

Agenda Item No. 7(c)

DERBYSHIRE COUNTY COUNCIL

CABINET

1 November 2016

Joint Report of the Chief Executive, the Strategic Director – Economy, Transport and Communities and the Director of Finance.

MARKHAM VALE (STRATEGIC POLICY, ECONOMIC DEVELOPMENT AND BUDGET)

(1) **Purpose of Report** To inform Cabinet about the continuing success and progress in developing Markham Vale and to provide an overview of the pace, scale and success of economic development activity over the last few years.

(2) **Information and Analysis** Markham Vale is the Council's flagship regeneration project to create an attractive and accessible business park over a 85 hectares (200 acres) site. Centred around the former Markham Colliery site, located between Staveley and Bolsover, the project is on target to create up to 4,100 jobs, bring in around £220 million of private sector investment and develop over 3 million ft² of commercial floor space.

Progress in developing Markham Vale was last considered by Cabinet on 16 June 2015 (Minute No. 219/15 refers).

Overview

To date, the Markham Vale project has brought forward 110 of the 200 available acres; 74 acres are fully developed and occupied, and a total of 938 full time jobs have been created. Recent success has included:

Plot 1 – Construction was completed in July 2016 for a 480,000ft² distribution warehouse for Great Bear Ltd. When fully operational, the facility will create 400 new jobs.

Plot 1 North – Construction of a 100,000ft² factory warehouse and office building for printing company Inspirepac Ltd, was completed in July 2015. When fully operational, Inspirepac plans to create 125 new jobs over the next 5 years; 55 jobs have already been created.

Plot 2 North - On the opposite side of Markham Lane, a 50,000ft² building for Gould Alloys was completed in July 2015. Over 60 people are now employed at the premises which exceeds the 40 originally planned by the company.

Plot 5, negotiations are close to being concluded for a speculative development of a cluster of small workshops creating between 50 and 70 new jobs. It is anticipated that construction will commence early 2017.

Plot 5 – An existing occupier, Industrial Ancillaries, has recently completed an office extension to its building to accommodate its growing workforce, currently at 41 employees; more than double the number when it first located to the site. On Plot 6, the construction of a 40,000ft² warehouse and office building for Meter Provida Ltd was completed in December 2015. Over 60 employees work at the site, 50% higher than originally planned.

Plot 7 East – The service demands of the growing business community are partly being met by developments on this plot. The latest development, a KFC restaurant, was completed in December 2015. More than 200 people are employed in the various businesses located on this plot. Two remaining sub-plots in this area are being marketed for similar ancillary service-related uses, whilst the plot on the opposite side of Enterprise Way is being marketed for a hotel.

Markham Vale East and West - Development is progressing, and further infrastructure and utilities will be commissioned to service each plot as developments commence. However, the bulk of this year's infrastructure works are focussed on bringing forward the plots on Markham Vale North, which was previously the site of Seymour Colliery; major earth works were completed in June 2016 to create four large development plots. To provide access to these four development plots, the Council commenced construction of the Seymour Link Road in October 2015 by the appointment of Eurovia Ltd utilising the Midlands Highways Alliance framework contract. Orders were placed for other elements of the works comprising utilities, Network Rail land fees, validation testing and project management. It is anticipated that the Seymour Link Road will be substantially complete in November 2016.

Markham Vale North - Through adroit programming, the various developments on this site are progressing through stages of detailed negotiations to planning and construction stages all at the same time as the Seymour Link Road construction works are nearing completion; this is due to be completed in November 2016. On Plot 13, terms have been agreed

for a 480,000 ft² distribution warehouse. Planning permission was secured in May 2016 and subject to the satisfactory completion of discussions and legal agreements, construction will start in late 2016. When fully operational, 400 new jobs will be created.

Plot 14, construction started in May 2016 of a 225,000 ft² distribution and office complex for Ferdinand Bilstein UK, a German auto-parts firm. When completed in early 2017, the development will create 150 new jobs initially with a further 250 jobs to follow.

Plot 15, terms have been agreed for a state-of-the-art building for a medical equipment company. Subject to securing all approvals, the development will be delivered in two phases; construction of the first phase will comprise a 58,000 ft² building employing up to 35 people in hi-tech jobs. The company has ambitious growth plans whereby a second similar sized building will be built over the coming five years, significantly increasing the number of jobs created.

Of the above developments that have been completed, private sector investment secured at the site is estimated at between £90m and £100m; for the developments that have been secured but not yet completed, the additional private sector investment is valued at approximately £60m.

A number of further enquiries are progressing for the remaining development plots; conclusion of these proposals will be reported to Cabinet in future reports.

