



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

7 December 2023

Report of the Executive Director - Place

Markham Vale Update on Development Progress
(Cabinet Member for Clean Growth and Regeneration)

1. Divisions Affected

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

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 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 inform Cabinet of the continuing success and progress being made in bringing forward development at Markham Vale and to provide an overview of economic activity over the period October 2022 to October 2023.
- 3.2 To note the activity planned over the coming years to bring the project to completion.

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, this major regeneration project was set up in 2006 to create over 4,000 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 8 December 2022 (Minute No.210/22 refers) and this report serves as the annual update on progress.
- 4.3 Members will recall that Derbyshire County Council has a development partnership with Henry Boots Development (HBD) to help attract suitable investors and occupiers to the site.

Overview

- 4.4 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.
- 4.5 Progress is measured through a number of indicators, one of which is job creation measured through the annual survey undertaken in March each year. The 2023 survey recorded almost 2,700 people in full time equivalent jobs on the estate; although this is a similar level to 2022 and perhaps suggests limited growth, more detailed examination shows that whilst some companies have contracted in response to the wider global economics, others have expanded and increased the size of their workforce. Furthermore, anecdotal evidence indicates that over the last 6 months since the time of the 2023 survey, there has been further growth in some companies - this will be recorded in next year's survey.
- 4.6 The significant progress made in relation to bringing forward individual development sites and construction of new buildings is summarised below:

Markham Vale East

- 4.7 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 – The Sidings

- 4.8 This plot was originally designated for use as a rail sidings facility if required by the occupiers of land adjoining the plot. In addition, the owners of the adjoining Erin landfill site had an option to develop their own sidings on the plot if required. On the first point, all the adjoining land has now been developed and no occupier has a requirement for such a facility. On the second point, Valencia, the owners and operators of the landfill site have confirmed that they no longer require that option to develop a rail sidings facility and therefore the Council have secured clean title on the ownership of the land to develop the plot for other commercial uses. Subject to securing planning approval to change the intended end-use this plot will be brought forward for commercial and industrial development.

- 4.9 Works have been partially completed over the past year in preparing the site in readiness for development. This work has included demolition of the redundant North Tip bridge, and a replacement timber footbridge has been installed further downstream. A small area to the northern part of the plot requires engineering fill to be placed to create a single level plot; it is anticipated that these works will be completed before the end of 2023.

Plot 1 South

- 4.10 A 0.7 acre plot has been created on land to the rear of the Environment Centre; the land was previously used as a storage compound and overspill parking area. This plot will be marketed over the coming weeks to enable the plot to be sold and developed.

Plot 2 South

- 4.11 The building previously occupied by X-Bite Ltd, an internet-based retail company, remains vacated. Officers continue to support the building's owners in securing a new occupier.

Plot 5

- 4.12 Blue Whale Spa has vacated its 27,500ft² building on Greaves Close. Officers are supporting the building owner's in securing a new occupier.

Plot 9a

- 4.13 The 3-acre site continues to be marketed for a range of commercial and industrial uses.

Markham Vale West

- 4.14 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

- 4.15 Plot 6 South, a 0.7-acre development plot at the southern end of Plot 6 on Enterprise Way is being made available as a works compound on a temporary basis to enable the safe construction of the nearby Gridserve Electric Vehicle forecourt.
- 4.16 The Council's development partner, Henry Boots Development (HBD) have secured detailed planning approval for the speculative development of four buildings totalling 107,250 ft² of industrial and warehousing space. Marketing of these new units is already underway.
- 4.17 Plot 6 East, the 55,000 speculatively built unit owned by HBD has been re-let following the departure of Daher. The new tenants are Gould Alloys who have added this to their existing facility on Plot 2 to meet their growing business needs.

