate of £166 million (including contingency) which can, in principle, be met from Government grant and contributions from associated land-use development. Transport, economic and environmental benefits in the project being classed as 'medium' value for money with a 'benefit to cost ratio' of 1.75.

- 4.17 The OBC has been subject to in-depth, technical assessment by DfT and the scale of the project (which is essentially seeking a Government grant of £141 million) is such that it must be reported to the Roads Investment Committee (RIC) within DfT.
- 4.18 The Committee meeting took place in April 2023 and resulted in a number of clarification questions being issued to the Council, all of which will require responses being provided ahead of a further Committee meeting. The further lines of enquiry are almost entirely technical in nature and it had been expected to receive such questions/comments much earlier in the nine month period since submission of the draft OBC. The six weeks lead in time from receipt of the additional information to the actual Committee date means the earliest meeting for reconsideration of CSRR is likely to be August 2023.
- 4.19 Appendix 2 (restricted) provides Cabinet with a summary of the additional lines of enquiry and an analysis of the implications of each point. Key questions concern the potential for cost savings to be made between OBC approval and moving to construction (improving value for money) and over the delivery programme and risk management. In respect of the former, a number of potential areas for saving have been explored, including some modifications to footway provision and shortened bridge spans. Other potential areas for cost reduction may become apparent one ground investigation (GI) has been completed – however, given the substantial costs associated with this work approximately (£2.5m), it is not programmed to be undertaken until after confirmation of grant funding which in itself, is dependent on consideration of the OBC and the RIC meeting.
- 4.20 All areas of potential cost reduction therefore remain to be properly investigated and if offered as savings at OBC stage, would have to be reflected by means of a lower grant request to Government. Should the savings subsequently not be achieved, it would be for the Council to cover any funding gap, either directly or through another source such as additional developer contributions. Therefore, whilst sufficient savings may be possible to shift the cost:benefit ratio in the right direction and lift the project into the category of 'high' value for money, this cannot be

guaranteed and to promote it at this stage, would represent a significant financial risk to the Council.

- 4.21 In respect of the second line for enquiry outlined in Paragraph 4.19, the 'Management Dimension' of the OBC sets out the delivery programme and Government has been advised that construction would commence at the end of the current Roads Investment Strategy period (RIS 2) - March 2025 this is a key consideration for the Roads Investment Committee and essential for a successful result at OBC stage. Commencement on site by March 2025 remains a very tight, but achievable, programme and requires work on design and planning application preparation to continue at pace whilst OBC approval is awaited.
- 4.22 However, Cabinet should note that the provision of additional information to the second RIC meeting in August is adding further timescale stress to the programme (not least due to the six weeks lead in time) and additional financial risk to the Council, with work needing to be undertaken to support planning application preparation in advance of a firm commitment to grant funding by Government. In the event the OBC is 'turned down' by DfT and funding is not granted, the cost of this work would not be recoverable. Costs to date and the profile of spend likely to be incurred between now and the outcome of any Government decision is set out in Exempt Appendix 2 to this report but does
- 4.23 Cabinet has been made aware of the significant cashflow implications of continuing work on this project whilst awaiting OBC approval, and at its meeting of 8 December 2022 agreed to release a further £2 million to the project. It had been anticipated this would provide sufficient resource to continue work to the point of OBC approval, and had a firm decision been reached at the Government's April Roads Investment Committee, this would have been the case. However, it now appears that a decision will be significantly later, given that the likely date for the next meeting is August and the process would then require consideration by ministers and sign off by HM Treasury.
- 4.24 A significant amount of work has already been undertaken on the project at a cost of £3.32 million (of which, £680,000 has been funded by DfT). Whilst this is in line with necessary spend on a project of this scale at this stage in the process, and noting that the project clearly remains capable of delivery, there is a growing level of financial risk to the Council. Any further work undertaken between now and Government's decision being received could be, in significant part, abortive. However, resources are in place (£900,000 from Kickstart) to continue work on design and preparation of a planning application

pending an anticipated OBC decision in the early autumn, and it is recommended that these activities do continue at this stage.