Planning and Environmental Quality

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

BEAM continues to assist the Council in delivering a Public Art Action Plan; one element of this is the Markham Mining Memorial where the artist, Stephen Broadbent, was commissioned to develop the Walking Together installation, comprising 106 figures which represent the number of miners killed in the three colliery disasters at Markham, along with a memory wall at the Environment Centre. Eight Walking Together figures were installed in previous years and a commemoration stone was unveiled at the adjacent mineshaft location. A further 11 figures were installed in September 2016 after sponsorship was secured; further sponsorship from local businesses and community groups along with grant funding contributions is being sought to complete the installation. A working group comprising former miners, schools, a representative from

community groups and local historians, is working with the Council to help progress the project.

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 (see Appendix 1), which aims to connect businesses with other organisations and resources to help secure employment and training opportunities for local people. Discussions are ongoing with the latest businesses locating to Markham Vale to identify areas where the Council can assist. The Council has recently added to the scope of service offered with the creation of a twitter account @MarkhamValeJobs where every vacancy and job creation news is tweeted. An e-newsletter is issued monthly to community and business representatives to provide regular updates on the latest developments (see Appendix 2).

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 and 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. Tenders will be invited later in 2016 for landscaping works on the northern sites on completion of the infrastructure works.

Governance: Partnership Working with Henry Boot Development Limited

Henry Boot Development Limited (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 the delivery of Markham Vale, including: an Operational 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. These Boards continue to meet regularly; the Operations Board monthly, the Senior Officers' Board quarterly, and the Partnership Board annually.

The existing Development Agreement (DA) with HBDL expires in December 2018 but both partners have the option to extend the DA by a further four year period if implemented before 15 December 2016. The progress of the partnership is monitored and kept under review at the Partnership Board

meetings and, given the ongoing success in developing Markham Vale and meeting the development objectives, it is recommended that the Partnership DA with HBDL is extended by a further four years beyond the remaining two year period with the final decision delegated to the Chief Executive, in consultation with the Leader of the Council, on an annual basis. HBDL Directors have indicated that they are also seeking approval through their company Board meetings to extend the Partnership.

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

Programme Management

As outlined earlier in this report, major works on Markham Vale North are nearing completion and construction on the first built development has started. 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 year.

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

Budget

2015-16

The Capital budget for 2015-16 was £8.905m with an outturn expenditure of £10.111m. The increase was due to an investment of £2.2m towards a speculative built development; the £2.2m was fully funded from the EZ Capital Grant Fund which was reported to Cabinet in the last Progress report 16 June 2015 (Minute No. 219/15 refers).

2016-17

Estimated expenditure for the current year is expected to be higher than the approved £4.1m for 2016-17 due to increased costs as set out below. The expected outturn for 2016-17 is estimated at £5.15m.

(3) **Financial Considerations** The previously approved budget of £88.54m was agreed by Cabinet on 16 June 2015 (Minute No. 219/15 refers).

Since that time, the project budget has been reassessed with the result that the project cost estimate has increased to £94.15m. In addition to general construction cost inflation over the period, there are a number of significant factors that have resulted in this increase. The main areas are the £2.2m contribution towards the Speculative Build Unit, which did not form part of the original works, the increased costs of constructing the Seymour Link Road and associated utilities primarily resulting from the exceptionally poor weather and ground conditions over the past year; increased costs of Seymour Earthworks in order to increase the size and improve the layout of development plots and the additional works associated with capping the two mineshafts at a depth greater than anticipated.

In addition to securing Capital Grant Fund to meet the £2.2m contribution towards the Speculative built unit, progress has already been made in achieving increased rates in price per acre of land sold which if maintained at least at the present levels will more than offset the increased costs. To date, this has resulted in additional income from land sales of £2.02m from completed developments with a further £1.99m increase in income from future developments. The total increase in income of £6.21m more than meets the increase in budget costs of £5.61m. Further opportunities for other, including grant, income will be pursued as and when opportunities are identified.

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

(4) **Social Value Considerations** Markham Vale regeneration project aims to create 4,100 new jobs in a sustainable, attractive environment. To date, 938 new jobs have been created and many more are planned. Business support activity operating at the Markham Vale Environment Centre provides direct advice and support to new businesses to help secure appropriate employment for the local labour market ensuring skills needs are matched with the availability of local supply where possible.

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 on file within the Economy Transport and Communities Department. Officer contact details – Peter Storey, extension 35417.

(8) **OFFICER’S RECOMMENDATIONS** That Cabinet:

8.1 Notes the success and recent progress in developing Markham Vale.

8.2 Approves the four year extension of the existing Partnership Development Agreement between Derbyshire County Council and Henry Boot Development Limited.

8.3 Approves the increased Capital budget and notes the levels of increased income.

Ian Stephenson
Chief Executive

Mike Ashworth
Strategic Director – Economy,
Transport and Communities

Pete Handford
Director of
Finance

Markham Vale Workforce recruitment and training service

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.

