

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**8 November 2018**

Joint Report of Strategic Director – Economy, Transport and Environment and  
the Director of Finance & ICT.

**MARKHAM VALE PROGRESS (ECONOMIC DEVELOPMENT AND  
REGENERATION)**

(1) **Purpose of Report** To inform Cabinet of the continuing success and progress being made at Markham Vale and to provide an overview of economic development activity over the period November 2017 to March 2018 and that completion of the project will cost an estimated £7.17m.

(2) **Information and Analysis** Markham Vale is the Council's flagship regeneration project and was set up to create an attractive and accessible business park over an 85 hectare (200 acre) site. Centred around the former Markham Colliery site, located between Staveley and Bolsover, the project was set up in 2006 to create up to 4,100 jobs, improve existing/build new roads, bring in around £170m of private sector investment and develop over 3 million ft<sup>2</sup> of commercial floor space.

In short, Markham Vale was established as a catalyst for regeneration in the deprived northern coalfield area of Derbyshire and in the long term, to generate business rates income for re-investment in the Derbyshire economy. Progress on development at Markham Vale was last considered by Cabinet on 1 November 2016 (Minute No. 331/16 refers).

**Overview**

To date, the Markham Vale project has brought forward 162 acres of the 200 acres available for development. In summary, 115 acres are either fully developed or have buildings under construction and a total of 1,628 full time jobs have been created to date. Recent success has included:

**Markham Vale East**

Plot 1 – Great Bear's 480,000ft<sup>2</sup> distribution warehouse is operational and currently employing 270 people. When fully operational, the facility is anticipated to create a total of 400 new jobs.

Plot 1 North – The 100,000ft<sup>2</sup> factory warehouse and office building for printing company Inspirepac Ltd (recently acquired by Smurfitt Kappa) is fully operational and has created 120 new jobs.

On Plot 5, the speculative development of a cluster of small workshops for Priority Space has been completed and are currently marketed for sale. It is anticipated that up to 70 new jobs will be created in the 13 new business units. Terms have been agreed for a further phase of speculative workshop developments on 1.1 acres of land. Subject to securing all approvals and completing all legal agreements, construction will start towards the end of 2018, eventually creating up to 40 new jobs from 2019 onwards.

### **Markham Vale West**

Plot 6, detailed terms have been agreed for development of a manufacturing and distribution centre for Grangers International, a cleansing products company. It is proposed the facility will be fully operational in early 2019 with up to 80 jobs being created in the 43,000ft<sup>2</sup> building, with an option to extend by a further 10,000ft<sup>2</sup>.

The development of Markham Vale East and West is progressing and further infrastructure and utilities will be commissioned to service each plot as developments commence. In 2017-18, the bulk of infrastructure work was focussed on bringing forward the plots at Markham Vale North which was previously the site of Seymour Colliery. To provide access to these four development plots, the Council completed construction of the Seymour Link Road in early 2017, along with the installation of major utilities.

### **Markham Vale North**

Through adroit programming, a number of developments on Markham Vale North progressed through detailed negotiations to planning and construction stages at the same time as the Seymour Link Road construction works were underway. This enabled Markham Vale to remain competitive in its offer to the market and has meant pace and momentum have been maintained. On Plot 13, the construction of a second distribution warehouse for Great Bear has now been completed; a separate 'fit-out' contract has recently started. When fully operational in early 2019, the 480,000ft<sup>2</sup> facility will create 400 new jobs.

Construction recently started on a state-of-the-art, 58,000ft<sup>2</sup> building for a medical equipment company, with the option to double the size of the facility in future years. This development was originally earmarked for Plot 15, but a number of factors led to its relocation on Plot 13. The position of this plot better meets the requirements of the occupier whilst avoiding the need to split Plot 15 into smaller development plots. When fully operational in mid-2019, the company expects to employ 35 people in the initial phase, with the opportunity to double that figure as it meets its growth plans. Many of the jobs at the company are high level and are supporting the Council's drive for more, better quality jobs. A Non-Disclosure Agreement remains in place with this company.

The Council's Highways Construction Service has recently completed the construction of a further phase of infrastructure to meet the needs of the

above development and two further development plots at the back part of Plot 13.

On Plot 14, the construction of a 225,000ft<sup>2</sup> distribution and office complex for Ferdinand Bilstein, a German auto-parts company, was completed in February 2017. Fit out has now been completed, which enabled the facility to become operational in January 2018. The company held a number of recruitment open days, supported by the Council's Business Support Service at the Environment Centre. A total of 150 employees have been recruited to the initial phase of new jobs, with the potential for a further 250 to be created in future years.

On Plot 16, Derbyshire-based G.F. Tomlinson, has completed the construction of a 90,960ft<sup>2</sup> chilled distribution centre for Gist Ltd. A further fit out contract was completed ahead of schedule, enabling the building to become operational in March 2018. Currently, 120 people are employed at the site and, when fully resourced, the company expects to create a further 80 new jobs.

Of the above developments that have been completed, the private sector investment secured at the site is estimated at between £100m and £130m. For those developments that have been secured, but not yet completed, the additional private sector investment is valued at approximately £50m.