- 4.25 With regard to the preparation of a planning application, it had been intended to launch a non-statutory public engagement at this point. Whilst this would still be prudent ahead of submission it is proposed that Cabinet gives its approval in principle and grants delegated authority to the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, to commence the public engagement once he has sufficient confidence that OBC approval is forthcoming and hence that the project remains deliverable in the near future. Assuming that OBC approval is received, and the public engagement has taken place, a further report will be brought to Cabinet in the autumn.

Emerging Projects

Low-carbon Mobility

- 4.26 Cabinet is aware that within the context of the Climate Change Strategy and corporate plan the Council has a specific target to “*deliver 2 hydrogen re-fuelling stations in Derbyshire and up to 30 hydrogen powered buses by 2025 by working with partners in the public and private sectors*”.
- 4.27 In pursuit of this objective, opportunities have explored within programmes such as Government’s Zero Emission Bus Regional Area (ZEBRA) to facilitate delivery but, to date, have not been successful – primarily due to potential projects being at an early stage of development.
- 4.28 However, an opportunity has now emerged to make a substantial step towards achieving the target through a partnership project with a private-sector bus operator, the Derby and Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) and Derby City Council. The proposal is to purchase a fleet of 10 buses and develop a re-fuelling station as part of a competitive call for projects issued by the LEP under its Low Carbon Growth Fund, and a provisional offer subsequently made for the ‘Sixes’ bus routes which connects Derby along the A6 corridor up to Bakewell. This serves a number of Derbyshire settlements providing sustainable travel to work and travel to learn options for residents, and also provides a key link through the Derwent Valley Mills World Heritage Site for which a low-carbon public transport offer would be a significant bonus.
- 4.29 Delivery of this proposition rests with the operator of the Sixes, Trent Barton, under the ownership of the Wellglade Group. However, the

'critical mass' (size of bus fleet) required in order to make the hydrogen fuelling component viable goes beyond the operator's available resources, even taking into account the D2N2 grant; a funding gap of £1.6 million exists against a gross project cost of £4.5 million. Discussions have been held with officers of the Council and Derby City Council over the potential for contributions in the form of funding, and also some network improvements (likely to be entirely within the city) which would assist with reliability of the services and hence, the operator's risk appetite.

- 4.30 There is, inevitably, commercial sensitivity behind some of the matters under discussion and Cabinet should note there is a need to ensure compliance with subsidy control regulations to test the validity of any Council contribution. However, given the stated commitments in the Climate Change Strategy and Council Plan, officers have explored options for securing support to the proposal and approval in principle is now sought for the Council to provide up to 50% (£800,000) of the funding gap from the Climate Change Reserve. It is also requested to authorise the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, the Director of Legal and Democratic Services and the Director of Finance and ICT, to conclude negotiations with partners over the project and to enter into necessary agreements. In doing so, the Executive Director – Place, will need to be satisfied that the Council contribution is proportionate and justifiable, and that it complies with subsidy control regulations.

East Midlands Investment Zone

- 4.31 During the autumn of 2022, the Council submitted an expression of interest to Government to host one of what was expected at that time to be a significant number of new 'investment zones', designed to attract commercial investment through offering tax incentives and local retention of business rates. However, the original initiative did not go ahead as anticipated and in March 2023, Government announced that 12 investment zones would be supported, one of which would be within the East Midlands County Combined Authority area. These zones aim to boost growth in areas outside London and are linked to universities and research centres. Each zone is to receive £80 million of support over five years, with tax incentives to attract indigenous and foreign investment.
- 4.32 Government's ambition is to have agreed the lead sector and geography for all investment zones by mid-June 2023 and agreed the detail on interventions and tax sites for the majority of proposals by Summer Recess. Formal approvals and detailed delivery planning

would follow ahead of final sign off and release of funding during the autumn.