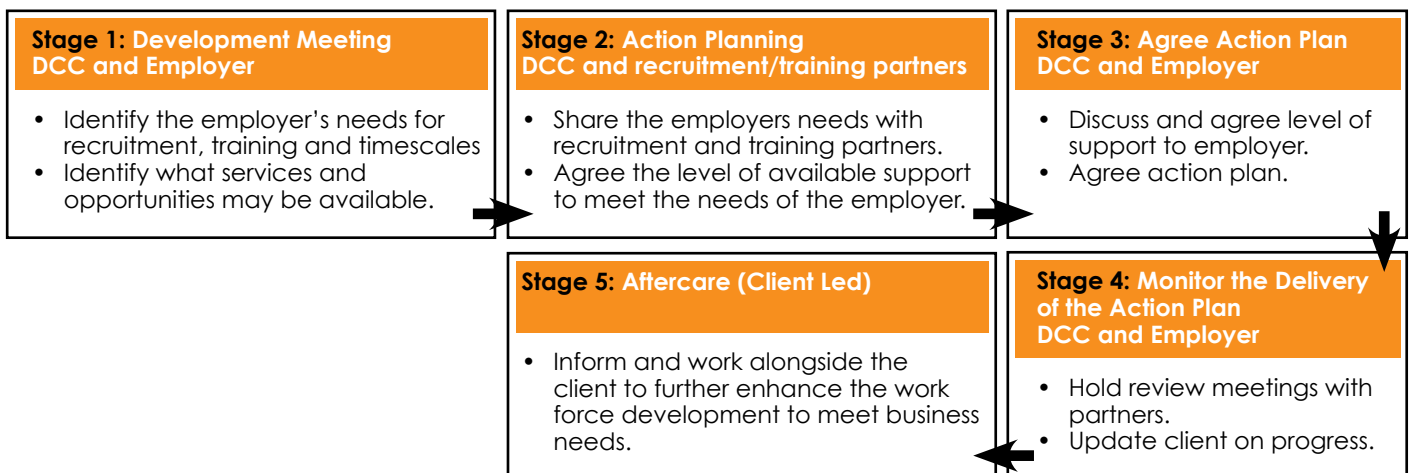
The Offer

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

Andy Williams
Senior Economic Development Officer
Derbyshire County Council
01629 538243
Andy.williams@derbyshire.gov.uk

Welcome to our latest e-newsletter, which aims to provide a brief update on everything that is happening at Markham Vale.

Plans approved for another new building at Markham Vale

Derbyshire County Council and Henry Boot Developments Ltd are pleased to announce that they have successfully secured Planning Approval for another new development on Markham Vale to be located on part of Plot 13 Markham Vale North. The project team is aiming to secure all outstanding approvals and subject to securing an occupier, construction of the building is expected to start later this year. At 480,000 sq.ft. in area, the building will be slightly larger than the Great Bear building on plot 1 which is currently the largest development on site.



Construction on Markham Vale North

On the adjoining plot 14, construction of the new building for Ferdinand Bilstein is progressing at a great rate.



Follow this [link](#) to see how construction progresses every 20 minutes on the 220,000 sq.ft. building.

It is some 20 months since Derbyshire based Fitzwise Ltd started work on site to start creating the developments plots ready for the road construction phase to begin and also for the subsequent

development of the Bilstein building. A lot of different types of construction work, by Fitzwise and Eurovia, has happened over that period comprising clearance works, topsoil stripping, demolition, earthmoving, crushing and screening, coal removal, drainage works, road building, construction of new bridges and retaining walls, watercourse diversion, installation of street lighting and utilities and lots more. In true Markham Vale style, all this work was recorded and condensed in to two short videos

The full 3.5 minute version can be watched by clicking [here](#) but if that is too long for you then you can watch an even shorter one minute version [here](#)

Markham Vale Photo of the Month

The September photo of the month was taken by Derbyshire County Council's Project Supervisor for the Seymour Link Road, Jamie MacArthur. The image of a Common Kingfisher was taken adjacent to where works are underway to build the new bridge over the River Doe Lea. It is an excellent reminder of how construction works are managed at Markham Vale - with a combination of partnership working, working to the highest standards of quality and health and safety, whilst also protecting and creating new environmental habitats, although it is unclear why the bird is perched in a reserved parking space!



Entries to win the plaudit of having submitted the Photo of the Month are welcome from everybody working or living around Markham Vale or whether you are visiting the area. All types of subjects are welcome; they could be of wildlife, of activities inside the buildings, of construction work, of people at work or of the landscape – all that I ask is that they are taken around the Markham Vale area. Email your submission to peter.storey@derbyshire.gov.uk

Considerate Contractor at Markham Vale

Congratulations to Anja Reid and her team at Eurovia working at Markham Vale. Anja has recently been presented with a "Performance Beyond Compliance" certificate from the Considerate Constructors Scheme for the Seymour Link Road project.

