

## **DERBYSHIRE COUNTY COUNCIL**

### **MEETING OF CABINET MEMBER – CLEAN GROWTH AND REGENERATION**

**9 July 2020**

Report of the Executive Director – Economy, Transport and Environment

#### **REGENERATION OF THE FORMER COALITE CHEMICALS SITE**

(1) **Purpose of Report** To seek the Cabinet Member's approval to accept and sign the revised Grant Confirmation Document dated 5 May 2020 issued by Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) and the programme of payments for the previously agreed Derbyshire County Council grant contribution based on the revised outputs and target dates submitted by Bolsover Land Ltd (BLL) for the regeneration of the former Coalite Chemicals site, as set out at Appendix 1.

(2) **Information and Analysis** At the meeting on 11 October 2016, Cabinet approved grant funding of £2.0022m towards the £21.8m regeneration of the former Coalite Chemicals site subject to satisfactory compliance with State Aid requirements and a robust, acceptable business being submitted by BLL (Minute No. 305/16 refers).

BLL also secured £5,797,800 Local Growth Fund (LGF) grant funding from D2N2 towards the costs of the regeneration works.

The business case submitted by BLL and agreed by both the Council and D2N2, required BLL to achieve a series of spend target dates and outputs relating to job numbers (1,525), areas of land remediated (28.2ha), areas of commercial development land created (28.2ha) and 660 housing units constructed.

BLL achieved its target spend requirement (end of 2016-17 financial year) for the D2N2 contribution of £5,797,800, but has not yet claimed the Council contribution of £2.0022m towards the costs of the infrastructure. BLL also achieved the target of 28.2ha of land remediated, but not the other output targets for the reasons set out below.

As a result of HS2 Ltd announcing a revised alignment for the proposed High Speed HS2 route through the Coalite site, BLL, in consultation with the Council, D2N2, North East Derbyshire District Council and Bolsover District Council, sought to revise the planned layout and use of the site. This change in use of the site resulted in the removal of all the proposed housing land to be replaced with a greater area of commercial development. This change in use of the site

necessitated the requirement for BLL to secure revised planning approval and approval for the necessary changes in both on-site and off-site highway infrastructure. These design revisions and the process of securing the necessary regulatory approvals took BLL longer than originally anticipated.

### **Current Position**

BBL has secured full planning permission from both North East Derbyshire and Bolsover District Councils for completing the remediation of the site for employment use. In addition, a Masterplan for the whole site development has been agreed, along with a design framework providing the principles on how the built development will look and fit in to the overall landscape design.

Work is currently underway to complete the remediation of the site following the completion of Phase 1 in 2017 which was funded using the D2N2 grant. BLL has also agreed a revised programme for completing the highway infrastructure.

Following receipt of planning approval for the revised masterplan, BLL approached D2N2 to seek a revised funding approval based on the revised outputs of:

New Jobs:	2,253
Area of commercial development:	42.49ha

D2N2 agreed BLL's revised funding request and issued the revised Grant Confirmation Document on 5 May 2020. The document also sets out revised target dates for the completion of the works (see Appendix 1).

(3) **Financial Considerations** Cabinet previously approved grant funding of £2,002,200 (Minute No. 305/19 refers) towards the £21.8m regeneration of the former Coalite Chemical site, but the need by BLL to agree revised outputs and delays in delivering the project has meant that the council's contribution has not yet been claimed. Appendix 1 illustrates the key milestones that claims for payment of the Council's contribution towards the infrastructure costs will be assessed against prior to the authorisation of stage payments.

Given the complex nature of the project and the potential for delays in achieving output and spend profiles, exact details of the grant drawdown schedule have yet to be agreed. In any event, grant payments will only be made based on the developer achieving the required outputs and copies of invoices submitted with each claim. Therefore, Cabinet Member approval is sought to delegate responsibility to the Executive Director – Economy, Transport and Environment to agree a programme of payments with BLL, as it achieves the revised outputs and target dates.

### **Other Considerations**

In preparing this report, the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity,

human resources, environmental, social value, health, property, and transport considerations.

(4) **Key Decision** No.

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

(6) **Background Papers** Held on file by the Economy and Regeneration Service within the Economy, Transport and Environment Department.

(7) **OFFICER'S RECOMMENDATIONS** That Cabinet Member:

7.1 Accepts and signs the revised Grant Confirmation Document, dated 5 May 2020, issued by Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2).

7.2 Agrees to delegate responsibility to the Executive Director – Economy, Transport and Environment to agree a programme of payments with Bolsover Land Ltd (BLL) for the previously agreed Derbyshire County Council grant contribution, as BLL achieve the revised outputs and target for completing the infrastructure for the regeneration of the former Coalite Chemicals site.

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

## Appendix 1

Extract from the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Funding Confirmation Agreement dated 5 May 2020.

Bolsover Land Ltd to complete the project to the key milestones set out below.

	Key milestones from the Business Case e.g. Planning Permission granted, work commences on site etc.
<b>2019/20</b>	
Quarter 1	
Quarter 2	
Quarter 3	Phase 1A & 1B-reserved matters planning approval. Phase 2A outline planning application submitted.
Quarter 4	Phase 2C planning submitted
<b>2020/21</b>	
Quarter 1	Phase 1B & 2C remediation commences. Phase 2A outline planning approved.
Quarter 2	Phase 2C planning to be granted. S278 works commence
Quarter 3	Phase 1A infrastructure commences
Quarter 4	Phase 1B & 2C remediation complete. Phase 2A remediation commences
<b>2021/22</b>	
Quarter 1	
Quarter 2	Phase 1B infrastructure commences. S278 works complete. Phase 1A infrastructure works complete.
Quarter 3	
Quarter 4	Phase 2A remediation complete. Phase 2C infrastructure commences.
<b>2022/23</b>	
Quarter 1	
Quarter 2	Phase 1B infrastructure complete. Phase 2C infrastructure complete
Quarter 3	Phase 2A infrastructure commences
Quarter 4	
<b>2023/24</b>	
Quarter 1	
Quarter 2	
Quarter 3	Phase 2A infrastructure complete
Quarter 4	