

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

27 October 2016

Tudor Cross, Bolsover (Former Coalite)

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

The former Coalite Chemicals site, a total of 59 ha, is located in both Bolsover and North East Derbyshire. The site has been used as the main manufacturing plant for smokeless fuels from 1937 till 2004, when operations closed down, and the site has remained vacant site. Planning permission has been granted by Bolsover District Council for employment use and by North East District Council for residential use. The site is currently owned by a single purpose vehicle known as Bolsover Land Ltd through a joint venture between Marcol and St. Francis Group.

The site suffers from severe contamination due to its former use that represents a significant risk to human health and the aquatic environment; contaminants include chlorinated phenols and other noxious compounds and presents a serious health and safety risk as a result of the chemicals and structures that remain.

The project delivers a sustainable solution to the site remediation of Coalite to unlock the infrastructure and investment that is critical to deliver the strategically important location for employment land and housing.

The outputs are:

- 1525 jobs
- 28.2ha brownfield land remediated
- 28.2ha commercial land created
- 660 dwellings

3.0 Approvals

The £2.02m was approved at Derbyshire County Council's Cabinet on the 11th October 2016. Full planning has been granted by both Bolsover District Council and North East Derbyshire District Council, December 2015 and April 2016 respectively.

4.0 Procurement

The works will be carried out by the developer who specialises in remediation of contaminated sites and the delivery and management of business parks and mixed use developments.

5.0 State Aid

The promoter has sort advice from Clyde and Co and 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

The employment land is split into 4 phases and will be delivered as follows:

	Remediation	Infrastructure Works	Sale
Phase A	Dec 16-March 17	June 17-Dec 17	June 18

Phase B	June 17-Dec 17	Dec 17-June 18	Dec 18
Phase C	Dec 17-March 18	March 18-Sept 18	March 19
Phase D	June 18-Dec 18	Dec 18-June 19	Dec 19

8.0 Outputs and Outcomes

- 1525 jobs
- 28.2ha remediated brownfield land
- 28.2ha commercial land created
- 660 dwellings

9.0 Spending profile

£5,797,800 2016/17 which will be transferred to Derbyshire County Council as promoter who will release to the developer at agreed milestones

10.0 Local Assurance Framework

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.

The IIB are asked to approve the project and release this year's funding on the condition that the Regeneris report confirms this project represents good value for money.

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	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.
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>The Coalite site suffers from contamination due to its former use that represents a risk to human health and the aquatic environment. Contaminants include chlorinated phenols and other noxious compounds that present a health and safety risk. Cost of clean up are not supported by the value that can be generated from the commercial land in isolation. The outputs are as follows:</p> <ul style="list-style-type: none"> -1525 jobs created -28 ha of brownfield land remediated -28ha commercial land created -accelerate the construction of a large 21 ha housing site with the potential to deliver up to 660 dwellings
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.	Confirmation of funding has been provided by Derbyshire County Council (Cabinet 11 th October 2016) and a letter from the Allied Irish Bank confirming access to £14m for St Francis Group.
4. A statement confirming that the project is State Aid compliant.	State Aid advice has been sought from Clyde and Co who have confirmed the project is State Aid compliant

5. Full design and specification to RIBA Stage 4 (if applicable)	The project is fully designed and a detailed works programme has been provided
6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The business case was submitted by the Section 151 officer of Derbyshire County Council
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.	Bolsover District Council issued the planning permission for commercial development on 23 December 2015. North East District Council gave planning permission for 660 dwellings, 1.8 ha for education, 7% affordable housing plus associated community uses and open space, subject to planning conditions and section 106 legal agreement on 20 April 2016.
8. A statement from the promoter confirming how the project aligns with the LEP'S sustainability and local procurement framework (if applicable)	The promoter has confirmed the project aligns with the LEP's sustainability and local procurement framework.
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.	Confirmation of funding has been provided by Derbyshire County Council (Cabinet 11 th October 2016) and a letter from the Allied Irish Bank confirming access to £14m for St Francis Group.
10. Confirmation that a delivery contract is in place (JCT or equivalent) and confirmation of how cost/programme	The developer will deliver the remediation works themselves and cover any cost overruns.

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.	
11. All land assets purchased and vacant possession obtained (if applicable)	All land is in ownership of Bolsover Land Ltd through a joint venture between Marcol and St Francis Group.
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.	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.
13. How the risks will be managed?	A risk register has been produced identifying risks and mitigations