

Public Document Pack

Supplementary Agenda



**North East
Derbyshire**
District Council

Contact: Asher Bond
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Date: Thursday, 16 September 2021

To: **All Members of the Clay Cross Town Board**

You are invited to attend the next meeting of the Clay Cross Town Board to be held on **Friday, 24 September 2021 at 9.00 am in the by Zoom Meeting Platform. by Zoom Meeting Platform.** Access credentials to the meeting will be sent to you separately.

Yours sincerely

Joint Head of Corporate Governance and Monitoring Officer

AGENDA

7 **Scoping Documents** (Pages 2 - 89)

Appendix To Follow

We speak your language

Polish

Mówimy Twoim językiem

Romanian

Vorbim limba dumneavoastră

Urdu

ہم آپ کی زبان بولتے ہیں

Chinese

我们会说你的语言



**North East
Derbyshire**
District Council



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North East Derbyshire District Council

Clay Cross Town Deal Board (CCTDB)

24th September 2021

Scoping Reports

Report of the Director for Growth

Classification: This report is open

Report By: Bryan Harrison

Contact Officer: Bryan Harrison

PURPOSE / SUMMARY

1. To present a range of project scoping reports.

RECOMMENDATIONS

1. That the board approve the scoping reports as presented

IMPLICATIONS

Finance and Risk: Yes No

Details:

There are no financial implications

[Click here to enter text.](#)

On Behalf of the Section 151 Officer for NEDDC

Legal (including Data Protection): Yes No

Details:

[Click here to enter text.](#)

On Behalf of the Solicitor to NEDDC

REPORT DETAILS

1 **Background** *(reasons for bringing the report)*

1.1 To provide board members with a range of scoping reports for the projects identified in the Clay Cross Town Investment Plan (TIP).

2. **Details of Proposal or Information**

2.1 Consultants Amion are in the process of preparing business cases for the ten projects identified in the Clay Cross TIP

2.2 To support and guide this process, working groups have been assembled composed of key stakeholders.

2.3 Following discussions at these working groups it has been agreed that to provide clarity on what each project will (and will not) be responsible for delivering a scoping report is produced for nine of the ten projects in the TIP. Sharley Park Leisure Centre is not included as this is now moving into delivery phase.

2.4 The scoping reports have been shared with members of the working groups and are attached as Appendix 1.

Recommendation

3.1 To approve the attached scoping reports

4 **Alternative Options and Reasons for Rejection**

4.1 The scoping reports are required to provide clarity and certainty of project scope to support the completion of the business cases, so no other option is appropriate.

DOCUMENT INFORMATION

Appendix No	Title
Appendix 1	Scoping Reports
Background Papers	
Previous board reports. Clay Cross Town Investment Plan.	

CLAY CROSS CONNECTIONS: COVERING NOTE

This working proposal was created by the Town Centre Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed business case by Q4 2021.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Baseline evidence:** due to delays to the completion of transport modelling for Clay Cross, there is a need to explore alternative sources of evidence. This work is ongoing in discussion with DCC. This may impact on the ability of the business case to define a specific pipeline of proposed interventions and outputs. As a working assumption, it is envisaged that the business case will outline an indicative package of measures in accordance with the investment objectives, with proposals worked up for specific interventions prior to any draw down of funding.
- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will be based on the above changes to scope unless the Town Board directs otherwise.

Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**
- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board (date to be confirmed), which will primarily focus on providing more detail around: (i) the baseline work underway (ii) the potential scope of interventions identified as part of an indicative works package and (iii) arrangements for a consultation event to scope key issues / challenges with community representatives. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;

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- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Gill Callingham, Lead Officer (joint lead and joint ultimate author of this document)
- Maria Curran, PMO
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by Karl Apps, Head of Economic Development, Regeneration and Housing Delivery, NEDDC who, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN	
1. Project Name	Clay Cross Connections
2. Project Aim	<p>Summary aim of the overall project: To promote a package of measures that enhance connections within the town, reduce congestion, reduce the impact of traffic on pedestrians and promote more sustainable and active travel options.</p> <p>Summary aim of current stage: To develop Green Book compliant Business Case for a package or programme of works for submission to the Clay Cross Town Board.</p>
3. Project Description/ initial considerations	<p>A programme of works centred on High Street, Market Street and Eyre Street to reduce the adverse impacts of traffic on the quality of the street environment; to overcome barriers to movement and improve linkages to and across the town centre; and the improvement and urban greening of key pedestrian and cycle links to local destinations, particularly the new Town Square, the Esplanade to Tesco and pleasant connections between Sharley and Kenning Parks.</p> <p>Initial considerations relating to a proposed package of connectivity enhancement:</p> <ul style="list-style-type: none"> • Severance created by A61 which is a busy regional/sub-regional route, the default diversion for the parallel M1, high HGV use. The A61 is on the western fringe of the town centre. • There is a mix of regeneration and transport strategies developed over the last 10-15 years in place from various regional sources (East Midlands, Derbyshire, NEDDC). Continued engagement with partners is needed to ensure alignment with strategic objectives and interventions proposed through the Local Transport Plan. • From a sustainability perspective, there is a focus on improved air quality through congestion relief and low emission vehicles. Regard will need to be given to the impact of UKG policy measures aimed at promoting this agenda. • There is a significant level of parking available in the town centre (including NEDDC managed parking). The coordination of parking provision across the town is limited and in a number of instances they contribute poorly to the quality of the environment within the town centre. <p>To address a shortfall in the evidence base, DCC is progressing survey and modelling work to inform the scoping and prioritisation of potential interventions. It is noted that this was scheduled to be available in September but DCC is now advising that this will be delayed by months and may not be available for the business case stage.</p>
4. Definitions	<ul style="list-style-type: none"> • “Clay Cross”: for the purpose of this document, Clay Cross is defined as the area defined through the Town Deal. • Connections: a package of interventions that enhance connectivity through improvements to established or proposed infrastructure. The interventions will reduce congestion, improve the coherence of the network and enhance the quality of the environment for pedestrians.
5. TIP Stage Assumptions	<p>A preliminary scoping exercise was undertaken by Ramboll (as part of the TIP team) to inform the budget cost allocation for an initial package of targeted improvement works as follows:</p> <ul style="list-style-type: none"> • A61 improvements – construction estimate of £200k-£800k • South East Arc Road/Cycle Route - £150k • East West Route Improvement - £150k

