

## **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)**

**23 March 2017**

### **A46 Corridor Phase 2, Cotgrave Town Centre**

#### **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**

This project is to be delivered over 4 phases:

1. Cotgrave Employment Site-plans to deliver 4.6 hectares of employment land on a former colliery site.
2. Cotgrave Town Centre- plans to fund the regeneration of the town centre
3. Land North of Bingham- plans to fund flood mitigation works and electricity servicing to enable the delivery of 1050 houses and 15.6 hectares of employment land by the private sector
4. RAF Newton- plans to fund road widening infrastructure works to enable the delivery of 550 houses and 6.45 hectares of employment land by the private sector.

All four sites are strategically located along the A46 corridor, with good access to the A1 and M1. The recent duelling of the A46 has significantly improved connectivity across the corridor and the development potential of the sites. However, investment in local infrastructure is required to tackle the remaining barriers to delivery and unlock the private sector investment.

This phase is to rejuvenate and regenerate Cotgrave Town Centre with comprehensively refurbished shop units including upstairs business accommodation, site clearance and new provision of new public realm, landscaping and play provision. There will also be the building of a new multiservice centre comprising Police, Library, Rushcliffe BC contact point, GP's and health centre.

	LGF £m	Other £m	Total £m
Phase 1	1.8m	850k	2.64m
Phase 2	1.2m	4.66m	5.86m
Phase 3	2.5m	2.5m	5m
Phase 4	750k	250k	1m
Total	6.25m	8.26m	14.5m

### 3.0 Approvals

The project has been approved by Rushcliffe Borough Council's Cabinet on the December 2015 and Full Council on the March 2016.

### 4.0 Procurement

Any cost overruns are mitigated through the use of the JCT Design & Build Contract with the contractor taking on design and construction risk post contract. Interviews for a preferred contractor are being undertaken in March.

### 5.0 State Aid

State Aid advice has been sought for the Cotgrave project from Geldards and they have advised that the appropriate State Aid cover for the grants to the Council is the block exemption for aid for local infrastructures, found in article 56 of the General Block Exemption Regulation (GBER).

### 6.0 Business Case

The business case has been forwarded to Regeneris and they have confirmed the project represents good value for money.

## **7.0 Delivery Programme**

Specifically for phase 2:

January 2017- Demolition and preliminary works begin

May 2017 -Contractor to start on site.

October 2017- Refurbishment of units starts

May 2018 -Refurbishment of units and new build complete

January 2019- Public Realm improvements completed

## **8.0 Outputs and Outcomes**

Overall scheme:

-2800 jobs

-27 hectares of employment land

-1600 houses

Specifically phase 2, 70 gross jobs

## **9.0 Spending profile**

Overall scheme:

£2m 2016/17

£4.25m 2017/18

Specifically phase 2:

£200k 16/17

£1m 17/18

## **10.0 Local Assurance Framework**

Stage 1 approval was granted on the 2<sup>nd</sup> March 2016 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

Public

The IIB are asked to approve the project and release this year's funding.

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

## Local Assurance Framework

### Stage 2 Approval Check List:

<p>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</p>	<p>A Value for Money assessment has been completed by Regeneris who have confirmed the project represents good value for money.</p>
<p>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>	<p>The former Cotgrave colliery employment land, Cotgrave town centre, land north of Bingham and at RAF Newton have all been highlighted as key strategic sites within Rushcliffe Borough Council's core strategy. The Cotgrave Town Centre phase plans to refurbish shop units including upstairs business accommodation, site clearance and provision of public realm, landscaping and play provision. Also there will be the building of a new multiservice centre comprising of a new multiservice centre comprising police, Library, Rushcliffe BC contact point, GP's and health centre. The fundamental rationale for the involvement of the public sector in the delivery of the town centre improvements relate to the market failures of externalities. The potential economic and social benefits of the site as an employment location and regeneration opportunity supporting the nearby Colliery residential development, are greater than individual developer benefits. The combined project will deliver:</p> <ul style="list-style-type: none"> <li>- 2,800 jobs</li> <li>- 27Ha of employment land</li> </ul> <p>1,600 houses</p>

	Specifically this phase will deliver 231 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.	Funding has been confirmed by the promoter and agreed at the Full Council meeting on the 3 <sup>rd</sup> March 2016. Any cost overruns are mitigated through the use of the JCT Design and Build contract.
4. A statement confirming that the project is State Aid compliant.	The promoter has sought legal advice from Geldards who have confirmed the project is State Aid compliant.
5. Full design and specification to RIBA Stage 4 (if applicable)	The project is designed up to RIBA stage 4.
6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The section 151 officer has submitted the business case.
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.	Full planning permission was granted on 18 November 2016 16/02137/FUL
8. A statement from the promoter confirming how the project aligns with the LEP'S sustainability and local	Rushcliffe Borough Council has partnered with the Construction Industry Training Board for the Cotgrave schemes

procurement framework (if applicable)	and as such is delivering apprentice and employment outputs with the contractor on all elements of the scheme. As part of this commitment we encourage local procurement of subcontractors
9. Confirmation that all funding is approved and in place to deliver the project along with written confirmation from the other funders confirming the funds are agreed and available.	The promoter has confirmed all funding is in place.
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 preferred contractor will be interviewed in March 2017 and be appointed using the JCT Design and Build 2011 contract.
11. All land assets purchased and vacant possession obtained (if applicable)	All land is owned by the promoter.
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.	A Value for Money assessment has been completed by Regeneris who have confirmed the project represents good value for money.
13. How the risks will be managed?	A risk register has been produced showing risks and

	mitigations.
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