

**Agenda Item No.**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**4 June 2020**

Joint Report of the Executive Strategic Director – Economy, Transport and Environment and the Director of Finance and ICT

**UPDATE ON DEVELOPMENT PROGRESS AT MARKHAM VALE  
(CLEAN GROWTH AND REGENERATION)**

(1) **Purpose of Report** To inform Cabinet of the continuing success and progress being made at Markham Vale and to provide an overview of economic development activity over the rolling two year period April 2018 to March 2020.

(2) **Information and Analysis** Markham Vale is the Council's flagship regeneration project and was set up to create an attractive and accessible business park over an 85 hectare (200 acre) site. Centred around the former Markham Colliery site located between Staveley and Bolsover, the project was set up in 2006 to create up to 4,100 jobs, improve existing/build new roads, bring in around £170 million of private sector investment and develop over 3 million ft<sup>2</sup> of commercial floor space.

Markham Vale was established as a catalyst for regeneration in the deprived northern coalfield area of Derbyshire and in the long term, to generate business rates income for re-investment in the Derbyshire economy. Progress on development at Markham Vale was last considered by Cabinet on 8 November 2018 (Minute No. 267/18 refers).

**Overview**

To date, the Markham Vale project has brought forward 173 of the 200 acres available for development. Of the 173 acres created, 135 acres are either fully developed or have buildings under construction. An annual job survey is undertaken in March each year and this report normally provides an overview of the progress that continues to be made in terms of job creation.

In March 2018, 1,628 full time jobs had been created and by March 2019, that figure had increased substantially to 2,236. A similar increase was predicted to be recorded in the March 2020 survey but, unfortunately, the COVID-19 lockdown has resulted in many businesses being unable to complete the survey at the time of writing and this year's job figures will be subject to a

further report later in the year, although it is anticipated that the rate of growth will not have been maintained. The impact on *actual* job numbers is difficult to predict as a number of occupiers in the warehousing and distribution sectors are known to have increased recruitment in the lockdown period.

The continued progress in development and regeneration since the last report are reported below:

## **Markham Vale East**

### **Plot 1 South Waterloo Court**

In Waterloo Court, company mergers and rationalisations resulted in a number of units changing ownership or occupier but all units are occupied. The new businesses who have recently located to Markham Vale include Catering Projects Ltd (commercial kitchens), RB1 Ltd (engineering), Hillspeed Ltd (Formula 3 Racing), Derbyshire Distillery (Gin distiller) and Victor Marine Ltd (maritime engineering).

### **Plot 2 South**

The building previously occupied by Andrew Page Ltd remains vacant following changes in the company's ownership and centralising its logistics centre elsewhere in the Midlands. The building's owner is marketing the building on a leasehold basis but is currently being used on a temporary basis by the Council as an emergency food distribution hub in supporting the Council's COVID efforts.

### **Plot 5**

Priority Space Ltd has sold all 13 units of its speculative development of Wilson Business Park. Eleven businesses are now operating from the site comprising, Direct Track Solutions (rail sector), Catering Projects Ltd (commercial kitchens), GB Bespoke Joinery (construction), QCR Recycling (engineering), Drill Store Ltd (construction/minerals), Gradewell Ltd (construction), Magpie Beauty (online retailer), Switch Electrical Products (construction/engineering), Globebusters Ltd (travel), LTEK Ltd (engineering) and Shot blast Solutions (engineering).

Priority Space Ltd also constructed a second speculative workshop development on 1.1 acres of land. This has recently been sold and the unnamed new occupier is in the process of moving into the new 15,000 ft<sup>2</sup> building.

The remaining 1.5 acres plot on Plot 5 has recently been sold to Derbyshire based Transcare Ltd. The company, who specialises in HGV Fleet Servicing is in the process of constructing its own building.

## **Markham Vale West**

### **Grangers International**

The cleansing and waterproofing products company acquired a 3.8 acres plot for the development of a manufacturing and distribution facility. The 43,000 ft<sup>2</sup> building became fully operational early last year.

### **Plot 6**

The Council's development partner Henry Boot Development Limited (HBDL) developed a speculative 55,000 ft<sup>2</sup> building, branded MV5. The building was completed at the end of 2019 and is being marketed on a leasehold basis.