Plot 7

- 4.18 Construction of a 'drive-thru' fish restaurant for Chesterfield-based Chesters Ltd was completed during the year and opened to customers in July.
- 4.19 Planning permission was secured in mid-2023 for the construction of a 'drive thru' restaurant for QFM Ltd on the last remaining plot in the service area. A land sale agreement has been legally completed and officers are waiting to receive details of the construction programme which is likely to commence over the coming three months.
- 4.20 Planning permission and other legal agreements have been secured for the development of an Electric Vehicle Forecourt on Plot 7 West for Gridserve Ltd. The all-electric service station on Enterprise Way will provide 30 charging points for cars, electric lorries and other HGVs, as well as shops and a café. This is a significant development in helping the Council achieve its ambitions for decarbonising transport and attracting future fuel infrastructure. Legal completion on the Development Agreement between Gridserve, the Council and HBD was

achieved in October 2023 and construction is programmed to start in early January 2024. When complete, it will be the region's first all-electric service station offering Derbyshire residents access to environmentally friendly energy services.

- 4.21 HBD has developed proposals for a terrace of seven Trade Park units totalling 31,264ft² on the remaining part of Plot 7 West. Marketing of these units is underway.
- 4.22 Plot 8 was acquired with a legal restriction preventing its use for anything other than as either woodland or greenspace. The plot has been sold back to the previous owners who hold the restriction thereby enabling them to hold clean title to the land and for them to bring forward the plot for future development.

Markham Vale North

- 4.23 Refer to Appendix 3 Drawing 33A1451-2 Development Land Use and Availability NORTH.
- 4.24 Since the last progress report there have been no changes to the businesses based on Markham Vale North. Reflecting the earlier commentary on indigenous growth, three of the seven business based at Markham Vale North have options to increase the size of their facilities as their businesses grow and discussions are ongoing with one of those to assist with their expansion plans.

Markham Vale North Expansion (MVNE)

- 4.25 The Council's development partner, HBD, has established a joint venture company, MVNE LLP, with the Devonshire Group - the owners of adjoining land - to bring forward additional sites for industrial and commercial use. MVNE secured planning approval in 2023 to the new development. The Council has agreed terms for the release of surplus land at Markham Vale to enable the expansion site to be brought forward.

Staveley Basin

- 4.26 Staveley Basin is located on the edge of Staveley town centre and accessed off Eckington Road, Staveley. The site forms part of the Markham Vale estate having been originally acquired to facilitate the construction of the Staveley Northern Loop Road and meet the obligations of the conditions attached to the original Markham Vale planning permission which included the restoration of the Chesterfield Canal in this location. Subsequently, the Council have prepared a

mixed-use masterplan for the Staveley Town Basin site to identify opportunities for regeneration and economic development. The first phase of this development is Staveley Waterside, a two-storey building, offering flexible space for new and existing small businesses, some retail use, and a food and beverage opportunity, with indoor and outdoor dining space, along with an access road, and mooring space. Planning Permission for Staveley Waterside was secured in August 2023.

- 4.27 The Staveley Waterside proposal was one of the projects selected by the Staveley Town Fund Board as suitable for funding and the Council has secured grant funding of £2.9304m (initially £2.664m and subsequent 10% increase of £0.2664) towards the cost of building the project. Tenders to appoint a Design and Build contractor are to be invited in early November with a return of priced tenders in December.
- 4.28 The value of Markham Vale to the local economy is sizeable and growing. The current tally of private sector investment secured at the site is estimated to be in excess of £270m, generating over £7m annually in business rates; these figures will increase as further development sites are completed.
- 4.29 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.
- 4.30 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 landscaped areas. Several routes to, from and through the site have already been constructed but some phases remain to be completed. One such cycle route runs for approximately 2.2km between the Environment Centre and Seymour Link Road which is now under construction and due to be completed by the end of 2023. A grant of £750,000 to meet the construction costs was secured from seed capital funding as part of the Council's Devolution Deal for low carbon projects.

Planning and Environmental Quality

- 4.31 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 are Chesterfield, North East Derbyshire and Bolsover.