- 4.33 Whilst this rapid mobilisation is welcome in many respects and will help to embed collaborative working within the Combined Authority area it will be extremely challenging. There will be a need to expedite negotiations with landowners, developers and business rate-receiving authorities (districts and boroughs) as well as negotiate the proposal with Government. Initial project governance is now in place with the upper-tier local authorities within the area, but if the initiative is to succeed, officers will need to be able to operate with agility.
- 4.34 One of the strategic themes for the East Midlands Investment Zone is energy security, linked to key sites in Nottinghamshire and Derby City and with the required linkages to universities already embedded. The County Council's own climate change ambitions around developing a centre of excellence for future fuels technology also support this theme – including linkages to the low carbon mobility project outlined above. There are potential investment sites which provide a good in-principle fit with the theme. Appendix 3 (restricted) sets out the main options and the current status of discussions with landowners, developers and local authority partners.
- 4.35 Given the need for work at pace on the Investment Zone, on the basis of the information above and in Appendix 3, Cabinet is requested to authorise the Executive Director – Place, in liaison with the Director of Legal Services and the Director of Finance and ICT, to make arrangements for the inclusion of one or more Derbyshire sites within proposals to Government for an East Midlands Investment Zone. Cabinet will be given the opportunity to consider the proposition, most likely immediately after Government's Summer Recess and before any formal agreement is reached.

Future Decisions

- 4.36 Having regard to the wider regeneration pipeline of activity, Cabinet is advised that future updates in 2023 are likely to include recommendations for:
- approval to carry out further public engagement and to submit a planning application for the Ashbourne Relief Road.

5. Consultation

- 5.1 No consultation has been necessary in relation to the proposals contained in this report but Cabinet is requested to grant approval in

principle to the public engagement exercise that is planned regarding CSRR.

6. Alternative Options Considered

- 6.1 Option 1: Not accept the proposal for the Council to take on a delivery role for Long Eaton High Street. The alternative to this would be Erewash Borough Council retaining full responsibility and would involve processes (such as 'Section 278 agreements) still requiring Council involvement but it is considered this would be less efficient than delivery through the capital programme.
- 6.2 In relation to the CSRR project, a number of options have been considered and these are presented in more detailed in Exempt Appendix 2 of this report. A summary of the options, though, is set out below:
- a) To proceed with all scheduled work, including ground investigation, whilst awaiting Outline Business Case (OBC) approval from Government.
 - b) To proceed with some scheduled work to progress design and planning application preparation, but pause ground investigation activity. Costs would not be recoverable unless OBC approval is received.
 - c) To pause all work until a decision is received on the OBC from Government; however, the consequences of not progressing any activity could be potentially catastrophic to the delivery programme.

On the basis of the evaluation presented in Exempt Appendix2, it is considered the preferred option of CSRR is to proceed with some scheduled work as outlined in b) above.

- 6.3 The Council has the option of declining the opportunity to propose sites for inclusion in the East Midlands Investment Zone but this is not considered appropriate as the opportunity presented by the designation of an IZ in Derbyshire is significant and would help further the growth ambitions of the Council and its partners.
- 6.4 The Council has the option not to provide a financial contribution to the 'Sixes' project but the expected consequence of this decision is that the project would not proceed. Subject to the satisfactory completion of the subsidy control assessment and given the commitment in the Climate Change Strategy and Council Plan, this is not considered an appropriate option, particularly as other partners are aligned to support the project.

7. Implications

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

8. Background Papers

- 8.1 Previous reports to Cabinet as set out in the body of the report: Regeneration Programme Pipeline reports dated 16 June 2022 and 23 February 2023.

9. Appendices

- 9.1 Appendix 1 – Implications.
- 9.2 Appendix 2 – Overview of options and associated costs for immediate next steps on CSRR project.
- 9.3 Appendix 3 – Overview of options for Derbyshire sites to be proposed for an East Midlands Investment Zone.