### **Plot 7**

The two remaining development opportunities on the services site are currently under offer. Subject to securing all necessary approvals, it is anticipated that construction will begin in October 2020.

The work programme for the coming year will be focused on preparing the remaining unreclaimed parts of the site ready for development.

## **Markham Vale North**

### **Plot 13**

There are three development sites in this locality. The first is a second 440,000 ft<sup>2</sup> distribution warehouse for Great Bear which became fully operational in early 2019.

The second development became fully operational in mid-2019; it is a state-of-the-art, 58,000 ft<sup>2</sup> building for Sterigenics, a medical equipment company that has the option to double the size of the facility in future years.

The third development is for Protec International, a manufacturer and distributor of fire prevention products for the construction industry. The company took possession of the 52,500 ft<sup>2</sup> factory and offices in January 2020 and is currently in the process of fitting out the building. This company has an option to double the size of the current factory building on the 5.4 acres site.

### **Plot 15**

Terms have been agreed with Aver, an investment company, for the speculative development of two industrial buildings on this 15 acre site. Planning permission was secured in April 2020 for the development which comprises a 221,518 ft<sup>2</sup> building and a 75,500 ft<sup>2</sup> building - both include two storey office accommodation. Construction is expected to commence in June 2020. Engineering soil excavated from the site will be incorporated into a separate earthworks contract to be awarded by the Council to level the remaining unreclaimed part of Plot 1.

Of the above developments that have been completed, the private sector investment secured at the site is estimated at between £150m and £180m. For those developments that have been secured but not yet completed, the additional private sector investment is valued at approximately £30m.

Marketing of the remaining development plots continues and it is likely that additional infrastructure provision will be required for each new development in order to meet occupier and business needs. Two further development plots comprising 11 acres, remain to be remediated on the site and discussions are underway to resolve outstanding land and planning matters.

In conjunction with adjoining landowners and local planning officers, a Masterplan has been prepared for a mixed-use development on Markham Vale estate land at Staveley Town Basin. A business case is in the process of being prepared to assess if the project is viable and will be presented to Cabinet in due course.

At the current rate of progress, it is anticipated that all development plots will be either occupied or under construction by the end of financial year 2022-23, although recession and longer term effects of COVID may have significant impact of completion; this is being kept under review.

### **Planning and Environmental Quality**

The Council continues to work closely with the district and borough planning authorities in the preparation and submission of planning applications for either new development proposals and/or the discharge of the outstanding conditions relating to the various phases of the overall Markham Vale site.

BEAM continues to assist the Council in delivering its Public Art Action Plan, one element of which is the Markham Mining Memorial where the artist, Stephen Broadbent, was commissioned to develop the Walking Together installation. The installation comprises 106 figures that represent those individual miners killed in the three colliery disasters at Markham, along with a memory wall at the Markham Vale Environment Centre.

To date, 62 Walking Together figures have been installed, with confirmed funding from Viridor Landfill Credits for a further 15 to be installed by May 2020. Sponsorship from local businesses (Great Bear, HBDL and Tesco) has also been secured for eight additional figures to be installed in September 2020. Work continues to secure further funding to ensure the Council successfully completes the installation. A working group, which comprises former miners, representatives from community groups and local historians, continues to support the Council in developing The Story Mine website, which includes not only information about the 106 miners, but also stories, memories and photos of miners, their families and life in the mining communities.

### **Other Services**

The Council has a growing reputation and success in assisting new businesses to identify and fulfil their recruitment and training needs via the 'Markham Vale Grow Your Workforce' service (a copy of recent literature is provided at Appendix 1). The service aims to connect businesses with other organisations and resources to help secure employment and training opportunities for local people. Discussions are ongoing with the most recent businesses locating to Markham Vale to identify areas where the Council can assist. In addition to attendance at local job fairs, social media accounts have been established where every vacancy and job creation news are posted. Such is the rate of new jobs being created that details of several vacancies are published on a daily basis and all evidence suggests the approach has been highly successful.

