

D2N2 Investment Board (IB) Cover Sheet

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	11 <sup>th</sup> May 2020		
Subject	Project for Approval – Chesterfield Station Masterplan		
Author	Tom Goshawk	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)
<p>This paper sets out a request of Local Growth Funding to support the Chesterfield Station Masterplan project. The project will deliver a new link road from the junction of Hollis Lane and Spa Lane to terminate at the southern extent of the Chesterfield Station car park. It will enable and bring forward early development plots within the Chesterfield Station Masterplan area totalling 1.26 hectares for employment.</p> <p>Following the review of the business case, The D2N2 Investment Board are recommended to approve the £3,808,000 grant to Derbyshire County Council subject to a signed Heads of Terms agreement being reached in the next 30 days. Should this agreement not be reached, the Investment Board will review the projects approval following this period.</p>

## **D2N2 INVESTMENT BOARD**

**11<sup>th</sup> May 2020**

### **1.0 Background**

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

### **2.0 Scheme Overview**

The Chesterfield Station Masterplan project makes up part of the A61 Corridor Programme and will deliver the construction of a new link road from the junction of Hollis Lane to terminate at the South of Chesterfield Train Station. The project will unlock the early development of 1.26 Ha of employment floorspace.

This project works with other projects within the A61 Corridor programme to aid growth within the North Derbyshire Growth Zone (NDGZ). The NDGZ area has experienced significant decline of traditional industries (including coal, steel and heavy engineering) over the last 20 years which has contributed to higher unemployment levels, but in return, also provides major redevelopment opportunities at brownfield sites.

The project involves two main strands of work to facilitate the delivery of the new link road and subsequent employment opportunities from the delivery of this. The first phase of works will include the acquisition of a strategic land piece and relocation of the existing landholder to enable the final delivery of the link road. This will involve purchasing the land, demolition and remediation works to the new site and the existing one and then finally relocation of the occupier.

The second phase of this project is to build the new link road from the junction of Hollis Lane/Spa Lane through to the Southern Extent of Chesterfield Train Station, at this point the creation of the new road/shared cycle and footpath will allow the delivery of new commercial units to unlock the jobs potential in the area.

The project aims to compliment the delivery of the HS2 Strategic sites project and will support the overall development of the Chesterfield HS2 station area through providing new opportunities for employment. The outputs related to this intervention are additional and complimentary to the development delivered through the HS2 Strategic Sites project.

The funding for the project now is sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Local Growth Fund	£3,808,000
Derbyshire County Council/ Joint Growth Board	£3,616,207
<b>TOTAL</b>	<b>£7,424,207</b>

### **3.0 Approvals**

Planning Consent for Phase 1 of the new link road was agreed on the 19<sup>th</sup> of December 2019.

Derbyshire County Councils Cabinet approved the allocation of grant to the Chesterfield Station Masterplan project on the 11<sup>th</sup> of October 2018.

### **4.0 Procurement**

Two separate procurement routes have been identified by the project sponsor to enable the design phase works and the building works to be carried out. The Design phase of the project has been procured through

the Midlands Highway Alliance Professional Services Partnership Framework. Following this process, AECOM were appointed to deliver the designs for the project.

Following a procurement options exercise, Derbyshire County Council have chosen to deliver this project through their internal Derbyshire County Council Highways Construction Services Team.

## **5.0 State Aid**

Derbyshire County Council have confirmed that the project does not provide any state aid to any particular recipient and constitutes general public infrastructure and is therefore state aid compliant.

## **6.0 Business Case**

A Strategic Outline Business Case was received and approved by the LEP in March 2018.

The Business Case has been independently assessed by Hatch Regeneris who have deemed that the project represents Good VFM.

## **7.0 Delivery Programme**

Remediation Works begin on new site– September 2020

New site construction – February 2021

Road Construction begins – August 2021

Road Construction Complete – December 2021

## **8.0 Outputs and Outcomes**

The project will deliver the following outputs and outcomes:

- Support the creation of 533 new jobs
- Enable the development of 1.26 Ha of new employment land

## **9.0 Spending profile**

2019/20 - £291,000 (Pre compliance Grant)

2020/21 - £3,517,000

## **10.0 Local Assurance Framework**

Following a review of the Final Business Case, D2N2 officers confirm that the project complies with the Local Assurance Framework except for all land being in place.

The D2N2 Investment Board are recommended to approve the £3,808,000 grant to Derbyshire County Council subject to a signed Heads of Terms agreement being reached in the next 30 days. Should this agreement not be reached, the Investment Board will review the projects approval following this period.

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

Appendix 1

Local Assurance Framework

Final stage Approval Check List:

<p>1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.</p>	<p>Derbyshire County Council have provided a full Green Book Compliant Business Case which aligns with all 5 cases.</p>
<p>2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.</p>	<p>Hatch Regeneris have reviewed the Final Business Case and can confirm that the project has passed the Value for Money Assessment and represents good VFM.</p>
<p>3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.</p>	<p>Planning Consent for Phase 1 of the new link road was agreed on the 19th of December 2019.</p>
<p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>	<p>Not applicable to this project</p>
<p>5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</p>	<p>The design phase was procured through the Midlands Highway Alliance Framework and Derbyshire County Council have selected AECOM to carry these works out.  The construction phase has also been procured and the works will be carried out through DCC's Highways services team.</p>
<p>6. Details of the construction contract to be entered into by the promoter detailing: -start date</p>	<p>The Highways construction Team is in place with an agreement through Derbyshire County Council.</p>

Appendix 1

<p>-completion date -liquidated damages/cost over runs</p>	
<p>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.</p>	<p>The promoter will be responsible for any cost overruns in the construction phase.</p>
<p>8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</p>	<p>The project promoter has confirmed that the project has passed the full design phase.</p>
<p>9. Details of any outstanding points preventing/delaying the start-up of the construction contract.</p>	<p>Impacts of Covid 19 will potentially hold up the contract start and the outcome of the land agreement being delayed is the other possible factor for delay.</p>
<p>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.</p>	<p>The outputs for the project are:</p> <ul style="list-style-type: none"> <li>- Delivery of 553 new jobs</li> </ul> <p>The original project outputs were to deliver 440 gross jobs and 438 indirect homes. Following professional advice it was agreed that the land made available from these works would not be suitable for housing development and market conditions were preferable to employment. Hence the rise in employment numbers.</p>

Appendix 1

<p>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.</p>	<p>Derbyshire County Councils Cabinet approved the allocation of grant to the Chesterfield Station Masterplan project on the 11th of October 2018.</p>
<p>12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project</p>	<p>Heads of Terms still need to be agreed for the remaining land that is required for the road to be delivered. This is expected shortly and shouldn't affect the programme of works however an approval would have to be subject to this being delivered.</p>
<p>13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.</p>	<p>Remediation Works begin on new site– September 2020 New site construction – February 2021 Road Construction begins – August 2021 Road Construction Complete – December 2021</p>
<p>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.</p>	<p>A full risk register for the project has been included within the projects final business case.</p>