

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

11 February 2014

Report of the Strategic Director – Economy, Transport and Environment

MARKHAM VALE NORTH – SEYMOUR (JOBS, ECONOMY AND TRANSPORT)

(1) **Purpose of the Report** To seek approval to a number of specific proposals to enhance the development of Markham Vale North (Seymour) part of the Markham Vale Business Park, specifically in relation to:

- Markham Vale Economic Impact Assessment – Extension of Contract
- Markham Vale North Masterplanning and Branding
- Enterprise Zones Capital Grant Fund – developing the business case

(2) **Information and Analysis** Markham Vale Business Park is the County Council's priority strategic regeneration development scheme. The central premise of the development is to improve the local environment through regeneration of the former colliery sites into a modern business park, providing a range of employment opportunities (5,000 jobs) to underpin economic growth of the sub-region.

While the above strategic approach and priorities remain as vital and relevant as ever, the changing economic and policy context means the County Council needs to be flexible, innovative and pragmatic if it is to achieve its ambitions for re-energising the local economy and creating jobs. As the first green shoots of recovery start to emerge, Markham Vale North (site of the former Seymour Colliery) represents a significant opportunity to take advantage of the changing landscape for regeneration to accelerate the development process.

Cabinet considered a report at its meeting on 3 December 2013 (Minute No. 326/13 refers) on the submission of a grant funding application to the Department for Communities and Local Government (DCLG), *Building Foundations for Growth: Enterprise Zone Capital Grant Fund*. Its aim was to accelerate the development process of Markham Vale Business Park by the provision of infrastructure. The overall £37.56m project proposal comprised of £14.2m grant from the DCLG with the remainder of other funding being

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provided by the private sector and the County Council, and is, in the main, focused on Markham Vale North (Seymour) phase of the development. The County Council was particularly encouraged at the possible economic opportunities arising from the accelerated development proposals for the sub-region.

However, in order to maximise the economic benefits, develop the option appraisal and business case for the Enterprise Zones Grant Fund, and secure the match funding, further work is required.

(a) Markham Vale Economic Impact Assessment – Extension of Contract

At the meeting on 11 March 2013, the Cabinet Member for Regeneration considered a report on undertaking the Markham Vale Economic Impact Assessment (Minute No. 7/13 refers). This described the purpose and reasoning for undertaking the assessment, which was to review and update the original Markham Employment Growth Zone (MEGZ) Masterplan and Economic Impact Study prepared in 2001. Following a procurement process, the County Council appointed DTZ Ltd on 3 May 2013, to undertake the above assessment. The economic impact review provides an evidence base to enable a better understanding of the true extent of the impact of activity to date.

As a result of the announcement of the bidding process for the Enterprise Zone Grant Fund in June 2013 and the short timescale to prepare and submit bids, the Council extended the scope of work undertaken by DTZ using the rates and terms of contract within the existing consultancy agreement. Cabinet is requested to approve the actions taken to meet the deadlines of the bidding round. The additional scope of works comprised:

- assessing the projected business rates receipts arising from the anticipated development at Markham Vale Business Park
- demonstrating a case for upfront investment in order to maximise business rates additionality.
- outlining a series of options for public and private sector partners to incentivise accelerated delivery.

Work to support the submission of the bid has been completed, with the exception of the business rates uplift report. A final draft of this, the Economic Impact Assessment Report and the additional supplementary work outlined above will be ready for consideration by elected Members in early 2014.

(b) Markham Vale North Masterplanning and Branding

Markham Vale North offers the potential for development of 33 hectares of employment land comprising up to 1.5 million sq ft of new commercial floor space. Unlike Markham Vale East and West, the site has flexibility for accommodating large scale plots and provides the biggest economic development opportunity within the Markham Vale Business Park site.

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Surveys and site investigations have been completed. The Enterprise Zone Grant Fund bid comprises major works to remediate the site and construct new and improved highways and utilities infrastructure to create serviced development platforms.

In view of the time that has elapsed since the original masterplan and design framework were developed (2001), approval is therefore sought to commission consultants to revise the original masterplan for Markham Vale North (Seymour) and to provide an updated delivery framework (including branding, commercial advice and urban design) for bringing forward the development sites which can be presented to prospective investors. This would also assist with delivery of the Enterprise Zone Capital Grant Fund.

(c) Enterprise Zones Capital Grant Fund – developing the business case In order to prepare the full business case and option appraisal to support the County Council's Enterprise Zone Capital Grant Fund submission (as outlined above), it is necessary to procure external assistance. This would support DCLG's 'due diligence process', including the HM Treasury Green Book appraisal and full application for grant funding. Approval is therefore sought to seek tenders from suitably qualified consultants to undertake this work for the Council.

(3) Financial Considerations Funding for the following proposals (a), (b) and (c), are to be met from the available Economic Regeneration Budget. These are:

- 1) The costs of extending the scope of the Markham Vale Economic Impact Assessment are no more than £10,000.
- 2) Markham Vale North Master planning which is estimated to be between £50,000 - £60,000.
- 3) Developing the full business case and support through the DCLG's 'due diligence' process and full application stage are estimated to be between £10,000 - £15,000.

(4) Legal Considerations The appointment of consultants to undertake the revision of the masterplan and the development of the business case will be undertaken in accordance with the Council's Financial Regulations and Standing Orders.

The Council's Constitution permits Cabinet to waive Standing Orders where it is satisfied that there are special circumstances justifying exemption and such exemption shall be recorded in the minutes.

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The Director of Legal Services has advised that the circumstances outlined in the report justify the waiving of Standing Orders in relation to Contracts to extend the scope of the contract awarded to DTZ in May 2013.

In preparing this report the relevance of the following factors has been considered: 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** These are held on file in the Economic Regeneration Service. Officers' contact details – Nawaz Khan, extension 38481, and Peter Storey, extension 35417.

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

- 8.1 Gives retrospective approval to waive standing orders in relation to contracts to extend the scope of works undertaken by DTZ up to a maximum of £10,000 due to the urgent need to assist with preparing the Enterprise Zone Grant Fund bid.
- 8.2 Approves the allocation of up to £85,000 from the 2013/14 Economic Regeneration Budget.
- 8.3 Approves the commissioning of the masterplan and branding exercise for Markham Vale North (Seymour).
- 8.4 Approves the procurement of external expertise to develop the full business case for the Enterprise Zones Grant Fund full submission to the Department for Communities and Local Government.

Mike Ashworth
Strategic Director – Economy, Transport and Environment