The local business community is supported by the availability of conference facilities at the Environment Centre. During the past 12 months, almost 1,500 people have attended 88 training courses covering a diverse range of subjects provided by a variety of businesses and training providers. Typically, courses cover Health and Safety, Human Resources, Teacher Training, Business Start Up, Welding, Gas-fitting, Logistics and a host of other different technical subjects.

Landscape management and maintenance works across the whole site continue to be delivered, utilising a range of resources comprising contractors, the Council's Property Services, Highways Management teams and Markham Vale Land Services (MVLS). MVLS is a dedicated team established within Adult Care where service users are provided with training and support across areas, such as landscape and horticulture. This is a critical part of the Council's commitment to supporting employment and developing employability skills for vulnerable adults. Derbyshire based company, NT Killingly Ltd is currently contracted to undertake major planting and landscape maintenance works over the coming year.

### **Governance: Partnership Working with Henry Boot Development**

HBDL was appointed in 2003 as the Council's private sector partner to develop the Markham Vale project. The Partnership Agreement requires both partners to work in a spirit of mutual trust and co-operation, and sets out key elements and roles of each partner.

A number of boards have been established to oversee delivery of Markham Vale including: the Operations Board which undertakes day to day supervision of the development; a Senior Officers' Board which manages the implementation of the development as a whole; and a Partnership Board to oversee the Development Partnership. Each Board consists of three representatives from Derbyshire County Council and three from HBDL.

The Partnership Agreement between the Council and HBDL expires 14 December 2022. Whilst all development work is anticipated to be complete by this date, the impact of COVID – and BREXIT - on timescales and deliverables will be monitored closely.

Advice on managing the Partnership Agreement between the Council and HBDL and the individual development disposals continues to be provided by Geldards LLP.

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 business based at Markham Vale. This index linked charge is based on the acreage that businesses occupy

### **Programme Management**

As outlined earlier in this report, priority over the past 18 months has been focused on securing new occupiers and completing developments. The anticipated progressive development on Markham Vale West and North, 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. Funding opportunities are currently being progressed with the aim of starting construction over the coming months. Pace and momentum in the final stages of the project will be dependent on external market forces, any medium term implications of Brexit and economic recovery following from the recent COVID-19 pandemic period.

Ensuring timely project and programme delivery continues to present challenges for service capacity but is aided by the Council's approach to delegated approvals with the Leader and Executive Director – Economy, Transport and Environment. To support continued programme delivery, the Economy, Transport and Environment Department will continue its approach to project and programme management, ensuring critical alignment of available funding streams to support delivery.

The growing international reputation of the Service, as leaders in their field on successful reclamation and regeneration, has attracted attention from China and Europe. An Officer was invited by the British Consulate General Shanghai to speak at the Energy and Environment Roundtable event at The World Manufacturing Convention in Hefei 2019. The purpose of the visit was to help with the exchange knowledge of coal transition and promote UK-China energy collaboration. In October 2019, the British-Slovenian Chamber of Commerce and Department for International Trade (DIT) Slovenia invited an Officer to present on experience in respect of solutions and case studies for mine closure and transformation at an event focused on the management of the

legacy issues following the closure of coal mines in the Savinsko-Šaleška region of Slovenia.

### **(3) Financial Considerations**

#### **Budget 2018-19**

The Capital budget for 2018-19, incorporating slippage from the previous year, resulted in an outturn expenditure of £0.243m.

#### **Budget 2019-20**

The Capital budget for 2019-20, incorporating slippage from the previous year, resulted in an outturn expenditure of £0.409m.

Remaining Capital expenditure on the project is estimated at £4.75m. Works included in this cost estimate comprise remaining land acquisition and legal fees, provision of infrastructure as each plot is brought forward for development, earthworks on the two remaining un-remediated plots, 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 estimated at between £6.1m and £7.3m but all opportunities are being identified to secure alternative grant funding where appropriate.

The budget and programme will be kept under review and regular reports made to Cabinet.

**(4) Social Value Considerations** Work with new developers and occupiers at Markham Vale is undertaken to support recruitment of new staff – advertising, encouraging and supporting recruitment from within the local area.

### **Other Considerations**

In preparing the report, the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental health, property and transport considerations.