When visited by the Considerate Constructors Scheme's Monitor, this site performed beyond compliance by scoring at least 7 points in each of the following five sections of the Scheme's Code of Considerate Practice:

- Care about **Appearance**
- Respect the **Community**
- Protect the **Environment**
- Secure everyone's **Safety**
- Value their **Workforce**



Markham Mining Memorial

The Markham Vale partners, Derbyshire County Council and Henry Boot Developments Ltd, are pleased to report that the next 11 of the Walking Together figures will be unveiled at a ceremony on 22nd September. The Walking Together art commission is the Mining Memorial to celebrate the lives of the miners who tragically lost their lives whilst working at the former Markham Colliery.



Each figure will feature a brass tag with the miner's name, occupation and year of death.



Grow Your Workforce at Markham Vale

The Markham Vale Grow Your Workforce Service has arranged for JobCentre Plus to hold two Surgery mornings at the Environment Centre on the 7th and 28th October between 9:30am and 12.30pm.

At the two drop-in events, Businesses will have the opportunity to discuss recruitment support, Apprenticeships, Universal Credit and other Jobcentre services such as Work Experience – put the date in your diary and don't miss this great opportunity to come along to the Environment Centre to find out what help there is for your recruitment and training needs.

Markham Vale supports Cycle to Work Day

National Cycle to Work day is Wednesday 14 September 2016. This popular day is organized by Cyclescheme who have offered an exclusive prize of £100 worth of cycling equipment for those employees who pledge their support. There is also a national Grand prize draw - available to anybody who signs up and a chance to win one of three bikes!

Pledge to cycle to work on 14 September 2016 and be in with a chance of winning great prizes. For further information and to sign up please see the [cycle to work day website](#).

Not only is cycling a great way to travel to and from work, it is also a great way to explore the Derbyshire countryside as well as to take up exercise. Did you know that there are more than 300km of cycle ways in Derbyshire to help you on your way? - some of them around the Markham Vale area, with more planned.

In addition to surfaced routes alongside roads, many routes follow old railway lines or waterways, and offer level, surfaced routes. They are ideal places to start cycling. More information, including maps of cycling routes, can be found [here](#)

Dates for your diary

Wednesday 7th September

Time: 9:30 am to 1:30 pm

Markham Vale Environment Centre

Markham Vale Business Drop-In Session

The Markham Vale business drop-in session is a free business support session for Chesterfield based enterprises. Pop in and chat to Adrian Williamson (Chesterfield's Innovation Support Project Manager)

More information and booking details – contact Trudi Saxton - trudi.saxton@derbyshire.gov.uk

Tuesday 13th September

D2N2 and East Midlands Chamber

Time: 9:30 am to 1:30 pm

Jury's Inn, Derby DE1 3DB

E-Commerce - 15 New Things from Google

*This **FREE** to attend breakfast briefing will cover all the new information and features released by Google in the world of E-Commerce - SEO, PPC and Analytics. Find out what the new features are, what's coming in the future and how to utilise it all to benefit your business.*

Whether it's changes to Google's algorithm, how Google now handles redirects, cross-device attribution in AdWords or Smart Goals in Analytics, you'll learn what it all means and how to make best use of it.

More information and booking details [here](#)

Tuesday 27th September

How to Secure More Public Sector Contracts

Derbyshire County Council, NHS and East Midlands Chamber

Time: 8:00 am to 10:00 am


Dunston innovation Centre, Chesterfield

This free event focuses on public procurement processes, and seeks to enable more small organisations to feel empowered about tendering for locally-available work across the North Derbyshire area.

It aims to clarify the process involved, as well as to showcase where the opportunities are to be found - including the support available - and to share some examples of best-practice.

Public sector organisations are proactively taking steps to simplify the process involved, so that local firms are no longer inhibited from pitching for available contracts, many of which are broken down into smaller components that represent lucrative and accessible opportunities for SMEs and social enterprises.

In a bid to keep their expenditure local, the local authorities are eager to clarify some common misconceptions about what the process entails, and to welcome more tenders to help raise quality standards and promote best-value.

There will also be information about registering with the county's Source Derbyshire  portal.

See [here](#) for more information

Markham Vale Environment Centre

Contact details: Centre manager Trudi Saxton on 01246 826000 or

Trudi.Saxton@derbyshire.gov.uk or click here www.environmentcentre.co.uk

Keep in Touch - For further information on development opportunities at Markham Vale, click on [Business and Markham Vale](#) or <http://www.markhamvale.co.uk/>.

If you have news, events, accolades, business developments or features that you think may be of interest to others at Markham Vale then please contact us for possible inclusion in future newsletters.

If you do not want to receive further E-Newsletters or you know somebody who would like to receive future copies, please reply to this email.

Peter Storey

Head of Markham Vale

Derbyshire County Council