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	<ul style="list-style-type: none"> • Reducing traffic flow in the town centre - £250k <p>The budget allocation also included provision for a wider programme of works to improve access to the town centre from outlying zones, having regard to the wider programme objectives for the Town Investment Plan.</p> <p>The TIP recorded the following assumptions on this initiative when submitted to CLG:</p> <p><i>“Works on High Street, Market Street and Eyre Street to reduce the adverse impacts of traffic on the quality of the street environment the improvement of key pedestrian and cycle links to local destinations and assets” pg.6 & 12</i></p> <p><i>Theme – “Improving connectivity – enhancing connections within the town, establishing the centre as a hub with high quality, sustainable linkages to neighbourhoods, workplaces and open spaces. Measures to improve connectivity will promote more sustainable and active travel options for residents and businesses, while mitigating the negative impacts of strategic highway infrastructure on residents of the town” pg. 35</i></p> <p><i>“A package of interventions aimed at improving traffic management and the public realm and promoting active transport options within Clay Cross” pg.45</i></p> <p><i>Timescales – planning and delivery over the period to Q3 2025</i></p> <p>Regard should also be had to the TIP2 document (submitted to CLG) which sets out further detail in respect of the aims and assumptions at the point at which the Town Investment Plan was prepared.</p>
6. Scope of Works	<p>Scope of the overall project: interventions focusing upon (i) improving connectivity through addressing severance (ii) reducing traffic congestion within the town centre, focusing particularly upon the A61 High Steet corridor and Market Street (iii) improving walking and cycling routes to and within the town centre. It is envisaged that the project will comprise a package of investments that will address existing connectivity issues and contribute to mitigating the impact of other TIP projects. The package of interventions identified may be subject to review over the full delivery period in response to updated evidence, project specific and wider strategic drivers.</p> <p>Scope of the current stage: to deliver a HM Treasury Green Book compliant business case (using the template attached in Section 16) by Q1 2022. The business case will be prepared based on an agreed package of interventions which will be scoped based on strategic objectives and informed by the best available evidence at the point at which the business case is completed. Due to gaps in the available evidence base due to the absence of up-to-date survey data and modelling, the package of interventions will be determined through engagement with transport officers and targeted survey work (to be scoped in discussion with DCC). It is envisaged that the package of measures will be refined post funding approval based on the availability of baseline data and a coherent transport plan. Consideration will be given to business case requirements for establishing a funding programme to support phased investment in targeted measures.</p> <p>The business case will be based on available project information developed to concept design stage and informed by supporting investigations. This is equivalent to the Outline Business Case stage as set out within HMT guidance.</p>

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	Section	Description	Evidence/source
	Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies 	<ul style="list-style-type: none"> • Town Investment Plan • Baseline transport survey data • Consultation with key stakeholders • Risk register
	Economic case	<ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs • Value for money • Sensitivity analysis 	<ul style="list-style-type: none"> • Option scoping and appraisal framework • Cost Benefit Analysis technical note
	Financial case	<ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications 	<ul style="list-style-type: none"> • Project cost plan • Match-funding commitments
	Commercial case	<ul style="list-style-type: none"> • Status and approvals • Procurement strategy • Commercial delivery plan 	<ul style="list-style-type: none"> • Project delivery plan
	Management case	<ul style="list-style-type: none"> • Project governance • Assurance and compliance • Programme management • Risk management • Stakeholder engagement • Monitoring and evaluation 	<ul style="list-style-type: none"> • Project organogram • Subsidy control – legal opinion • Programme/Gantt Chart • Risk register • Communications plan • Monitoring and evaluation plan
	Other supporting material		<ul style="list-style-type: none"> • Project designs - concept • Site investigation report (desktop) • Letters of support
	<p>Subject to approval, it is envisaged that NEDDC will programme implementation taking account of the delivery of other Town Centre projects and securing co-funding, and progress procurement of delivery partner(s). It will use Towns Fund investment for the delivery of proposed schemes.</p>		
7. Working Assumptions / Hypotheses	<ul style="list-style-type: none"> • Location: the TIP identifies a focus for investment around “High Street, Market Street and Eyre Street to reduce the adverse impacts of traffic on the quality of the street environment”. These will remain a strategic focus, but no locations have been formally determined at this stage. In the absence of a comprehensive evidence base, it is envisaged that the identification of locations will be based on available data relating to target points and qualitative information provided by experienced Transport Officers. • Intervention type: the TIP references the importance of reinforcing the role of the town centre as a hub, enhancing connectivity, improving the environment for pedestrians and enhancing sustainable linkages. A wide range of potential interventions will remain in scope. It is envisaged that consideration of options will take place at an intervention level to ensure value for money is optimised. 		

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	<ul style="list-style-type: none"> • Costs and funding: it is assumed that the cost of “on-site” infrastructure works associated with other towns fund projects will not draw upon funding for the Connections project. This funding could be considered to mitigate “off-site” infrastructure costs where appropriate. • Delivery mechanisms: no mechanism has yet been agreed for the delivery of interventions funded through the programme. The arrangements will be considered further as the pipeline of potential interventions is developed. • Monitoring and evaluation: as an exemplar initiative, resource should be made available for effective monitoring, evaluation and the dissemination of best practice. 				
8. Dependencies	<ul style="list-style-type: none"> • Evidence base: More detailed baseline work is being progressed in respect of access, transport and parking at a Clay Cross level including: <ul style="list-style-type: none"> ○ Updating the DCC transport model ○ Footfall data and mapping using the Hook database (NEDDC, Aug 21) ○ Parking surveys – requirements being established (Sept 21) <u>It is noted that the timescales for the DCC transport model have been delayed and that this may not be available to inform the business case preparation. Alternative sources of evidence will be identified in discussion with DCC but this may need to be reflected in the scope of the business case.</u> • Other TF projects: there will be significant co-dependencies with other projects advanced under the TIP, including: <ul style="list-style-type: none"> ○ <i>Town Centre Regeneration:</i> it is envisaged that there will be significant co-dependencies with this scheme, relating to demand development associated with new facilities, events and activities on site, impact on the bus station and potential redevelopment of car parks. ○ <i>Public Transport:</i> Increases to bus journey times and the risk of detrimental impact on bus patronage (and in turn on congestion and air quality) and the cost of operating local bus routes. ○ <i>Railway Feasibility Study:</i> Multi-modal connectivity between possible station locations and the town centre (in principle rather than design detail) ○ <i>Skills & Enterprise Hub:</i> The anticipated number of new learners assisted means a wider geographic focus than simply Clay Cross which makes consideration of how people access the Hub a significant inter-dependency. • Key Partners: willingness to engage by key stakeholders; aligning with the wider transport plan for Clay Cross, North East and Derbyshire as a whole • Consultation: The need for and approach to wider community engagement will be informed by the Communications & Community Working Group and could modify the workplan. • Match-funding: The Town Investment Plan identified a provisional allocation of £1m of co-funding. 				
9. Outputs	<p>The indicative outputs and outcomes identified within the TIP are as follows:</p> <table border="1" data-bbox="459 1868 1469 1962"> <thead> <tr> <th data-bbox="459 1868 1286 1912">Indicator</th> <th data-bbox="1286 1868 1469 1912">Quantity</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1912 1286 1962">New or upgraded cycle or walking paths</td> <td data-bbox="1286 1912 1469 1962">5km</td> </tr> </tbody> </table>	Indicator	Quantity	New or upgraded cycle or walking paths	5km
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Wider cycling infrastructure such as cycle parking	5km
Remediation/Delivery of quality residential or commercial space in key locations	8 ha
Delivery of new public spaces	2 ha
Outcomes	
Enhanced vehicle flow	TBC
Improved perceptions of the place	TBC
Number of residents using active mode to access town centre on a regular basis	TBC

The scope of the town centre regeneration project and deliverable outputs will be subject to further appraisal and it is envisaged that the outputs identified in the table above will be subject to variation.

However, following the submission of the Town Investment Plan and the 'in principle' funding award, MHGLG now requires the following mandatory outputs to be collected/ reported annually:

- Monies spent directly on project delivery (either local authority or implementation partners)
- Co-funding committed (private and public)
Target of £1m
- Co-funding spent on project delivery (private and public)
- Number of temporary FT jobs supported during project implementation
- Number of full-time equivalent (FTE) permanent jobs created through the projects
- Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects
- Total length of pedestrian paths improved
Target of 5km
- Upgraded cycling routes
Target of 5km

These will form an integral part of the final outputs, the remainder of which will be scoped based on an indicative schedule of proposed projects under the preferred option, pending detailed design development.

Potential outcomes will be scoped and estimated to inform the cost benefit analysis as part of a Green Book compliant option appraisal. Projections will be identified within a benefit realisation plan and aligned with the monitoring and evaluation plan prepared in respect of the proposed option.

