



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**Thursday, 14 November 2024**

**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 2023 to September 2024.
- 3.2 That Cabinet notes 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 £170m of private sector investment and develop over 3 million ft<sup>2</sup> 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 7 December 2023 (Minute No.179/23 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 now brought forward 177 of the 200 acres available for development. Of the 177 acres created, 158 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 via an annual survey undertaken in March each year. The 2024 survey recorded over 2,700 full time equivalent jobs had been created on the estate; more than were originally employed at the colliery when it was working at its height of operations. Although this level of job creation is similar to that in 2023 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 five months since the time of the survey, there has been further growth in some companies – this will no doubt show in next year's survey.
- 4.6 The significant progress made in bringing forward individual development sites and construction of new buildings is summarised below:

## **Markham Vale East**

- 4.7 Refer to Appendix 2 Drawing 33A1451-1d 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. All the adjoining land has now been developed and no occupier has a requirement for such a facility. Some work has been completed to increase the ground levels to create two terraced areas enabling approximately two thirds of the plot to be developed for commercial use. Surveys are currently underway with the aim of submitting a planning application seeking a change in land use.

### **Plot 1 South**

- 4.9 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. A marketing exercise has been completed and terms agreed with a prospective purchaser who plans to build a small factory and office unit over the coming year.

### **Plot 2 South**

- 4.10 The building previously occupied by X-Bite Ltd, is owned by the Devonshire Group who has recently secured a new tenant on a long lease; Restore Records Management is now occupying the site.

### **Plot 5**

- 4.11 The owners of the 27,500ft<sup>2</sup> building on Greaves Close that was previously occupied by Blue Whale Spa, has been leased to a local company who has outgrown its previous premises. Vege Ltd is a specialist company that sell automotive transmission parts.

### **Plot 9a**

- 4.12 The 3 acres site continues to be marketed for a range of commercial and industrial uses. An offer to acquire the site for speculative development, along with Plot 6 West and the remaining part of Plot 7 West, is currently being assessed by officers.

## **Markham Vale West**

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

#### Plot 6 South

- 4.14 A 0.7 acre development plot at the southern end of Plot 6 on Enterprise Way is currently being used as a works compound on a temporary basis to enable the safe construction of the nearby Gridserve Electric Vehicle forecourt. Plot 6 South will be marketed for development in spring 2025.

#### Plot 6 West

- 4.15 The Council's development partner, HBD, has secured detailed planning approval for the speculative development of four buildings totalling 107,250 ft<sup>2</sup> of industrial and warehousing space. Marketing of these individual planned units continues but officers are also assessing an offer to acquire the site for speculative development, along with the remaining part of Plot 7 West and Plot 9.
- 4.16 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 (Plot 7 East). The project partners are assessing the implications a delayed construction start as there are requirements in the legal agreement for build-out timescales. Any forward action will be managed through the existing governance arrangements.
- 4.17 A legal agreement has been completed with HBD for the development of an Electric Vehicle Forecourt on Plot 7 West for Gridserve Ltd. Construction has commenced and, when operational, 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. It is anticipated that this facility will be completed in mid-2025. When complete, it will be the region's first all-electric service station offering Derbyshire residents – and those commuting through - access to environmentally friendly energy services.
- 4.18 HBD has developed proposals for a terrace of seven Trade Park units totalling 31,264ft<sup>2</sup> on the remaining part of Plot 7 West. Marketing of these planned units is underway. Officers are assessing an offer to acquire the site for speculative development, along with Plot 6 West and the remaining part of Plot 9.

#### **Markham Vale North**

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

- 4.20 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.

#### Markham Vale North Expansion (MVNE)

- 4.21 The Council's development partner, HBD, has established a joint venture company, MVNE Limited Liability Partnership (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 for the new development. The Council has signed an Option Agreement with MVNE LLP to sell three small areas of surplus land at Markham Vale to enable the expansion site to be brought forward; the site has been branded Nova Markham. It is anticipated that MVNE will take up the Option in early 2025.

#### Staveley Basin

- 4.22 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 land 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 has 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.
- 4.23 The Phase 1 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 £3.160m towards the £4.411m cost of building the project. Following a competitive tender exercise, Triton Construction Ltd was appointed as the Design and Build contractor along with the consultancy design team of Jefferson Sheard, BWB, Rex Proctor and Partners and Anderson Green.
- 4.24 Construction works started in July 2024 and are planned to be completed towards the end of April 2025. Marketing of the rental units has recently commenced.

## **Conclusion**

- 4.25 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.
- 4.26 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.
- 4.27 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 was completed during 2024. Construction work is currently underway to complete the combined footway and cycleway along the western side of Enterprise Way and is due to be completed by the end of 2024.

## **Planning and Environmental Quality**

- 4.28 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.
- 4.29 Officers are working on a scheme to secure funding to improve existing areas of woodland on Markham Vale north tip by planting new trees as part of a Derbyshire wide Community Forest project.

## **Other Services**

- 4.30 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.

- 4.31 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 70 and 90 vacancies are promoted each month.
- 4.32 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, one business has grown to the extent that they have left the Environment Centre and likewise, the Council has welcomed a new business in the form of Lydia's Cake Studio.

**Governance: Partnership Working with HBD**

- 4.33 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. This year was the 20<sup>th</sup> anniversary of the partnership and the ongoing success of the public-private partnership has been justifiably promoted.
- 4.34 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.
- 4.35 Legal advice on managing the Partnership Agreement between the Council and HBD and the individual development disposals continues to be provided by Geldards LLP.
- 4.36 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 77% sold and occupied.

### **Next Steps in Driving Completion of Markham**

- 4.37 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 two years, along with completing outstanding planning obligations.
- 4.38 A planned completion date for the whole estate, based on current development rates, is 2026-27, although pace and momentum in the final stages of the project will be dependent on external market forces.
- 4.39 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, including planned Exit Strategy which will be presented to Cabinet members in due course.
- 4.40 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 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 HBD 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.

## **9 Appendices**

9.1 Appendix 1 – Implications.

9.2 Appendix 2 - Drawing 33A1451-1d Development Land Use and availability WEST & EAST.

9.3 Appendix 3 - Drawing 33A1451-2c 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 2023 to September 2024.
- b) Notes and approves the activity planned over the coming years to bring the project to completion.

## **11 Reason 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 2023-24**

- 1.1 The Capital budget for 2023-24, incorporating slippage from the previous year, resulted in an outturn expenditure of £0.412m.
- 1.2 Remaining capital expenditure on the project is estimated at £1.32m. 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.
- 1.4 The current charge amounts to £1,450 per acre and in this financial year, generates a revenue income of approximately £0.221m towards the Site Facilities Maintenance costs of £0.290m; 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 objectives to create a 'Strong, Diverse and Clean Economy as set out in the Council Plan 2024-25. Specifically, to Support continued and sustainable growth in the Derbyshire economy, Drive preparation, facilitation and delivery of a regeneration programme for Derbyshire sites and infrastructure proposals to support regeneration and renewal 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.