**(5) Key Decision** No.

**(6) Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

**(7) Background Papers** Held in file within the Economy, Transport and Environment Department.

(8) **OFFICER'S RECOMMENDATION** That Cabinet notes the success and recent progress in developing Markham Vale and the scale and nature of work required to be undertaken over the coming two to three years to complete the project.

**Mike Ashworth**  
**Executive Director – Economy,**  
**Transport and Environment**

**Peter Handford**  
**Director of Finance and ICT**



## Grow your workforce

As part of the joint venture with Henry Boot Developments, Derbyshire County Council (DCC) offer a free service that has been developed to meet the workforce needs of businesses locating to, and operating from Markham Vale.

The aim is to provide clients with an efficient and effective service by utilising the expertise of a range of key influential partners and organisations who have a direct involvement in the supply and training of the local labour force to maximise opportunities for local communities.

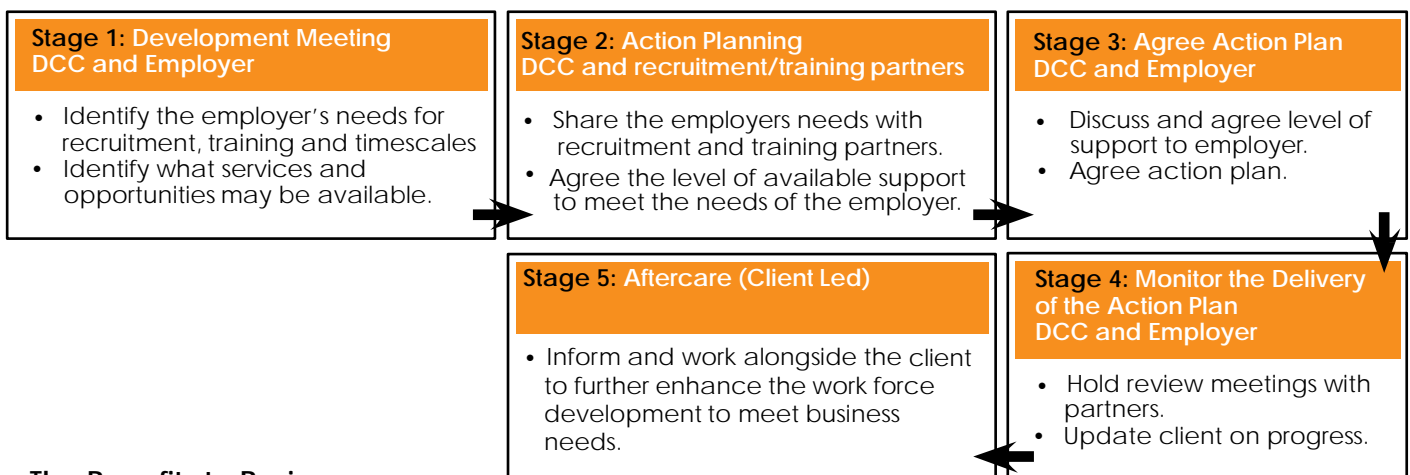
### The Offer

A number of service options are available suited to the varying needs of businesses

- Vacancy Handling – Assistance promoting vacancies with relevant partners and provide clients with comfortable interview facilities.
- Job Matching – Screening candidates against required skills and competencies, giving clients a trouble-free route to a pool of suitable candidates.
- Unlock funding – Work with partners to secure funding (where available) to enable the delivery of tailored training programmes specific to particular business and recruitment needs.
- Aftercare – Keep clients up to date with opportunities for ongoing employee development and training

### The Process

- Conduct a need analysis with the client to determine the employment opportunities and the level of skills and abilities required.
- Develop an action plan with relevant partners that will be agreed with the client.
- Manage the delivery of the action plan ensuring it is successfully delivered.



### The Benefits to Business

- A client focused and tailored one stop shop for the client employment needs aimed at ensuring the local labour market is job ready.
- Cost savings on recruitment through the services offered
- Signposting to other opportunities that may benefit the business financially.
- Information and assistance to unlock funding for specific training needs of new or existing employees.

For more information on the services available please contact

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