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D2N2 Investment Board (IB) Cover Sheet – 7th January 2020

Agenda Item 10

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	7 th January 2020		
Subject	Approval of the Ashbourne Airfield		
Author	T Goshawk/S Wainwright	Total no of sheets	8

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)

This paper sets out a request for £1m of Local Growth Funding to support the Ashbourne Airfield.

The project is compliant with all elements of the Local Assurance Framework apart from Land Assembly. The Investment Board are requested to approve this project subject to a land transfer being signed simultaneously with the grant offer letter of funding.

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D2N2 INVESTMENT BOARD

7th January 2020

Ashbourne Airfield

1.0 Background

This paper seeks an approval of £1m of Local Growth Funding for the Ashbourne Airfield project.

The business case has been submitted to and scrutinised by the D2N2 LEP and its Accountable Body.

2.0 Scheme Overview

This project is presented to the D2N2 Investment Board for funding by Derbyshire County Council as the Local Highway authority for the area.

The primary objective of this project is to provide highway infrastructure which enables the development of new commercial floorspace as well as housing delivery to the Derbyshire Dales area. The delivery of the employment site and infrastructure opening up the neighbouring strategic housing allocation is a priority for Derbyshire Dales District Council. Without this infrastructure piece being implemented this key development site would not come forward for development and would not deliver the housing and employment opportunities to the area.

The project overall will see the delivery of a new roundabout access off the A52, a link road, 9 hectares of serviced and development-ready employment land forming Ashbourne Business Park, 367 new homes and private sector commitment to deliver at least 60,000 ft² of new employment floorspace.

The project will deliver:

- A new 50m three arm roundabout on the A52, connecting to a new 720m link road by the end of 2020.

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- Construction of at least 60,000 ft² of commercial floorspace by the end of 2023.
- 9ha serviced employment site by 2021.

Derbyshire County Council is the promoter of the project as the Highways Authority, the landowner is the Harrisons family and developer FW Harrison Commercial Ltd, who will deliver the first phase of commercial floorspace.

The Ashbourne Airfield site is almost fully occupied, immediately to the east and south-east of the existing site there is a further opportunity of 33.5 hectares of development land to be brought forward for much needed employment land. The site also has the potential to develop a new community of 367 homes with associated community and leisure facilities.

The new roundabout and link road is required to address existing highway capacity problems and to facilitate the accelerated delivery of serviced land and employment floorspace providing access to Derby Road via the existing industrial estate and a second route to the A52.

The funding for the project is sourced from the following:

Funding Source	TOTAL
Local Growth Fund	£1,000,000
Harrisons (cash reserves and loans)	£5,017,000
Harrisons (in kind)	£200,000
Derbyshire County Council (in kind)	£836,000
Derbyshire Dales District Council	£200,000
Derbyshire Dales District Council (in kind)	£20,000
TOTAL	£7,273,000

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3.0 Approvals

Full planning permission from Derbyshire County Council for the new roundabout junction was given on the 23rd September 2019.

Derbyshire Dales District Council approved their funding at Full Council on the 30th May 2019.

Private Sector Contributions have been confirmed via a letter from the Barclays Bank on the 14th of October 2019.

4.0 Procurement

The project has been procured through the Midlands Highways Alliance (MHA) Medium Schemes Framework 3 with Eurovia as the lead contractor for the project.

5.0 State Aid

The Business case assessment has confirmed that the project is State Aid compliant.

6.0 Business Case

An Outline Business Case for the project was approved on the 21st of April 2016.

The business case has been reviewed and deemed compliant by the D2N2 LEP and their Accountable Body. Hatch Regeneris have carried out an external Value for Money Assessment on the project and have confirmed that the project presents 'Strong' VFM.

7.0 Delivery Programme

The delivery timescale for the project is set out below:

- Site Preparation and Set up- January 2020

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- Mobilisation-February 2020
- Actual Start on site-March 2020
- Complete September for Roundabout and Link Road October 2020

8.0 Outputs and Outcomes

Through the intervention this project will create:

- 363 direct jobs
- 138 indirect jobs
- 367 homes

The indirect jobs are proposed to be delivered by additionality to the economy from the local supply chain and inward investment.

These outputs are profiled to be delivered in the following financial years:

- 2021/22 – 121 Jobs (Direct)
- 2022/23 – 41 Jobs (Indirect)
- 2023/24 – 242 Jobs (Direct)
- 2024/25 – 92 Jobs (Indirect)
- By 2029/30 - 367 Homes

9.0 Spending profile

The profile of expenditure of Local Growth Funding is as follows

19/20 £1,000,000

D2N2 anticipates that the project will achieve this level of spend as costs towards the scheme have already been recorded and further costs are to be accumulated before the main build contract.

10.0 Local Assurance Framework

An outline business case was approved in 21st of April 2016 and a Full Business Case has now been submitted in line with the approval process. The Accountable Body and D2N2 have assessed the Full Business Case submission and approval is recommended

The Investment Board are asked to approve the project and to release the £1,000,000 of LGF on the condition that the Hatch Regeneris report confirms the project represents good value for money.

Sarah Wainwright, Accountable Body, Derbyshire County Council
Tom Goshawk, D2N2 LEP

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Local Assurance Framework

Final stage Approval Check List:

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.	A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.
2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.	A Value for Money Assessment has been carried out for the project and the external consultants Hatch Regeneris have confirmed the project has achieved 'strong' value for money.
3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.	Full planning approval has been received for the project.
4. Confirmation that any Section 106 or other agreements have been entered into.	A Section 106 agreement was entered into in March 2017 with FW Harrisons and Derbyshire County Council.
5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)	The promoter has engaged Eurovia through the Midlands Highways Alliance framework.
6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs	Works will be procured via the Medium Schemes Framework (MSF3). The form of contract under which the roundabout will be engaged is NEC4. The link road contract is the NEC3 Engineering and Construction Contract.

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7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.	A contingency of £200,000 has been allocated for any variations and the promoter has confirmed that FW Harrisons are responsible for any cost overruns.
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	The roundabout has been fully designed
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	A land transfer agreement is to be signed in parallel with the contractual agreement of funding.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.	The outputs for the project are: 363 direct jobs 138 indirect jobs 367 homes
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.	Funding for the project is confirmed.
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	A legal contract has been created to agree the land transfer to Derbyshire County Council, this document will be signed fully in conjunction with the signing of the contract for funding in a back to back agreement.
13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the	Site Preparation and Set up- January 2020 Mobilisation-February 2020

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outputs/outcomes that will be delivered on a quarterly basis.	Actual Start on site - March 2020 Complete September for Roundabout and Link Road October 2020
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.	A risk register has been provided by the promoter and includes mitigations