- 4.32 The Walking Together art installation which forms the basis of the Markham Vale Mining Memorial was completed last year. The installation comprises 106 figures that represent those individual miners killed in the three colliery disasters at Markham.
- 4.33 Following the celebration event to unveil the final phase of the installation, funding from the National Lottery Heritage Fund enabled the Council to publish a ten-year commemorative book and a video as a culmination of the Walking Together project.

Other Services

- 4.34 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.
- 4.35 The Markham Vale Team continues to make use of social media 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.
- 4.36 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 several 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 Atlas Productions (a sound engineering company), ADI Fire and Security and AIMS (a land surveying company).

Governance: Partnership Working with HBD

- 4.37 Henry Boots Development (HBD) is the Council's private sector partner to develop the Markham Vale project. A Partnership Agreement is in

place and requires both partners to work in a spirit of mutual trust and co-operation and sets out key elements and roles of each partner.

- 4.38 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.
- 4.39 Legal advice on managing the Partnership Agreement between the Council and HBD and the individual development disposals continues to be provided by Geldards LLP.
- 4.40 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 76% sold and occupied.

Next Steps in Driving Completion of Markham

- 4.41 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 2-3 years, along with completing outstanding planning obligations.
- 4.42 A planned completion date for the whole estate, based on current development rates, is December 2025, although pace and momentum in the final stages of the project will be dependent on external market forces and completion of construction at Staveley Waterside.
- 4.43 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.

4.44 In the meantime, and having full regard to the Council's continuing budget challenges, a fundamental review of fees and charges, including services provided in and around the Environment Centre, is being undertaken to ensure compatibility with market rates, full cost recovery and to maximise the Council's return on investment. Work is also commencing to explore future delivery models for the estate post-completion of development and options will be presented to Cabinet members in due course.

5 Consultation

5.1 None required in relation to the contents of this report, although Cabinet should note that individual proposals for plot development are subject to public consultation as part of the planning process.

6 Alternative Options Considered

6.1 Option 1: Do Nothing – the Council has a partnership agreement with Henry Boots Limited to bring forward sites and secure their development. This is therefore not an option.

6.2 Option 2: Slowdown the rate of progress and deprioritise site development. It is considered this would be counter-productive to job creation and achieving the much-needed rate of return on the Council's previous level of investment. Ensuring timely and effective progress against the planned delivery programme is essential in supporting growth in this deprived area of Derbyshire.

7 Implications

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

8 Background Papers

8.1 Markham Vale Development Framework (Confidential).

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.

10 Recommendations

That Cabinet:

- a) Notes the continuing success and progress made in bringing forward development at Markham Vale and the economic activity that has taken place over the period October 2022 to October 2023.
- b) Notes and approves the activity planned over the coming years to bring the project to completion.

11 Reasons for Recommendations

11.1 To ensure Cabinet members are provided with accurate and timely information on the development of Markham Vale and the return on investment.

12 Is it necessary to waive the call in period?

12.1 No.

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Implications

Financial

Budget 2022-23

- 1.1 The Capital budget for 2022-23, incorporating slippage from the previous year, resulted in an outturn expenditure of £0.719m.
- 1.2 Remaining capital budget at the end of 2022-23 was £1.934m. The works remaining to complete the project are estimated to be contained within this approved budget and briefly 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.
- 1.4 The current charge amounts to £1,396.50 per acre and in this financial year, generates a revenue income of approximately £211,000 towards the Site Facilities Maintenance costs of £279,300; 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.
- 1.5 The budget and programme will be kept under review and regular reports made to Cabinet. Members should note the review of fees and charges which has commenced to ensure full cost recovery of key areas of work.

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 labour from the local economy, ensuring workforce profiles are reflective of local communities. The installation of walking and cycle routes around the estate and immediate area also helps ensure households without access to private vehicles have opportunities for low cost travel to work.

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 2023- 2025. Specifically, increasing levels of inward investment into the county and connecting people to local job opportunities are stated priorities in the Council Plan.

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

- 7.1 None.