10. Recommendations

- 10.1 That Cabinet notes the general progress update and the successful completion of three major projects over this reporting period.
- 10.2 That Cabinet:
- a) Approves the Council to act in a delivery role for the Long Eaton (Town Deal) High Street project by undertaking highway and public realm works on behalf of Erewash Borough Council.
 - b) Approves the addition of Long Eaton (Town Deal) High Street project to the capital programme and, in principle, to the Council acting as applicant for planning consent, carrying out procurement of contractors and carrying out public consultation, subject to appointment by Erewash Borough Council.
 - c) Delegates approval for the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment and the Director of Legal and Democratic Services, to enter into legal agreements with Erewash Borough Council over Long Eaton High Street.
 - d) Approves the proposed approach to project delivery and risk management for the Chesterfield-Staveley Regeneration Route set out in paragraphs 4.24 and 4.25 of this report, pending outline business case approval by Government. This includes granting

approval in principle to the carrying out of public engagement, and to , authorising the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, to commence this once he has sufficient confidence in the project being able to proceed in the near future.

10.3 That Cabinet:

- a) Approves for the Sixes Project and the Investment Zone to be added to the Regeneration Pipeline.
- b) Delegates approval to the Executive Director – Place, in consultation with the Cabinet Member for Clean Growth and Regeneration to prepare and submit proposals to Government for to create an East Midlands Investment Zone.
- c) Approves, in principle, the provision of up to £800,000 from the Climate Change Reserve to support the ‘Sixes’ project to provide hydrogen buses and re-fuelling facilities in the south of the County.
- d) Delegates approval for the Executive Director – Place, in liaison with the Cabinet Member for Infrastructure and Environment, the Director of Legal and Democratic Services and the Director of Finance and ICT, to conclude negotiations with partners over the Sixes project and to enter into necessary agreements.

11. Reason for Recommendations

- 11.1 To enable the continued progress and successful delivery of projects within the Regeneration Pipeline whilst managing financial and reputational risks for the Council within the challenging context set out in the report above.

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 **Long Eaton Town Investment Plan**

The Long Eaton High Street project is funded through Town Deal resources held by Erewash Borough Council. It is to be added to the DCC Capital Programme at a value of £10m.

1.2 **Low Carbon Mobility**

A contribution of up to £800,000 on the Sixes project can be met from the Climate Change Reserve, subject to approval by the Climate Change and Environmental Programme Board.

1.3 **Chesterfield-Staveley Regeneration Route**

Work to date on the Chesterfield-Staveley Regeneration Route totals £3.23m. Work on clarification of the Outline Business Case (estimated at up to £50,000) for the Chesterfield-Staveley Regeneration Route can be met from the Regeneration Kick Start Fund under existing delegated approvals. The various options for work on the CSRR between mid-June and a decision being reached on the OBC present varying financial risks. These are outlined in Exempt Appendix 2 to this report but it should be noted that the proposed work undertaken on the project from the middle of June (at an approximate cost of £210,000 per calendar month) will be at risk and funding would need to be taken from Kickstart, potentially impacting on the Council's ability to undertake work on other projects if the OBC was not successful in achieving grant funding.

1.4 **East Midlands Investment Zone**

No financial implications are to be considered at this time but implications for retained business rates would need to be understood in advance of the final submission to Government.

Legal

- 2.1 In concluding negotiation of a contribution to the Sixes project, the Director of Legal and Democratic Services will need to be satisfied that an assessment of the contribution has been properly assessed against the subsidy control principles prior to an award being made and that there is no undue risk to the Council.

- 2.2 Further reports for the regeneration pipeline programme or individual projects referred to within it will be required to authorise any further actions needed or to update Cabinet on progress made.

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 within their confirmed budgets, but additional in-house capacity is being established (as was reported to Cabinet through the Regeneration Kick Start Fund approval referred to in 1.1 above).

Information Technology

- 4.1 None.

Equalities Impact

- 5.1 Individual projects within the portfolio will be subject to equalities impact assessment at the appropriate stages of their development.

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.