

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

3 December 2013

Report of the Acting Strategic Director – Environmental Services

**MARKHAM VALE ENTERPRISE ZONE CAPITAL GRANT BID  
(JOBS, ECONOMY AND TRANSPORT)**

(1) **Purpose of the Report** To welcome and endorse actions taken to submit an application for grant funding from Department of Communities and Local Government (DCLG) Building Foundations for Growth: Enterprise Zone Capital Grant Fund towards accelerating the development of Markham Vale Business Park.

(2) **Information and Analysis** Markham Vale is a major strategic economic regeneration site of 200 acres located adjacent to the M1 motorway with its own junction, 29A. It forms part of the Sheffield City Region Local Enterprise Partnerships (SCR LEP) Enterprise Zone (EZ). The Seymour phase of the development is now ready to be delivered.

The DCLG Building Foundations for Growth: EZ Capital Grant Fund is a £100 million fund being made available in the financial year 2014-2015 to accelerate development sites in EZs. The Government recognises that some EZ sites require direct grant support to make them commercially viable for development. As a result, the EZ Capital Grant fund is being made available to support capital projects that will overcome barriers to development and in particular to overcome market failures that are preventing development on EZ sites. To be successful in the competitive bidding process, projects must have strong potential to deliver private investment and jobs in the short term.

The fund is only available to Government recognised EZs with LEPs only able to submit one project each. SCR LEP, through its EZ Governance Board, has decided to support Markham Vale as its preferred bid. Other projects considered through the process included sites at Gladman Park (Barnsley) Advanced Manufacturing Park (Rotherham), FARRRS (Doncaster), and Sheffield Business Park (Sheffield).

The EZ Capital Grant Fund was launched on 7 October 2013 with a closing date of 18 November 2013 for submitting bids. The Government expects to announce shortlisted successful bids by January 2014, with grant payments beginning in April 2014 and programme completion in March 2015.

The Markham Vale proposal comprises two distinct strands:

- a) Seymour - creation of serviced development plots in conjunction with the construction of new infrastructure to access the site. The scheme includes the construction of a new link road to provide direct access to 33 hectares of development land for which outline planning consent has been secured for commercial development, an essential link road from the M1 Junction 29A (opened in June 2008) to the northern development plots, widening of Erin Road and a bridge over the River Doe Lea, as well as earthworks to create development plots and other drainage/infrastructure works to ensure access to all proposed development plots. Some of these work packages will run concurrently to enable early release of development land. The construction of the link road will be delivered in 2015/2016 and financed by SCR and D2N2 Local Transport Board (LTB) funding as a match funding contribution towards the overall EZ Grant.
- b) Speculative high specification industrial and commercial development (B2/B8 planning use) - in accordance with the Markham Vale Masterplan and Design Framework, this element of the project relates to Plot 6 to develop B2 / B8 use on those sites. It will construct and market three Broadband enabled units targeted at high growth innovative Small and Medium Enterprises. The development of these premises and facilities will support innovation and growth within the advance manufacturing and low carbon sectors. The units will comprise 180,000sq ft in total.

The proposal is of a scale to make a major impact and add considerable value to the sub-regional economy with an emphasis on key growth sectors (Environmental, Advance Manufacturing, Low carbon and Logistics) creating more than 2,114 jobs and £95.7m of private sector investment leverage. The County Council is seeking an investment of £14.2m through the EZ Capital Grant Fund towards a total project cost of almost £37.56m. The project will help to address the significant market failure that has been apparent since the banking and credit crisis of 2008. EZ Capital Grant is required to bridge the funding gap between the cost of providing the units and their value and to meet the costs of earthworks and utility provision at Seymour.

The proposed development will enable the County Council to meet its overall target of creating 5,000 jobs (2000 new) at Markham Vale. It will drive forward the County Council's aspirations of attracting new industries to the wider area through increased investor confidence and provision of grow-on space for expanding local companies. It will also create accessible employment for people in adjacent local communities where the local labour market is characterised by low economic activity and high indices of deprivation and unemployment.

(3) **Financial Considerations** The overall £37.56m project proposal comprises the bid for a grant of £14.2m from the DCLG Building Foundations for Growth: Enterprise Zone Capital Grant Fund, SCR £3.78m, D2N2 £2.52m (as LTB contributions), £3.36m from the County Council as match funding contribution (£1.26m link road (Local Transport Plan Budget) with remaining £2.1m funds coming from the existing MEGZ approved Capital Budget), £13.7m of private sector funding (Henry Boots Development Ltd).

In the event that the Grant Fund application is successful, and following completion of detailed discussions with the DCLG, a further report will be submitted to Cabinet for approval.

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, health, property and transport considerations.

(4) **Key Decision** Yes.

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

(6) **Background Papers** DCLG Bidding Guidance on Building Foundations for Growth: Enterprise Zone Capital Grant Fund. Files held in Consultancy and Contracting Service and Economic Regeneration Service. Officer contact details - Peter Storey, extension 35417 and Nawaz Khan, extension 38481.

(7) **OFFICER'S RECOMMENDATIONS** That Cabinet welcomes and endorses the action taken to date in submitting an application for grant funding from the Department of Communities and Local Government Building Foundations for Growth: Enterprise Zone Capital Grant Fund towards accelerating the development of the Markham Vale Business Park.

**Mike Ashworth**  
**Acting Strategic Director – Environmental Services**