

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

14 November 2016

Drakelow Park

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 36 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

Located in South Derbyshire, the Drakelow site lies to the South of Burton on Trent and is close to a major highway connection (A38). It is one of the largest brownfield sites in the region. Currently Drakelow Developments Ltd is developing Drakelow Park to create a mixed use sustainable urban site. In 2012 a hybrid planning permission was granted by South Derbyshire District Council. Drakelow Park will be comprised of the following land uses:

- 1,986 dwellings
- up to 12.08 ha of employment land
- 2 local centres with leisure, retail and community use facilities and amenities
- a new primary school
- green infrastructure
- transport infrastructure including local improvements to Walton Road
- Associated infrastructure, roads, lighting and drainage systems.

In 2014 the first house builder was granted planning permission for the construction of 99 houses, to continue to build beyond this is on the condition that a bypass is built to accommodate the anticipated increase in traffic through Walton on Trent. The housing limit has subsequently been increased which now allows 400 houses to be built before the condition of the bridge/road. The existing bridge over the River Trent at Walton on Trent is a single track and restricted to light vehicles. The bypass will directly link the site to the A38 at the Barton Turns junction. This will also enhance the accessibility of Swadlincote from the west, improve east-west connectivity and promote the development of other sites in South Derbyshire.

The bypass project is a combination of road access (1.4km) and a bridge as well as the associated works which comprise hard and soft landscaping, service media and street furniture.

The cost of the bypass project is £11,759,500 and is funded as follows:

D2N2 LGF	£2,200,000
Drakelow Developments Limited	£9,559,500*
Total	£11,759,500

*There will be a certain amount of interest attributed towards the borrowing of this funding by Drakelow Developments Limited. Until the details of the loan have been finalised with the appointed bank, we cannot give an exact amount here.

3.0 Approvals

Planning permission for the new road and bridge was given by South Derbyshire District Council in 2005 and the Planning Inspectorate in 2006. The project reached detailed design in 2011 when it was approved by Derbyshire County Council as the highways authority.

The funding towards the Walton Bypass from Drakelow Developments Limited will be sourced via a commercial loan from a bank. A letter from the bank confirming its Decision in Principle to lend the required funds will be made available to D2N2 as soon as practically possible.

4.0 Procurement

A preferred contractor has been selected following analysis of tenders carried out by Drakelow Developments. contract administrators EEC.

5.0 State Aid

The promoter has sought advice from Pinsent Masons and have confirmed the project is State Aid compliant.

6.0 Business Case

The business case has been forwarded to Regeneris and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM.

7.0 Delivery Programme

Element	Timeframe
Work on the bridge/road begins	December 2016
Bridge/road complete and opens to traffic	March 2018

8.0 Outputs and Outcomes

-1.4km road and bridge

-1,986 homes

-1,320 gross jobs

9.0 Spending profile

£2.2m 2016-17

10.0 Local Assurance Framework

Stage 1 approval was granted in September 2015 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable

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Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and release this year's funding on the condition that all match funding is confirmed.

Sarah Wainwright, Accountable Body, Derbyshire County Council
Tom Goshawk, D2N2 LEP

Local Assurance Framework

Stage 2 Approval Check List:

1. A Value for Money assessment carried out in accordance with the Local Assurance Framework and concluding that the project overall provides at least a good value for money score	*****
2. Evidence supporting the need for the project and the how the outputs in the Business Case will be delivered/guaranteed. This will also include evidence identifying when the outputs will be delivered.	<p>Without the construction of the Bypass only the initial phase of Drakelow Park (increased to 400 from 99 houses) can be taken forward. Road infrastructure in the area is very limited as the surrounding area is largely rural. The existing bridge over the River Trent is single track and restricted to light vehicles this could inhibit the commercial development on site. The bypass will directly link the site to the A38 at the Barton Turns Junction.</p> <p>The outputs for the project are as follows:</p> <ul style="list-style-type: none"> -1,986 homes -1320 jobs
3. A statement confirming that the funds are in place and that adequate safeguards have been taken in regards to any cost over-runs. Examples of this could be confirmation that contingency has been secured for the project and/or that all risk have been passed to the contractor/developer.	<p>The funding towards the Walton Bypass from Drakelow Developments Limited will be sourced via a commercial loan from a bank. A letter from the bank confirming its Decision in Principle to lend the required funds will be made available to D2N2 as soon as practically possible.</p> <p>The Walton Bypass will be constructed on the basis of a fixed price contract with the appointed contractor. Therefore, all cost over-run risk will be with the appointed contractor.</p>

4. A statement confirming that the project is State Aid compliant.	An independent assessment has been undertaken by Pinsent and Masons and the project has been confirmed as state aid compliant.
5. Full design and specification to RIBA Stage F (if applicable) (Appendix 4)	The detailed designed of the Bypass was approved by Derbyshire County Council in a correspondence dated 10.01.2011. RIBA Stage F is not applicable in this instance.
6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The business case was formally submitted to the LEP by the Managing Director of Drakelow Developments LTD.
7. Confirmation that all Planning consents and other consents in relation to the delivery of the project have been granted. The promoter is also required to confirm that all pre-commencement conditions have been met along with details regarding how and when the remaining planning conditions will be discharged.	The planning permission granted by South Derbyshire District Councils is subject to a number of conditions to be adhered to. This includes a number of conditions such as the bridge appearance.
8. A statement from the promoter confirming how project aligns with the LEPS sustainability and local procurement framework (if applicable)	Drakelow Developments have provided a statement confirming the project aligns with the LEPS sustainability and Local Procurement framework.
9. Confirmation that all funding approved and in place to deliver the project along with written confirmation from	As stated in No 3., The funding towards the Walton Bypass from Drakelow Developments Limited will be sourced via a

the other funders confirming the funds are agreed and available.	commercial loan from a bank. A letter from the bank confirming its Decision in Principle to lend the required funds will be made available to D2N2 as soon as practically possible.
10. Confirmation that a delivery contract is in place (JCT or equivalent) and confirmation of how cost/programme overruns to be managed. The LEP will require promoters to either confirm that any cost over-runs are the risk of the developer or additional funds have been set aside.	The Building contract will be an NEC 3 Option A fixed price, Design & Build which passes the risk of design, design approval and any necessary variations to the Contractor.
11. All land assets purchased and vacant possession obtained (if applicable)	Drakelow Developments Limited and Park Manor Property limited are in ownership of the land.
12. Value for Money report carried out by a suitably qualified and experience professional with at least a 'Good' score. The LEP and the Accountable body will seek confirmation on the conclusions of the report from external consultants.	*****
13. How the risks will be managed?	Risks and mitigations have been identified