10. Costs and funding	Costs and funding:						
	(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	Towns Fund		0.5	1.0	1.0	0.5	3.0
	Match/co-funding				0.5	0.5	1.0

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	<ul style="list-style-type: none"> • Business case stage costs: at this stage it is not anticipated that further drawdown of funding will be required to fund the preparation of the business case document. However, there is a need for greater clarity around the evidence base. Survey and modelling work progressed by DCC has been delayed and will not be available to inform the business case development. On this basis, there may be a need to carry out targeted survey work to inform the development of a project pipeline. The business case team will work with DCC to scope this baseline and report back to the Board. • Cost profile: the allocation of funding at the TIP stage was based on professional judgements based on a package of potential interventions. • Match funding: allowance has been made for match/co-funding as part of the overall package of works. This could include public sector co-funding or developer contributions to mitigate the impact of future development proposals. Potential opportunities for co-funding will be discussed with Derbyshire County Council (Highways Authority) and D2N2 as part of the option development work.
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11. Team Roles	<p>Business case team:</p> <table border="1"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td>AMION:</td> <td>Pete Alford</td> <td>Coordinate business case and manage the project team</td> </tr> <tr> <td>NEDDC:</td> <td>Karl Apps</td> <td>Oversight of additional research commissions where needed to inform the business case (transport surveys)</td> </tr> <tr> <td>Buttress:</td> <td>Martin Kirkpatrick</td> <td>Masterplan – option development</td> </tr> <tr> <td>Edge:</td> <td>Geoff Tinsley</td> <td>Cost assessment Public realm design</td> </tr> <tr> <td>Ramboll:</td> <td>Ed Kerr</td> <td>Strategic advice in relation to infrastructure and transport</td> </tr> <tr> <td>Nexus:</td> <td>Pete Tooher</td> <td>Planning strategy Partner engagement / coordination</td> </tr> </tbody> </table> <p>Wider project team:</p> <table border="1"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td rowspan="2">NEDDC Economic Development</td> <td>Gill Callingham / Karl Apps</td> <td>Team coordination Support land assembly strategy Commission additional research needed to inform the business case Working Group and wider stakeholder engagement</td> </tr> <tr> <td>Maria Curran</td> <td>PMO Urban regeneration & supporting WG</td> </tr> <tr> <td>NEDDC Planning</td> <td>Adrian Kirkham Graeme Cooper Helen Fairfax</td> <td>Guide planning strategy for scheme Wider planning framework for Clay Cross town centre</td> </tr> </tbody> </table>	Partner	Lead	Role	AMION:	Pete Alford	Coordinate business case and manage the project team	NEDDC:	Karl Apps	Oversight of additional research commissions where needed to inform the business case (transport surveys)	Buttress:	Martin Kirkpatrick	Masterplan – option development	Edge:	Geoff Tinsley	Cost assessment Public realm design	Ramboll:	Ed Kerr	Strategic advice in relation to infrastructure and transport	Nexus:	Pete Tooher	Planning strategy Partner engagement / coordination	Partner	Lead	Role	NEDDC Economic Development	Gill Callingham / Karl Apps	Team coordination Support land assembly strategy Commission additional research needed to inform the business case Working Group and wider stakeholder engagement	Maria Curran	PMO Urban regeneration & supporting WG	NEDDC Planning	Adrian Kirkham Graeme Cooper Helen Fairfax	Guide planning strategy for scheme Wider planning framework for Clay Cross town centre
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	DCC Highways and transport	Chris Hegarty / Jim Seymour Dean Jones	Highway and transport survey data Bus Station relocation Active travel data for Clay Cross Guide project scoping																																													
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Updated concept plans and cost plan	Nov 21	<ul style="list-style-type: none"> Concept plans – Buttress/Edge High level schedule of costs - Edge 																																														
WG consideration of options and preferred option	Nov 21	<ul style="list-style-type: none"> NEDDC/AMION/ Buttress 																																														
Board Approval of preferred option	Dec 21	<ul style="list-style-type: none"> NEDDC 																																														
Draft Economic Case	Nov – Dec 21	<ul style="list-style-type: none"> Cost benefit analysis – AMION/Ramboll Drafting - AMION 																																														
Draft Business Case including WG Check & Challenge	Dec 21 - Jan 22	<ul style="list-style-type: none"> Commercial case – AMION/NEDDC Financial case – AMION Management case – AMION/NEDDC 																																														
Final Business Case	Jan 22	<ul style="list-style-type: none"> AMION 																																														
Business Case Assurance	Jan 22	<ul style="list-style-type: none"> NEDDC 																																														
Board Approval	TBC	<ul style="list-style-type: none"> NEDDC 																																														

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	The identified workplan and milestones will be subject to determining the need for further survey work to establish need / demand and clear case for change.				
13. Risk	A detailed Risk Register will be prepared and regularly reviewed with WG. Current key high-level risks:				
	Risk name	Description	Rating	Mitigations	Status
	Business risk	Failure to define clear objectives for the project aligned to the Town Investment Plan and wider investment package	High	<ul style="list-style-type: none"> Ensure SMART objectives established and linked to core aims and benefits realisation plan Ensure that objectives inform the scoping and appraisal of options 	Open
	Evidence base	The risk that there is inadequate evidence to support the identification and prioritisation of measures aimed at enhancing connectivity, addressing congestion and enhancing the quality of the pedestrian environment	High	<ul style="list-style-type: none"> Work with DCC and other partners to develop a robust evidence base Identify targeted studies that could be progresses to address gaps in available evidence Promote the development of a programme level business case to secure an allocation for draw down over the longer term 	Open
	Highways	Risk that the impact on highways and transport infrastructure is unacceptable or incapable of appropriate mitigation.	High	<ul style="list-style-type: none"> Review existing baseline information to confirm assessment of need Instruct further transport survey work to better inform the baseline and likely cost of options. Establish highways technical Task & Finish Group and clearly defined Terms of Reference as a priority. Engage with DCC and other stakeholders in the scoping and design stage High-level transport/ junction modelling of short-listed options to better understand impact 	Open
	Financial	Risk that level of TF allocation insufficient to achieve objectives	High	<ul style="list-style-type: none"> Ensure clear objectives to inform scoping of options Align with wider investment projects 	Open
Risk that match-funding is not		High	<ul style="list-style-type: none"> Potential for match funding to be scoped at 	Open	
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		available at the level identified within the Town Investment Plan		an early stage in the option appraisal process	
	Programme	Risk that delays to the project result in unforeseen consequences across other elements of the scheme	Medium /High	<ul style="list-style-type: none"> Project scoping and design development overseen by Town Centre Working Group to ensure alignment with wider regen proposals 	Open
14. Comms / consultation	<ul style="list-style-type: none"> Communication assumption: A clear plan for communications will be critical for this project given sensitivities around: <ul style="list-style-type: none"> The limited evidence base currently available to inform the scoping of interventions; community feedback in consultation undertaken to date identifying town centre connectivity as a strategic priority; The potential for changes in the scope of proposals in response to the wider programme of investment. <p>The approach to communications will need to be clear from the outset and should ensure that the risk of misalignment of expectations within the community is minimised.</p> Consultation assumption: a two stage community consultation process was undertaken to inform the development of the TIP. The Working Group has highlighted the importance of sustaining community consultation. Reflecting the points outlined above and in the absence of a robust evidence base, the focus of community consultation at this stage should be around validating qualitative assessments of key issues/challenges, strategic objectives and intervention scope. An interactive community workshop event with residents and businesses could offer an appropriate approach. 				
15. Assumed Business As Usual Status (BAU)	The BAU case assumes that in the absence of a package of works that investment in connectivity will be progressed on a piecemeal basis in response to specific development initiatives or under strategic transport plan initiatives. Under this scenario, it is not envisaged that issues identified at the TIP stage (relating to severance, congestion and poor quality environment) will be satisfactorily addressed at a town centre level.				
16. Business Case stage deliverable	 <p>Clay Cross Business Case Template.docx</p>				

