

Agenda item 8

D2N2 Investment Board (IB) Cover Sheet – 4th August 2020

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Meeting and Date	4 th August 2020		
Subject	Approval of the Revitalising the Heart of Chesterfield		
Author	T Goshawk/S Wainwright	Total no of sheets	7

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 for £650,000 of Local Growth Funding to support the Revitalising the Heart of Chesterfield.</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

4th August 2020

Revitalising the Heart of Chesterfield

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 54 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

Revitalising the Heart of Chesterfield comprises of two elements; the reconfiguration of the town centre outdoor market to make it a more attractive proposition for both traders and shoppers; and the delivery of an enhanced public realm in the town's Northern Quarter. D2N2 funding provides the opportunity to add value to this scheme by enabling an upgrade of the improvement works to the outdoor market and an extension of the public realm works to include Packers Row, a key pedestrian route way in the town centre and to upgrade the market to a better specification using the D2N2 funding.

Changing patterns of retailer and consumer behaviour are combining to create challenging market conditions for Chesterfield town centre. In response to these challenges, the Council is seeking to strengthen the overall appeal of the town centre, to make it a place that more people want to visit and enjoy spending longer periods of time in. This scheme supports this aim by delivering a high quality public realm and re-establishing the outdoor market as a key footfall attractor for the town centre.

Funding from the Council will enable the delivery of the level 1 lowest cost option. These works will include: the retention and repair of existing stall structures; new tensile covers and guttering for the stalls; improved lighting and power; improved access and stall configuration; general paving repairs; and new flexible trading areas created. The cost of option 1 is £800k. Additional funding of £350k from D2N2 will enable the market redevelopment to be 'upgraded' to the level 2 option. This would be as option 1, plus the construction of new stall beds (and further adaptation of stall structures) to allow greater flexibility in market configuration. Instead of just reducing the total number of stall rows to improve sight lines and accessibility for shoppers (as per option 1), option 2 will allow two stall rows to be aligned side by side, increasing the area of wet weather protection for traders and shoppers, as well as allowing for 360 degree trading, instead of single row trading (where it is not always clear which is the front and which is the back of the stall) as is the case at present.

The current public realm scheme is focused on providing an appropriate setting for the redevelopment of the town centre's 'northern quarter'. Upgraded public realm will not only boost investor / occupier confidence in the area (this is seen as a particular requirement to attract new food and drink uses), but also create an attractive pedestrian routeway between the significant level of car-parking provision in the northern quarter and the retail core. To achieve this, the projects public realm design seeks to reduce vehicular dominance by re-proportioning road and footpath widths, re-balancing the street in favour of the pedestrian. This enables streetscene activation through greater use of pavement space including outdoor seating for restaurants and cafes. Street furniture will be rationalised and trees added to improve air quality and enhance the town's existing green infrastructure. Key pedestrian crossing points will be improved to better manage traffic flow and give a greater priority to pedestrians. These works relate specifically to Elder Way and Knivesmithgate, however D2N2 funding provides the opportunity to now extend these works along Packers Row, providing a high quality pedestrian link to the retail core and an upgraded public realm as a basis for attracting new retail investment.

The funding for the project is sourced from the following:

Funding Source	TOTAL
Chesterfield Borough Council	£350,000
Derbyshire Business Rates Growth Fund	£1,050,000
Sheffield City Region (SCRIF)	£1,200,000
Local Growth Fund	£650,000
TOTAL	£3,250,000

3.0 Approvals

Approval of the project was given by the Council at the Council meeting on the 17th July, item 15. The delivery of the project is included as a key milestone in the Council Plan 2019-2023 and Delivery Plan for 20/21 which was approved by Cabinet on the 25th February 2020, item 106.

4.0 Procurement

Chesterfield Borough Council are a partner in a Shared Procurement Unit with other local authorities that is led by Chesterfield Hospital NHS Trust. For the public realm works the Northern Gateway Board will officially appoint the construction contractor on the 28th July 2020.

5.0 State Aid

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

6.0 Business Case

The business case has been forwarded to Regeneris Hatch and they have confirmed that the project represents Good Value for Money.

7.0 Delivery Programme

Public Realm works begin on site-October 2020

Public Realm works complete-May 2021

Market Place fully designed-June 2021

Market Place works begin-August 2021

Market Place works complete-November 2021

8.0 Outputs and Outcomes

66 new jobs

80 safeguarded jobs

9.0 Spending profile

20/21 £650,000

10.0 Local Assurance Framework

A Full Business Case has now been submitted in line with the approval process. 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 £650,000 of LGF.

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

Appendix 1

Local Assurance Framework

Final stage Approval Check List:

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.	A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.
2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.	A Value for Money assessment has been carried out and the project is confirmed as offering Good Value for Money.
3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.	No planning consents are required
4. Confirmation that any Section 106 or other agreements have been entered into.	The S278 agreement between Chesterfield Borough Council and Derbyshire County Council will be agreed before the end of July 2020.
5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)	An open tender procurement has taken place using the Shared Procurement Unit which is led by Chesterfield Hospital NHS Trust.
6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs	The contract awarded will be a JCT Intermediate Build Contract with Contractor Design 2016 with schedule of works and CBC Amendments. Any cost overruns will be covered by Chesterfield Borough Council

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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.	Chesterfield Borough Council has confirmed they will be responsible for any cost overruns		
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	Final designs will be agreed with Derbyshire County Council as Highways Authority before the end of July 2020.		
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	n/a		
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.	n/a		
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.	All funding is in place. Grant agreements have been entered into for the SCRIF and Business Rates grants. Funding from Chesterfield Borough Council was agreed at Council on 17 th July 2019.		
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	The Packers Row land is highways land and owned by the County Council. A S278 is to be entered into to allow work to be completed.		
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.		Safeguarded jobs (80)	New jobs (66)
	Year 2021	80	22
	Year 2022		22

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	Year 2023		22
	total	80	66
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 including any mitigations		