

Agenda Item 8

D2N2 Investment Board (IB) Cover Sheet – 11<sup>th</sup> May 2020

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| 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          | Approval of the Top Wighay Farm project |                    |   |
| Author           | T Goshawk/S Wainwright                  | Total no of sheets | 5 |

|                          |  |                                     |                                      |
|--------------------------|--|-------------------------------------|--------------------------------------|
| Papers are provided for: | Approval <input checked="" type="checkbox"/> | Discussion <input type="checkbox"/> | Information <input type="checkbox"/> |
|--------------------------|--|-------------------------------------|--------------------------------------|

| Summary and Recommendation(s)  |  |
|--|--|
| <p>This paper sets out a request for £3m of Local Growth Funding to support the Top Wighay Farm project.</p> <p>The project is now compliant with the LAF and after a review of the business case, D2N2 recommends that the project is approved by the Investment Board.</p> |  |

## **D2N2 INVESTMENT BOARD**

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

### **Top Wighay Farm**

#### **1.0 Background**

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

The LGF comprises of 51 schemes and runs until March 2021.

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 Top Wighay Farm site is located just north west of Hucknall, Nottinghamshire and has been allocated for housing and employment development since 2005. Several attempts have been made to bring this forward but the private sector has failed to deliver the site due to the infrastructure requirements.

The site is currently posed to bring forward the accelerated delivery of 805 new homes as part of a sustainable urban extension. Alongside housing provision, the site will encompass employment space, a primary school, a local centre and surrounding areas of open space.

The site requires major highway and utility infrastructure, these include:

- The expansion of a roundabout on the A611/Annesley Road to accommodate traffic requirements to access the site.
- A new signal-controlled junction to manage traffic flow and support the pedestrian cycle access.
- A new three metre wide shared use footway and cycleway along the A611 for flexible and environmentally friendly public access to the site.

The overall cost of the works is £10.3m, £5.8m has already been confirmed by Homes England. A pre-condition of the Homes England funding is that the public sector fills the remaining funding gap which is the basis of the application for D2N2 funding.

The funding for the project is sourced from the following:

| <b>Funding Source</b>          | <b>TOTAL</b>       |
|--------------------------------|--------------------|
| Nottinghamshire County Council | £1,500,000         |
| Homes England                  | £5,800,000         |
| Local Growth Fund              | £3,000,000         |
| <b>TOTAL</b>                   | <b>£10,300,000</b> |

### **3.0 Approvals**

Full planning permission was granted for the highway and infrastructure works on the 21<sup>st</sup> January 2021. Funding was approved for the project at Nottinghamshire County Councils Policy Committee on the 19<sup>th</sup> June 2019.

### **4.0 Procurement**

Using the Scape National Civils Framework the construction contract has been given to Balfour Beatty.

## **5.0 State Aid**

The promoter has confirmed the project is State Aid compliant and advice has been sort by the Nottinghamshire County Council legal section

## **6.0 Business Case**

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.

## **7.0 Delivery Programme**

- Planning permission granted for infrastructure-January 2020
- Outline planning permission determined-April 2020
- Start on site for infrastructure works-April 2020
- Complete infrastructure-March 2021
- Start on site (housing development)-December 2021
- Practical completion-September 2029

Clearly all timelines are likely to be impacted by the Covid-19 restrictions.

## **8.0 Outputs and Outcomes**

805 homes

## **9.0 Spending profile**

20/21 £3,000,000

## **10.0 Local Assurance Framework**

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 £3,000,000 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

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>A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.</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>The highways and associated infrastructure were granted full planning permission on the 21<sup>st</sup> January 2020.</p>  |
| <p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>  | <p>n/a</p>  |
| <p>5. Confirmation of the results of the procurement exercise detailing:<br/>-the tenders received (along with detailed costs)<br/>-the tender accepted (along with timescales/conditions)</p> | <p>The procurement process used for the construction of the highway infrastructure and associated works is being overseen by Arc Partnership. The Scape National Civils Framework has been used with Balfour Beatty as the construction partner. The Framework has been pre-tendered with the costs of preliminaries, overheads and profit established.</p> |
| <p>6. Details of the construction contract to be entered into by the promoter detailing:<br/>-start date<br/>-completion date<br/>-liquidated damages/cost over runs</p>                       | <p>Start on site for the construction work is expected in April 2020.</p>   |

Appendix 1

|   |  |
|---|--|
| <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>Nottinghamshire County Council has confirmed they are the site promoter and will be responsible for any variations to the contract.</p>   |
| <p>8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</p>  | <p>Detailed design has been completed</p>  |
| <p>9. Details of any outstanding points preventing/delaying the start-up of the construction contract.</p>  | <p>COVID 19 is clearly a potential issue which is something that affects the whole construction industry and the project will seek to access all necessary and available support as and when this becomes available.</p> |
| <p>10. Details of any changes for the project form 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>There are no changes since the EOI was submitted and as this project has only recently been put onto the LGF programme no OBC was required.</p>   |
| <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>Homes England funding has been confirmed. Funding from Nottinghamshire County Council was confirmed on the 19<sup>th</sup> June 2019 by their Policy Committee.</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>Nottinghamshire County Council are landowners of the site. All relevant permissions for the highway and associated infrastructure have been entered into.</p>   |

Appendix 1

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.

- Planning permission granted for infrastructure-January 2020
- Outline planning permission determined-April 2020
- Start on site for infrastructure works-April 2020
- Complete infrastructure-March 2021
- Start on site (housing development)-December 2021
- Practical completion-September 2029

Outputs are expected as follows:

| Table 5.1: TWF – output profile |         |         |         |         |         |              |       |
|---------------------------------|---------|---------|---------|---------|---------|--------------|-------|
|                                 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2026/27 | Future years | Total |
| Housing Starts                  | 134     | 134     | 134     | 134     | 134     | 134          | 805   |
| Completions                     |         | 134     | 134     | 134     | 134     | 268          | 805   |

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