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CLAY CROSS CREATIVE: COVERING NOTE

This working proposal was created by the Clay Cross Creative Working Group for consideration by the Clay Cross Town Deal Board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses/working assumptions and the current plan to deliver the completed business case to MHCLG by March 2022.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Reprofiling of costs:** the original Town Investment Plan envisaged the spend of match funding in FY 2021 / 2022. This spend will now take place in the next financial year 2022/2023 given the time it will take to agree, procure and mobilise this project.
 2. **Outputs:** at this stage the high-level objectives outlined for the project remain the same, however further work will be undertaken to verify/confirm that the scale of the proposed outputs (in particular the number of jobs created) and outcomes (visitors to events; enterprises and start-ups supported) are realistic and it is likely that the Working Group may propose alternatives in the future.
 3. **Creative Hub Tenants:** while First Arts have confirmed that they are interested in the project, they cannot commit to becoming a tenant in the building at this stage, until further consultation work has been carried out, and there is greater certainty regarding what the proposed hub will offer.
- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will inevitably mean that some outputs become more likely than others. The current focus remains on the delivering the key objectives described in the TIP through the refurbishment of the three buildings, also outlined in the plan:
 - Old Constabulary
 - DACES Storage
 - Methodist Church

Recommendation:

That the Clay Cross Town Deal Board:

- notes the current detail and proposals contained within the document;
- notes the caveats therein and the potential for change in future iterations;
- acknowledges the particular focuses that the Working Group has chosen, and;

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- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board on (date to be confirmed), which will primarily focus on providing more detail around (i) the types of creative activities that will be the focus for the hub (ii) the buildings that will be required and (iii) the proposed operating model. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Cllr Barker, Chair of the Working Group (joint lead and joint ultimate author of this document) and Clay Cross Town Deal Board Sponsor
- Martyn Handley, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by Gill Callingham Director of Growth NEDDC, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal:

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN	
1. Project name	Clay Cross Creative Hub
2. Project aim	<p>Summary aim of the overall project: To provide a focal point for creative enterprise; arts and social programmes with a focus on engaging the community, young people, around creative, artisan and social enterprise; and to provide a base for creative stakeholders.</p> <p>Summary aim of current stage: To build a business case based on existing green book requirements which can be submitted to MHCLG for the release of up to £0.85m of funding provisionally allocated to this initiative.</p>
3. Project description/ initial considerations	<ul style="list-style-type: none"> • Identification of the location and potential conversion and refurbishment of buildings within the town centre to create artist and creative workspace, including spaces for meetings, offices, a gallery, box park/artisan worksheds and gardens. • The project will provide a focal point and base for the creative sectors, and promote a range of community activities within the facility and across the wider town. • The project was included within the Town Investment Plan following engagement with prospective delivery partners, highlighting the opportunity to develop the creative sector aligned to wider proposals for the town centre. The market analysis highlighted a lack of comparable facilities within the locality.
4. Definitions	<ul style="list-style-type: none"> • “Clay Cross”: for the purpose of this document, Clay Cross is defined as the area defined through the Town Deal. • Workspace: this could include co-working/shared space; office; maker space; workshop facilities • Creative Hubs: vary by size, structure, operation but can include collectives, co-operatives, maker labs, incubators, and can be static, mobile or online.
5. TIP Stage Assumptions (LP)	<p>The TIP recorded the following assumptions on this initiative when submitted to MHCLG:</p> <ul style="list-style-type: none"> • “Clay Cross Creative - conversion and refurbishment of buildings on Market Street to create artist and creative workspace, including spaces for meetings, offices, a gallery, box park/artisan worksheds and gardens;” (p. 6) • “Description: Creative sector led community asset, repurposing historic buildings to create a focal point for enterprise, performance and activity within the town centre” (p. 45) • “Project sites: Clay Cross Creative” (p.46) • “Rationale: * Improvement of a key heritage building to strengthen the Conservation Area, currently at risk * Provide new, diversified job opportunities * Assist in rejuvenating the Town Centre * Addresses the lack of cultural and entertainment assets and key services in Clay Cross * Potential to build on the activity of First Arts and others to foster a creative makers’ initiative” (p.53) • “Outputs: * Refurbished workspace floorspace * New businesses and jobs * Increased visitors to the town centre * New arts, cultural & creative events” (p.53) • “Outcomes / indicators: * Improve perceptions and profile of the area * Increase number of visitors” (p.53) • “Delivery programme: Business case development: Q1 – Q2 2021, Planning: Q3 2021, Procurement: Q4 2021, Delivery and fit-out: Q1 – Q3 2022” (p.66)

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	<ul style="list-style-type: none"> • “Outputs: * Commercial floorspace: 1,200 sq m, * Industrial floorspace: 1,200 sq m” (p.67) • “Construction phase outputs: Person years employment: 12, Gross value added: £0.4m, Apprenticeships supported: 1” (p.67) • “Operational phase: Gross employment: 34 FTE, Gross value added: £1.9m” (p.67) • “Fiscal impact: Business rates: £29,000/pa” (p.67) 						
6. Scope of Delivery	<p>The Town Investment Plan was based on initial proposals and included:</p> <ul style="list-style-type: none"> • The purchase and refurbishment of the former constabulary building (DCC); Methodist church and storage space at Derbyshire Adult Education Centre (DACE); • Provision of a base for creative stakeholders (First Arts/Junction Arts) and delivery of an events programme and activities • Creation of workspace for artists and creative enterprises – scale/type to be confirmed through consultation with both residents and potential freelancers/artists (maker spaces; desks; office) • Delivery of shared facilities for creative & community use – e.g. gallery; garden; pop-up retail; events space; equipment <p>An indicative budget allocation made allowance for capital works associated with a basic refurbishment of premises. No detailed arrangements were made in relation to the operation of the facility, other than funding being conditional upon the preparation of a business plan demonstrating the ongoing financial sustainability of the scheme.</p> <p>Key issues for consideration in developing the business case include:</p> <ul style="list-style-type: none"> • Location – consideration is being given to three potential sites for the Creative Hub based on a review of assets. • Ownership – parts of the proposed site lie outside of the ownership of the public sector. Significant acquisition costs could impact on the deliverability of the facility. • Financial sustainability – it is critical that the facility is financially and operationally sustainable. This should be informed by robust market testing and a credible delivery model, set out within a business plan prepared in partnership with key project partners. <p>The business case will be prepared based on available project designs and supporting information developed to RIBA Stage 2, alongside a business plan for the operation of the facility. This is equivalent to the Outline Business Case stage as set out within HMT guidance.¹</p> <table border="1" data-bbox="475 1686 1487 1910"> <thead> <tr> <th>Section</th> <th>Description</th> <th>Evidence/source</th> </tr> </thead> <tbody> <tr> <td>Strategic case</td> <td> <ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change </td> <td> <ul style="list-style-type: none"> • Town Investment Plan • Market Demand Assessment • Risk register </td> </tr> </tbody> </table>	Section	Description	Evidence/source	Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change 	<ul style="list-style-type: none"> • Town Investment Plan • Market Demand Assessment • Risk register
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¹ [Guide to developing the Project Business Case \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance/developing-a-project-business-case)

