

Agenda item 9

## D2N2 Investment Board (IB) Cover Sheet – 4<sup>th</sup> August 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	4 <sup>th</sup> August 2020		
Subject	Approval of the Revitalising the Toll Bar House, Ilkeston		
Author	T Goshawk/S Wainwright	Total no of sheets	

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 £425,000 of Local Growth Funding to support Toll Bar House, Ilkeston.</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****4<sup>th</sup> August 2020****Toll Bar House, Ilkeston****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**

The Toll Bar House project will upgrade, redevelop and revitalise this iconic building set on a prominent location on the gateway to Ilkeston town. The building has recently become vacant after its long time public sector tenant vacated and has little prospect of finding a new occupier in its current form. The proposal is to futureproof the building with a programme of upgrades and redevelopment to make it into an energy and water efficient building to help combat climate change. The refurbishment will make accommodation suitable for small and growing companies where office space is constrained in Ilkeston.

Toll Bar House is redundant in its current form. It is a large office which has historically only ever been occupied by public sector tenants. There is no demand for accommodation in the area from this kind of organisation. Additionally the building's energy efficiency survey indicated below average rating. Investment is needed now to repurpose this iconic building for the future and prevent it being mothballed and becoming a burden to the public sector.

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The proposal for Toll Bar House is to update and refurbish this art deco landmark building to make it suitable for modern, high value office requirements. The project will include upgrading the heating and lighting systems, fitting more energy efficient windows, insulation and water systems. These will be more economical for the occupants to run, help limit climate change and improve the appeal of the letting offer.

The project aligns with the LEPs strategic ambitions to develop our places and improve the economic prosperity of the town of Ilkeston. Alongside this ambition to improve the economy of the town, this project aligns to the clean growth ambition by repurposing this space to become an energy efficient building.

The programme of refurbishment will include reconfiguring the space to form:

- 22 Managed offices with shared meeting rooms and kitchen and bathroom facilities
- The flexibility to combine spaces as required to create larger letting units
- Development of the old garages to form a workshop

The funding for the project is sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Erewash Borough Council	£425,000
Local Growth Fund	£425,000
<b>TOTAL</b>	<b>£850,000</b>

### **3.0 Approvals**

Funding for the project was approved by the Council Executive on the 2<sup>nd</sup> June 2020.

### **4.0 Procurement**

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Using the framework Fusion21, the Council has selected a preferred supplier. The Fusion21 framework is a compliant route to market as it is open to all local authorities to utilise providing an access agreement is completed, this was completed in February 2020 for Erewash Borough Council.

## **5.0 State Aid**

The project has been confirmed as State Aid compliant by Erewash Borough Council's Monitoring Officer.

## **6.0 Business Case**

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

## **7.0 Delivery Programme**

On site works begin-September 2020

Service isolation and strip put-September/October 2020

First fix and external brickwork repair-October/November 2020

Suspended Ceilings and external concrete repairs-November/December 2020

Heating, lighting and window installation-November 2020/February 2021

Decorate throughout-January/February 2021

Occupation-March 2021

## **8.0 Outputs and Outcomes**

92 new jobs

1,106m<sup>2</sup> refurbishment employment space

23 businesses accommodated

## **9.0 Spending profile**

20/21 £425,000

## **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 £425,000 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 is currently being carried out by external consultants and the project represents good Value for Money.
3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.	Planning permission to replace the windows was given on the 12 <sup>th</sup> March 2020.
4. Confirmation that any Section 106 or other agreements have been entered into.	n/a
5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)	The promoter has used the Fusion21 framework, a preferred contractor has been selected.
6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs	The construction contract will be a JCT Constructing Excellence contract.
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once	The promoter has confirmed they will be responsible for any cost overruns.

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entered into, the contract will be completed in line with the details submitted.	
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	The project is fully designed
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.	Funding was agreed by Erewash Borough Council at the Council Executive on the 2 <sup>nd</sup> June 2020.
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	All land is in the ownership of Erewash Borough Council
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.	Current tenant vacates-4 <sup>th</sup> August 2020 On site works begin-September 2020 Service isolation and strip put-September/October 2020 First fix and external brickwork repair-October/November 2020

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	<p>Suspended Ceilings and external concrete repairs- November/December 2020</p> <p>Heating, lighting and window installation-November 2020/February 2021</p> <p>Decorate throughout-January/February 2021</p> <p>Occupation-March 2021</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.	A risk register has been provided including mitigations