Marketing of the 14 remaining development plots continues and it is likely that additional infrastructure provision will be required for each new development in order to meet occupier and business needs. Two further, large development plots, comprising 11 acres, remain to be remediated on the site and, subject to resolving outstanding land and planning matters, the necessary works will start in releasing these plots within the next 18 months.

Discussions are also underway with adjoining landowners and planners to prepare detailed proposals for a mix-used development site on Markham Vale land at Staveley Town Basin. At the current rate of progress, it is anticipated that all development plots will be either occupied or under construction by 2021-2022.

### **Planning and Environmental Quality**

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

BEAM continues to assist the Council in delivering its Public Art Action Plan, one element of which is the Markham Mining Memorial, where the artist, Stephen Broadbent, was commissioned to develop the Walking Together installation. The installation comprises 106 figures that represent those

individual miners killed in the three colliery disasters at Markham, along with a memory wall at the Environment Centre.

To date, 34 Walking Together figures have been installed. Sponsorship from local businesses and community groups, along with grant funding contributions, continues to be sought to ensure the Council successfully completes the installation. Recent additions include 5 figures sponsored by the Duke of Devonshire's Charitable Trust, which were formally launched at an exciting community event on 17 February 2018, supported by relatives of former miners and local school children. A working group which comprises former miners, representatives from community groups and local historians continues to support the Council in bringing the Public Art Plan to fruition. A further phase of figures are planned to be installed on 26 September 2018.

### **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 (a copy of recent literature is provided at Appendix 1). The service 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. In addition to attendance at local job fairs, social media accounts have been established where every vacancy and job creation news are posted. Such is the rate of new jobs being created that details of several vacancies are published on a daily basis and all evidence suggests the approach has been highly successful.

The local business community is supported by the availability of conference facilities at the Environment Centre. During the past 18 months, more than 100 training courses have been held, covering a diverse range of subjects provided by a variety of businesses and training providers. Typically, courses cover Health and Safety, Human Resources, Teacher Training, Business Start Up and a host of different technical subjects.

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 Lane 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. This is a critical part of the Council's commitment to supporting employment and developing employability skills for vulnerable adults. A contract was recently awarded to Derbyshire company, NT Killingly Ltd to undertake major planting and landscape maintenance works over the next three years.

### **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 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. 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 infrastructure works on Markham Vale North are nearing completion and construction on developments is underway for new occupiers. 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 three to four years. Pace and momentum in the final stages of the project will be dependent on external market forces and any medium term implications of Brexit.

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

### **(3) Financial Considerations**

#### **Budget 2016-17**

The Capital budget for 2016-17, incorporating slippage from the previous year, resulted in an outturn expenditure of £6.048m.

#### **Budget 2017-18**

The Capital budget for 2017-18, incorporating slippage from the previous year, resulted in an approved budget for the year of £1.5m with an outturn expenditure of £1.193m.

Remaining Capital expenditure as of the start of 2018-19 is estimated at £5.304m. Works included in this cost estimate comprise remaining land acquisition and legal fees, provision of infrastructure as each plot comes is

brought forward for development, earthworks on the two remaining un-remediated plots, works to meet the outstanding planning and contractual obligations, remaining landscaping works and all associated design fees. The costs of these remaining works can be fully funded from Capital receipts from the sale of the remaining development plots currently estimated at between £8.1m and £9.4m.

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

(4) **Social Value Considerations** Work with new developers and occupiers at Markham Vale is undertaken to support recruitment of new staff, advertising, encouraging and supporting recruitment from within the local area.

### **Other Considerations**

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 Environment 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 and the scale and nature of work required to be undertaken over the coming three to five years to complete the project.

8.2 Notes that completion of the project will cost an estimated £7.17m.

**Mike Ashworth**  
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**Peter Handford**  
**Director of Finance & ICT**

## Appendix 1



### Grow your workforce

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.

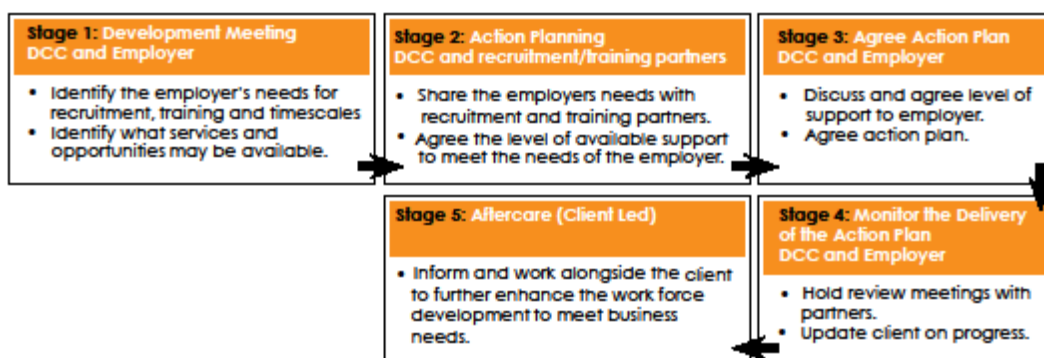
#### The Offer

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

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