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		<ul style="list-style-type: none"> • Risks and dependencies 	
	Economic case	<ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs • Value for money • Sensitivity analysis 	<ul style="list-style-type: none"> • Option scoping and appraisal framework • Cost Benefit Analysis technical note (AMION)
	Financial case	<ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications 	<ul style="list-style-type: none"> • Project cost plan • Business plan (including financial appraisals) • Match-funding commitments
	Commercial case	<ul style="list-style-type: none"> • Status and approvals • Procurement strategy • Commercial delivery plan 	<ul style="list-style-type: none"> • Project delivery plan • Market demand assessment
	Management case	<ul style="list-style-type: none"> • Project governance • Assurance and compliance • Programme management • Risk management • Stakeholder engagement • Monitoring and evaluation 	<ul style="list-style-type: none"> • Project organogram • Subsidy control – legal opinion • Programme/Gantt Chart • Risk register • Communications plan • Monitoring and evaluation plan
	Other supporting material		<ul style="list-style-type: none"> • Business plan (Junction Arts / First Arts) • Project designs (RIBA2) • Site investigation report (desktop) • Building surveys • Planning statement and evidence of pre-app • Events/Activity plan • Letters of support

7. Working assumptions/hypotheses

- **Potential Sites** – no decisions have been made but the TIP hypotheses suggested three potential buildings for the hub, and this remains the working assumption at this stage – the former constabulary building (DCC), Methodist church and storage space at Derbyshire Adult Education Centre (DACE). It should be noted however that the Methodist Church is currently in private ownership, and there was an assumption that a leasehold agreement would be negotiated with the owner;
- **Delivery mechanism** – it is assumed that North East Derbyshire Council will oversee the phased programme of refurbishment works, following contractor procurement. However, this is conditional on confirmation of the governance structure, preparation of a business plan, and confirmation of the relocation of the countryside service.
- **Potential Delivery partners** – the TIP assumed that the hub would provide a base for First Arts/Junction Arts to deliver their events programme and activities in the area; and creative space for artists and the community. While First Arts is still interested in assisting with the development of the hub, they are not currently in a position to commit to becoming a tenant, until further work is done to shape what the space might look like. Junction Arts have recently relocated to West Studios in Chesterfield. The Procurement of an operator/partners for the Hub are outside the scope of the project.
- **Deliverables** – the purchase and refurbishment of the former constabulary building (DCC); Methodist church and storage space at Derbyshire Adult Education Centre (DACE) are the key deliverables. A high level business

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	<p>plan/operational framework will also be developed for the hub (proportional to the business case requirements).</p> <ul style="list-style-type: none"> • Costs – the overall financial contribution of the Clay Cross Town Deal to this project is assumed to be £0.85m (as outlined in the TIP). Match funding of £0.15m is to be expected to be provided, potentially by Arts Council England, although at this stage the provider has not been determined. This funding is to cover the acquisition and refurbishment costs. No operational costs have been included in the TIP. • Overall viability – the viability of the Creative Hub will depend on securing a lead partner to champion the project and the development of a high-level business plan which outlines the financial sustainability of the hub. 										
8. Key Dependencies	<ul style="list-style-type: none"> • Identification of a project champion – to lead on the development of the scheme and assist in the preparation of a business plan. • Scoping market demand from potential freelancers and artists; and understanding the scale of community use – which will impact on the size of the space required. • Acquiring and refurbishing the requisite buildings (depending on amount of space required) within the financial envelope provided. 										
9. Outputs	<p>The following outputs are identified within the Town Investment Plan.</p> <p>Outputs</p> <table border="1" data-bbox="475 943 1503 1182"> <thead> <tr> <th data-bbox="475 943 1214 987">Indicator</th> <th data-bbox="1214 943 1503 987">Quantity</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 987 1214 1032">Upgraded community facilities</td> <td data-bbox="1214 987 1503 1032">1</td> </tr> <tr> <td data-bbox="475 1032 1214 1077">Reuse of historical building</td> <td data-bbox="1214 1032 1503 1077">1</td> </tr> <tr> <td data-bbox="475 1077 1214 1122">Jobs created</td> <td data-bbox="1214 1077 1503 1122">34</td> </tr> <tr> <td data-bbox="475 1122 1214 1182">Creation of shared workspace</td> <td data-bbox="1214 1122 1503 1182">1,200 m²</td> </tr> </tbody> </table> <p>Following the submission of the Town Investment Plan and the ‘in principle’ funding award, MHGLG now requires the following mandatory outputs to be collected/ reported annually:</p> <ul style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding (£) committed (private and public) • Co-funding (£) spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects <i>Target 34no. FTE jobs</i> • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects • Number of improved community/sports centres <i>Target 1no.</i> • Number of heritage buildings renovated/restored <i>Target 1no.</i> • Creation of shared workspace <i>Target of 1,200 sqm</i> 	Indicator	Quantity	Upgraded community facilities	1	Reuse of historical building	1	Jobs created	34	Creation of shared workspace	1,200 m ²
Indicator	Quantity										
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	<ul style="list-style-type: none"> • Number of visitors to arts, cultural and heritage events <i>Target of 15,000 visitors</i> • Number of enterprises utilising high quality, affordable and sustainable commercial spaces <i>Target of 20no. enterprises</i> • Number of start-ups and/or scales ups utilising business incubation, acceleration and co-working spaces <i>Target of 10no. start-ups</i> <p>The following proposed outcomes are identified in the Town Investment Plan and projected for the operational stage of the hub project.</p> <p>Outcomes</p> <table border="1" data-bbox="475 645 1487 936"> <thead> <tr> <th>Indicator</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Number of visitors to arts, cultural and heritage events and venues</td> <td>15,000</td> </tr> <tr> <td>Number of enterprises utilising high quality, affordable and sustainable commercial spaces</td> <td>20</td> </tr> <tr> <td>Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</td> <td>10</td> </tr> </tbody> </table>	Indicator	Quantity	Number of visitors to arts, cultural and heritage events and venues	15,000	Number of enterprises utilising high quality, affordable and sustainable commercial spaces	20	Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces	10													
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10. Costs	<p>Costs:</p> <table border="1" data-bbox="475 1003 1487 1146"> <thead> <tr> <th>(£million)</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>Towns Fund</td> <td></td> <td></td> <td>0.85</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Match/co-funding</td> <td></td> <td></td> <td>0.15</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Business case costs: Early release of some of the Town Deal funding has been approved by MHCLG to help to bring forward projects. The only additional costs that may be necessary for this project relate to detailed business planning if this is deemed necessary for the operation of the Hub. Development of a high level business plan only has been assumed at this stage. • Match costs: the TIP suggested that up to £150,000 match funding may be possible for this project. Following discussions at the Working Group, it was agreed that further exploration of potential funding sources needed to be undertaken. • Town Fund contribution: the financial profile for the project will be kept under review through the building appraisal and development of options. The options and associated outputs and outcomes will be presented to the Working Group as part of its Check & Challenge support. This will also consider affordability (within identified budget thresholds) and expected value for money based on the expected economic benefits. 	(£million)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Towns Fund			0.85				Match/co-funding			0.15			
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Towns Fund			0.85																			
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11. Team Roles	<p>The business case team will primarily comprise the following:</p> <table border="1" data-bbox="475 1816 1487 1935"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td>AMION:</td> <td>Maria Salcedo/Pete Alford</td> <td>Coordinate business case and support business planning</td> </tr> </tbody> </table>	Partner	Lead	Role	AMION:	Maria Salcedo/Pete Alford	Coordinate business case and support business planning															
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	NEDDC:	Martyn Handley	Coordinate NEDDC inputs and lead engagement with delivery partners
		Maria Curran	PMO
	Buttress	Martin Kirkpatrick	Design
	Thomas Lister:	Rachel Lister	Property Advice
	Edge:	Geoff Tinsley	Cost assessment
	Nexus:	Pete Tooher	Planning/ Stakeholder engagement

