

North East Derbyshire District Council

Cabinet

16 December 2015

Callywhite Lane Industrial Estate Extension Land Feasibility Study

**Report No PRK/18/15-16/BH of Councillor Pat Kerry, Portfolio Holder with
Responsibility for Economy, Finance and Regeneration**

This report is public

Purpose of the Report

- To provide an update on opportunities for the expansion of Callywhite Lane industrial estate
- To recommend budget allocation for the preparation of a feasibility study to support and develop these opportunities

Report Details

- 1 In 2015 the Council adopted a new Corporate key aim: **Unlocking Our Growth Potential**. The NEDDC's Growth Plan (2014), and the Economic Development and Housing Strategy (2015) both help support this aim. The National Planning Policy Framework also requires Planning Authorities to positively plan for development and growth.
 - 1.1 Callywhite Lane Industrial Estate in Dronfield is one of NEDDC's strategic employment sites and is an opportunity for growth. However, the site is currently at capacity, therefore expansion of this area would support the Council's Growth ambitions.
 - 1.2 The estate is identified in NEDDC's Growth Plan (2014), and the Economic Development and Housing Strategy (2015), as a potential opportunity for an area of expansion enabling economic growth in the District, from indigenous companies looking to expand, and from outside companies looking for new location opportunities.
 - 1.3 Currently, the District has a shortage of high quality, serviced employment sites and premises, as identified in ARUP's Strategic Land Review (2008). This restricts the Council's growth aspirations, and the ability of NEDDC companies to develop their expansion plans, and also for Council officers to respond positively to inward investment enquiries received from partner agencies such as the two LEPs, UKTI, DEP etc.

- 1.4 An area of approximately 19 hectares on adjacent land immediately to the south of the estate is allocated in NEDDC's Local Plan as expansion employment land for Callywhite Lane. However, this has failed to come forward for development due mainly to infrastructure issues affecting the existing estate, such as a lack of capacity of the main access road and insufficient utilities needed to service a major expansion.
- 1.5 However, previous feasibility studies have shown that a link road from Chesterfield Road to the south presents an alternative opportunity to unlock the land for development. Studies have also demonstrated a significant financial viability gap, due to the levels of investment required to construct a new bridge over the railway line and over a watercourse running across the expansion land. However, these studies are now outdated (the report, by Rider Levett Bucknall, was published in 2008) and as such indicative costs associated with the proposed infrastructure works need revising and updating. Also, technology has moved on since that time, which means different options may be feasible that were not considered in 2008, this includes the fact that the electrification of the midland mainline was not considered then, but which opens up potential opportunities to deliver infrastructure improvements. Finally, funding streams in 2015 are considerably different to what they were in 2008, which includes the newly formed Sheffield City Region JESSICA fund, as well as LEP RGF funds etc. This all means that a new study is required to provide more relevant analysis and options.
- 1.6 An opportunity has arisen to close this viability gap, as D2N2 LEP recently issued a call for projects to come forward that require infrastructure investment to unlock potential growth sites.
- 1.7 In reaction to this call for projects, NEDDC has submitted an Expression of Interest for £6.5m of infrastructure funding to provide access to the Callywhite Lane expansion land from Chesterfield Road.
- 1.8 All schemes submitted across the D2N2 area will now go forward to the LEP's consultant for appraisal to determine fit with the LEP's Single Assessment Framework and its strategic objectives. The consultant will rank all projects submitted, with results expected by early December 2015. The LEP will then invite the highest ranking schemes to develop their business cases and move into the next phase of appraisal.
- 1.9 If invited to proceed, developing the business case for the Callywhite Lane proposal will require a significant level of technical input for specific elements of the project, such as a more accurate and detailed cost plan, demand analysis of potential end users, spatial planning, programme etc. To provide the level of detail and specialist expertise required, it is necessary to outsource this work to a consultant or consortium of consultants, and as such it is estimated that a maximum budget of £20,000 would be required.
- 1.10 If not invited to proceed to the next stage of the D2N2 LEP application process, the proposed study would still be required to support future calls for bids for infrastructure funding being delivered by D2N2 or SCR LEPs. A further boost for infrastructure funding was given in the Chancellor's recent Comprehensive Spending Review, so it is anticipated that future rounds of infrastructure funding will be announced.

- 1.11 In addition to the D2N2 call, a further opportunity to reduce the viability gap and unlock the site has emerged. The government recently announced that plans for electrification of the Midland Mainline are to be resumed, which would require the demolition of an existing bridge, and subsequent reconstruction to a higher specification, over the railway line at a location that could provide access into the expansion land.
- 1.12 NEDDC officers have been in contact with Network Rail who confirmed this position, and will maintain regular dialogue to monitor this opportunity.

2 Conclusions and Reasons for Recommendation

- 2.1 It is recommended that the EDU team prepare a brief for the site and invite tenders from suitably experienced and qualified economic development consultants to provide the technical detail required to develop the business case for D2N2 infrastructure funding to unlock the Callywhite Lane Expansion Land. Without this specialist input, it is unlikely that the proposal for Callywhite Lane would be successful if invited to proceed by D2N2.
- 2.2 Having an up-to-date site infrastructure appraisal will also enable the Authority to respond to future infrastructure funding opportunities as they arise.

3 Consultation and Equality Impact

- 3.1 If the bid to D2N2 is successful then a consultation exercise will be undertaken to determine the views of stakeholders on the expansion plans and how they would prefer to see the proposal developed.

4 Alternative Options and Reasons for Rejection

- 4.1 The level of technical knowledge and experience required to complete a detailed business case for this type of infrastructure proposal is not within the capacity of NEDDC officers, so the only realistic option is to secure external expertise.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 A maximum budget of £20,000 will need to be identified to complete the study.

5.2 Legal Implications including Data Protection

- 5.2.1 No implications

5.3 Human Resources Implications

- 5.3.1 NEDDC officers will lead and manage the consultants, but there is sufficient experience and capacity in the Economic Development Team to do this.

6 Recommendations

- 6.1 That a budget of £20,000 is allocated for the preparation of a feasibility study to support the development of a business case for infrastructure funding to unlock expansion land adjacent to Callywhite Lane Industrial Estate.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	Dronfield North and Dronfield South
Links to Corporate Plan priorities or Policy Framework	Unlocking our Growth Potential

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
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