The wider working group who will steer the project between reports to the Town Board comprise the following:

Partner	Lead	Role
NEDDC:	Martyn Handley	Coordinate NEDDC inputs and lead engagement with delivery partners
	Maria Curran	PMO
	Cllr Barker	Chair of the Working Group
	Cllr Powell	
	Cllr Cupit	
	Cllr Renwick	
	Cllr Dale	
DCC	Alison Foote	Concept development with partners
Clay Cross Parish Council	Cllr Jones	
First Arts	Karl Greenwood	As above; Creative stakeholder & potential tenant
Junction Arts	Paul Steele	As above; Creative stakeholder & potential tenant
	Jane Wells	
University of Derby	Dr Peter Dewhurst	
Chesterfield College	Mik Godley	
Clay Cross Town Deal Board	Gary Golden	

The overall owner of this project, from a Working Group perspective, is Cllr Barker (as Chair of the Working Group) and Martyn Handley as the appointed officer to lead. Both are ultimately responsible for the output and practical achievability of the proposal.

12. Work Plan

The current working assumptions around the timeline for the business case are as follows:

Task	Date	Lead/Role/Responsibility
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	Desk based SWOT review of Creative Hub and Skills Hub to evaluate opportunities for co-location	July 2021	AMION/TL (complete)		
	Building Survey – review of existing information and visual inspection	August 2021	NEDDC/DCC/Buttress Buttress to commission measured survey if needed		
	Desk based Heritage Assessment	Oct 2021	Buttress		
	Partner engagement and consultation (Key stakeholders)	Sept -Oct 2021	AMION/NEDDC/Nexus		
	Land assembly and decant strategy	Sept - Nov 2021	Nexus/TL/AMION		
	Creative Enterprise Space – demand analysis	Sept - Nov 2021	Nexus/TL/First Arts		
	Design brief and options scoping	Oct 2021	AMION/NEDDC		
	Secure approval of design brief objectives	WG Nov 2021	AMION/NEDDC		
	Project plans - RIBA 2 including option short-listing	Nov 2021	Buttress		
	Draft Strategic Case	Oct- Nov 2021	AMION/NEDDC		
	Cost plan	Oct - Nov 2021	Edge		
	Draft Economic Case	Oct - Nov 2021	AMION		
	Business planning	Oct - Nov 2021	NEDDC/Stakeholders		
	Outline procurement strategy and delivery plan	Nov 2021	NEDDC		
	Financial appraisal	Nov 2021	DCC/NEDDC/Partners		
	Draft Business Case	Nov - Dec 2021	Commercial Case – AMION/TL Financial – AMION/NEDDC/DCC Management (inc risk register and M&E plan) - AMION/NEDDC		
	Present draft Business Case to WG Check & Challenge	Dec 21	Present Draft Business Case for agreement		
	Final Business Case	Dec 2021	AMION/NEDDC		
	Business Case Assurance	Jan 2022	External Commission/NEDDC		
	Board Approval	TBC			
	<p>The overall timeline for the project remains , for now, those outlined in the TIP, pending further analysis:</p> <ul style="list-style-type: none"> • Business case: Dec 2021 • Procurement: Q1 2022/23 • Procurement of a contractor: Q2-3 022/23 <p>Significant further work is required to validate these dates in the coming phase.</p>				
13. Risk	Key risks:				
	Risk name	Description	Rating	Mitigations	Status
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	Financial	Operational costs/income fail to achieve projections Revenue funding in the business plan not being identified. NEDDC with a liability if business plan fails Match funding: Unable to obtain the necessary match funding to bring forward project	High	<ul style="list-style-type: none"> Engagement and consultation with end users planned Marketing strategy to be embedded in the business plan Engagement with potential funding bodies and investment partners to develop a positive relationship 	Open
	Stakeholders	Difficult to identify appropriate delivery partners	High	<ul style="list-style-type: none"> Build on initial engagement with potential delivery partner First Arts; Junction Arts to inform option scoping Creative Working Group to engage with relevant partners. 	Open
	Building & structures	Presence of listed/heritage assets which may be unsuitable for demolition/modification	Medium	<ul style="list-style-type: none"> Building condition survey and heritage assessment to be carried out prior to options study. 	Open
	Programme	Market engagement - risk of limited interest from delivery partner/end users	Medium /high	<ul style="list-style-type: none"> First Art/Junction Arts engaged. Consultations with ACE and other stakeholders to develop the concept. Further consultation /engagement planned with potential artists/users to assess demand. 	Open
14. Communication/ consultation	<ul style="list-style-type: none"> Communication assumption: A high-level review has been undertaken of the project and it has been agreed that no immediate communications is necessary beyond the overall work being done by project as a whole. It is expected that detailed communications will be needed prior to the submission of a business case. Further details will be provided at a subsequent iteration of this document. As will be the approach for all projects, there is a clear desire to consistently and regularly communicate the overall situation on the CXTD on a regular basis to residents – and this project will be expected to contribute this where required. 				

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	<ul style="list-style-type: none"> • Consultation assumption: Consultation with residents is being carried out at the end of September as part of an event being delivered by Junction Arts. Further demand assessment/consultation will be carried out with potential creative hub users at the end of Sept/Early October to identify demand for space/types of space required. Further consultation will be ongoing with creative stakeholders First Arts and Junction Arts; and ACE re concept design.
15. Assumed Business As Usual Status (BAU)	<ul style="list-style-type: none"> • The refurbishment of the buildings will not take place in the absence of the Town Deal Funding. • First Arts/Junction Arts will continue to deliver some community creative activities in the area through their existing contracts.
16. Business Case deliverable	 <p>Clay Cross Business Case Template.docx</p>

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LOW CARBON ENERGY NETWORK STRATEGY: COVERING NOTE

This working proposal was created by the Low Carbon Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed Strategy by Q3 2022.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Scope and phasing of the proposed strategy:** recognising the importance of ensuring a robust evidence base and clear vision for future interventions, a staged approach is now proposed. The first stage will involve detailed baselining, scoping and engagement to determine the rationale for intervention and clear objectives for future investment. Once approved, a range of potential interventions would be scoped and evaluated to identify a phased programme of investment. The second stage would allocate funding to early stage projects. Under this approach, it is envisaged that the Board would approve both stages, with funding drawdown for the stage two interventions dependent upon the preparation of a compliant business case which would be subject to an appropriate appraisal and approval process.
 2. **Cost:** as a result of the above recommendation, it is likely that the preparation of the first stage strategy will not cost the £1,000,000 allocated from the Town Deal and nor will it need match funding. However, the project wishes to retain the allocated Town Deal funds for now, to invest in measures identified through the strategy as part of the second stage described above.
- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will be based on the above changes to scope unless the Town Board directs otherwise.

Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**
- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

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Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board on (date to be confirmed) which will primarily focus on providing more detail around (i) the full scope of the strategy based on the final brief agreed by the Working Group and (ii) details of the process for procuring the strategy and (iii) arrangements for appraising and approving interventions promoted through the strategy. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Cllr Jeremy Kenyon, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Karl Apps, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by the following Gill Callingham Director of Growth NEDDC, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN

1. Project Name	Low Carbon Energy Network Strategy
2. Project Aim	<p>Summary aim of the overall project: To strategically assess the feasibility of developing a low carbon energy network in Clay Cross and identify a phased programme of interventions as part of an action plan; to progress first phase enabling and pilot interventions in support of the strategy.</p> <p>Summary aim of current stage: to produce an interim “Strategic Assessment” document which will allow funding to be released for the full Strategic Outline Business Case.</p>
3. Project description / initial considerations	<ul style="list-style-type: none"> • The town and wider area have a long-standing association with energy generation linked to coal mining and the associated development of the rail line. This process of developing and subsequent economic restructuring has resulted in a range of long term social, environmental and economic challenges. One of these challenges is anecdotal reporting of the relatively widespread use of coal as a domestic heat source, alongside issues of fuel poverty. • The legacy of historic mine-workings also present a potential asset and opportunity linked to mine water heating and cooling. Other potential assets and opportunities have been identified, including the presence of key sector businesses (Worcester Bosch) and proposed capital investment linked to private sector led housing development (for example at Egstow Park) and through the Towns Fund. Initial engagement with sector partners has highlighted the importance of considering assets as part of a network led strategy. • There is a strengthening commitment to pursuing a low carbon agenda under the UKG climate change targets. These national targets are reflected in the commitments of partners at the local level (including the declaration of a climate emergency by NEDDC and other project partners). • The project recognises that there is a need for significant further investigation and analysis to provide a robust basis for setting appropriate objectives for the local area, underpinning a programme of targeted intervention. • The project was identified as one that could be potentially advanced on a fast-track basis. The original timescales are not capable of being achieved and there will be a need to agree a revised timeline with CLG.
4. Definitions	<ul style="list-style-type: none"> • Low carbon: defined as measures that contribute to achieving net reductions in the level of carbon emissions beyond those that would be achieved under existing commitments at the UK and regional levels. • Energy Network: a whole system of energy generation, distribution, storage and utilisation. • Pilot: an intervention that seeks to test or otherwise enable wider investment to be secured through de-risking or demonstrating effectiveness/viability. • “Clay Cross”: for the purpose of this document it is accepted that the area under consideration within the scope of the strategy will reflect the existing infrastructure and opportunity assets that lie outside the area designated under the Town Deal, including former mine workings, which nevertheless have the potential to directly contribute to a strategy for Clay Cross Town.

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<p>5. TIP Stage assumptions</p>	<p>At the point at which the TIP was submitted to CLG the proposals for this project were at a very early stage of concept development. The TIP recorded the following assumptions in relation to this initiative:</p> <ul style="list-style-type: none"> • “Low Carbon Energy Network Pilot – to confirm the feasibility of a low carbon energy network for the town exploring the scope for ground sources heat, hydrogen ready technology and a local heat network” pg. 6 • “Low Carbon Energy Network Pilot – working with Worcester Bosch, Cadent and other partners, a project to confirm the feasibility of a local carbon energy network” pg. 12 • “Development of a detailed strategy and route map to achieve local targets for net zero carbon underpinned by detailed baselining and feasibility” pg. 45 • “Capitalises on opportunity afforded by: <ul style="list-style-type: none"> ○ new leisure centre delivery with a significant heat load; ○ the commitment of Worcester Bosch to energy innovation within Clay Cross; ○ the presence of a number of significant industrial uses with high energy load; ○ the presence of significant ground source heat to develop a clean growth energy; ○ strategy for the town, potentially utilising hydrogen as part of the energy mix. <p>Addresses high instances of energy poverty and continued extensive use of coal as a domestic energy source and Attraction of new energy sector businesses and development opportunities” pg. 53</p> • Delivery programme – Commence Q1 2021, complete Q2 2022. Pg. 66 <p>Regard should also be had to the TIP2 document which sets out further detail in respect of the aims and assumptions at the point at which the Town Investment Plan was prepared.</p>
<p>6. Scope of Delivery</p>	<p>Scope of overall project: the project has two components:</p> <p>(i) Low Carbon Energy Network Strategy (Stage 1) – to prepare a strategy that establishes a clear vision and evidence based actions for a clean growth strategy for Clay Cross based on enhancements to the local energy network. It is envisaged that the Strategy will be prepared on a staged basis, to include (i) baselining; (ii) scoping; (iii) establishing strategic goals; and (iv) formulating a phased action plan including an initial package of ‘pilot’ interventions (Stage 2). This first stage will be delivered by Q4 2022.</p> <p>(ii) Package of interventions (Stage 2) – an initial package of ‘pilot’ interventions that will seek to test, catalyse or otherwise enable a future of investment in support of the objectives agreed through the strategy.</p> <p>Scope of current stage: to produce a ‘Strategic Assessment’ document which will allow TF funding to be released in advance of procuring the Stage 1 Strategy. This document will cover, at a high-level: (i) the local context, (ii) the study objectives, (iii) the study goals, (iv) the procurement process (v) how to expedite the output (vi) Governance and approval process for initial package of investment.</p> <p>Note: This assumes that the Clay Cross Town Board will approve the full investment (£1 million) in advance of procuring the strategy, which will scope the initial package of works. This is based on the assumption that there will be a</p>

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	requirement for a full business case to be prepared in accordance with UKG guidance in relation to the initial package of capital investments.
7. Working assumptions / Hypotheses	<ul style="list-style-type: none"> • Spatial area – the Strategic and implementation will focus upon achieving strategic objectives in respect of Clay Cross, but will recognise that the town forms part of a network of assets and infrastructure that extends beyond these boundaries. It is assumed that this will fall within the scope of the study and may also be a focus for initial investment where justified by the localised benefits. • Wider energy network context – the Strategy will be developed and implemented within a wider context of energy policy and investment at a range of scales. The scope of the Strategy should adopt a community level focus. It should reflect a comprehensive understanding of this wider context and support a localised strategy that is complementary. Key assumptions relating to strategic drivers and associated sensitivities should be clearly described in the strategy. • Project scope – the TIP makes reference to a range of potential measures as part of a strategy, including ground sources heat (including heat from flooded abandoned coal workings in the locality), hydrogen ready technology and a local heat network (linked to other TF projects). All of the identified options would be in scope and should be evaluated as part of an evidence led approach. • Strategy objectives – no decisions have been made regarding the objectives of the Strategy. It is proposed that objectives will be informed by further detailed baseline work and consultation. It is envisaged that the Strategy will be prepared on a staged basis, with approvals at key gateways to ensure local level ownership of the objectives and ultimate scope of the strategy and action plan. • Project approval – it is assumed that the full TF allocation can be approved through the preparation of a high level ‘Strategic Assessment’ (including allocations for future capital investment under Stage 2) subject to demonstrating appropriate processes for the appraisal and approval of proposed interventions.
8. Key Dependencies	<ul style="list-style-type: none"> • The procurement of a suitable and expert delivery partner for the preparation of the strategy • Confirmation from CLG that infrastructure outside of the defined Town Deal area may form part of the agreed scope for the Low Carbon Energy Network Strategy • Securing ongoing engagement from key stakeholders such as the Coal Authority, Cadent and other energy sector partners • The scope and required funding for the pilot(s) will only become known once the Feasibility Study has been completed. Capital investment opportunities/funding for the pilots will be required from the Council and/or partners/ funders. • Unlocking funding for Stage 2 (package of interventions) will be dependent upon identifying an acceptable approval process, to be agreed with MHCLG and the Town Board; identifying a package that fulfils the identified requirements.

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9. Outputs	<p>Outputs:</p> <table border="1" data-bbox="459 237 1433 472"> <thead> <tr> <th data-bbox="467 237 1198 282">Indicator</th> <th data-bbox="1206 237 1433 282">Quantity</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 282 1198 327">Low Carbon Energy Network Strategy</td> <td data-bbox="1206 282 1433 327">1 document</td> </tr> <tr> <td data-bbox="467 327 1198 472">A programme of capital works determined through the Strategy development process</td> <td data-bbox="1206 327 1433 472">As determined by the project team and Working Group</td> </tr> </tbody> </table> <p>Following the submission of the Town Investment Plan and the ‘in principle’ funding award, MHGLG now requires additional mandatory outputs to be collected/ reported annually. These are as follows:</p> <ul data-bbox="459 633 1449 958" style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding committed (private and public) • Co-funding spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects 	Indicator	Quantity	Low Carbon Energy Network Strategy	1 document	A programme of capital works determined through the Strategy development process	As determined by the project team and Working Group															
Indicator	Quantity																					
Low Carbon Energy Network Strategy	1 document																					
A programme of capital works determined through the Strategy development process	As determined by the project team and Working Group																					
10. Costs	<p>The following high-level assumptions around costs have been made:</p> <table border="1" data-bbox="459 1059 1449 1256"> <thead> <tr> <th data-bbox="467 1059 619 1104"> (£million)</th> <th data-bbox="627 1059 754 1104">2021/22</th> <th data-bbox="762 1059 890 1104">2022/23</th> <th data-bbox="898 1059 1026 1104">2023/24</th> <th data-bbox="1034 1059 1161 1104">2024/25</th> <th data-bbox="1169 1059 1297 1104">2025/26</th> <th data-bbox="1305 1059 1449 1104">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 1104 619 1182">Towns Fund</td> <td data-bbox="627 1104 754 1182">0.05</td> <td data-bbox="762 1104 890 1182">0.45</td> <td data-bbox="898 1104 1026 1182">0.50</td> <td data-bbox="1034 1104 1161 1182"></td> <td data-bbox="1169 1104 1297 1182"></td> <td data-bbox="1305 1104 1449 1182">1</td> </tr> <tr> <td data-bbox="467 1182 619 1256">Match/co-funding</td> <td data-bbox="627 1182 754 1256"></td> <td data-bbox="762 1182 890 1256"></td> <td data-bbox="898 1182 1026 1256">0.25</td> <td data-bbox="1034 1182 1161 1256"></td> <td data-bbox="1169 1182 1297 1256"></td> <td data-bbox="1305 1182 1449 1256">0.25</td> </tr> </tbody> </table> <ul data-bbox="507 1267 1449 1908" style="list-style-type: none"> • Strategic Assessment costs: it is not assumed that any physical drawdown of money will be needed to create the Strategic Assessment and, instead, this will be completed out of NEDDC / Town Deal BAU resource. • Strategy costs: the initial stage will involve commissioning the preparation of a Low Carbon Energy Network Strategy to provide a comprehensive analysis of needs, demands and opportunities. The costs of this stage have been indicatively estimated at £100k but will be determined through a procurement exercise. • Capital works costs: the balance of the TF funding will be set aside to support capital works needed to pilot or test key interventions identified within the Strategy. These interventions will be detailed within the Strategy and draw down of funding will be supported by a dedicated business case. • Match costs: the TIP suggested that up to £250k match funding may be possible for this project. An initial review has identified a range of established funding sources. A detailed review of match investment opportunities will be carried out as part of the strategy and it is envisaged that this will inform the proposed programme of pilot works. 	(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Towns Fund	0.05	0.45	0.50			1	Match/co-funding			0.25			0.25
(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total																
Towns Fund	0.05	0.45	0.50			1																
Match/co-funding			0.25			0.25																

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11. Team Roles

The business case team will primarily comprise the following:

Partner	Lead	Role
AMION:	Pete Alford	Coordination and managing project team support Engaging with MHCLG / Appraisal team re. business case/approval requirements
Ramboll:	Ed Kerr	Scoping strategy study brief
Nexus:	Pete Tooher	Partner engagement

The wider Working Group, who still steer the project between reports to the Town Board, comprise the following:

Partner	Lead	Role
NEDDC Economic Development	Karl Apps	Lead NEDDC Team inputs and coordination of wider inputs; Support coordination of links to the Town Centre Regeneration WG
	Maria Curran	PMO
NEDDC / DCC	Cllr Kenyon, Cllr Dale, Cllr Cupit, Cllr Renwick	Chair; Strategic oversight and link to Town Board
NEDDC Leisure	Chris Mills	Linkages with Sharley Park leisure centre
NEDDC	Ed Owen	Low Carbon strategy
Worcester Bosch	Gary Golden; Bob Murdoch	Town Board Chair, energy sector stakeholder
Coal Authority	Charlotte Adams	Energy sector stakeholder
Cadent	Sally Brewis; Stuart Easterbrook	Energy sector stakeholder
Midlands Energy Hub	Michael Gallagher	Energy sector stakeholder
DCC	Denise Ludlum; Karen Lynam; Jane Cressey	

The overall owner of this project within the Working Group is Cllr Jeremy Kenyon (as Chair of the Working group) and Karl Apps (as the officer appointed to lead). Both are ultimately responsible for the output and practical achievability of the proposal.

Specialist inputs and guidance will be provided by other members of the Low Carbon Working Group as required.

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12. Workplan	Outputs and timeline:		
	Task	Date	Lead/role/responsibilities
	Determine funding approval requirements	July 21	<ul style="list-style-type: none"> MHCLG engagement – AMION S151 Officer engagement – NEDDC Agree local assurance requirements – NEDDC
	Prepare Tender Brief for Study based on WG agreed objectives. Determine the procurement route	August 21	<ul style="list-style-type: none"> Determine compliant procurement route - NEDDC Identify potential suppliers – NEDDC/ AMION
	Produce a draft Strategic Assessment for review by WG	Sept 21	<ul style="list-style-type: none"> AMION
	Working Group review of draft Strategic Assessment	Oct 21	<ul style="list-style-type: none"> NEDDC
	Board approval of tender action	By email	<ul style="list-style-type: none"> NEDDC
	Procure consultancy to undertake the Feasibility Study	Oct-Nov 21	<ul style="list-style-type: none"> NEDDC
	Finalise Strategic Assessment based on tender price	Nov 21	<ul style="list-style-type: none"> AMION
	Strategic Assessment appraised by external assurance	Nov 21	<ul style="list-style-type: none"> Respond to queries - NEDDC/AMION
Board Approval of Strategic Assessment for submission to MHCLG	Nov-Dec 21	<ul style="list-style-type: none"> NEDDC 	
Completion of Feasibility Study	Q3 2022	[Supplier to be confirmed]	

13. Risk	Key risks:				
	Risk name	Description	Rating	Mitigations	Status
	Business risk	Lack of clarity in relation to the objectives of the study	Medium /high	<ul style="list-style-type: none"> Establish clear objectives for the study through the Working Group that are aligned with wider strategic aims for Clay Cross 	Open
	Procurement risk	Difficulty in securing an appropriate supplier to carry out the study	Medium	<ul style="list-style-type: none"> Investigate various procurement frameworks and suppliers Tender via a robust open procurement process 	Open
Programme risk	Difficulty in defraying identified TF allocation within the timescales set out in the TIF	Medium /High	<ul style="list-style-type: none"> Work with MHCLG to agree alternative funding schedule 	Open	

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	Programme risk	Reporting timescales are misaligned with delivery plan for low carbon projects funded through TF	High	<ul style="list-style-type: none"> • Scope the brief to ensure that initial findings inform scoping for low carbon projects • Engage with CLG to confirm expected timescales 	Open
	Funding risk	Risk that match funding cannot be sourced	Medium /High	<ul style="list-style-type: none"> • Ongoing engagement with partners to secure match (cash or in-kind contributions) 	Open
14. Comms / consultation	<ul style="list-style-type: none"> • Communication assumption: Given that the preparation of the strategy will run in parallel with the implementation of other Low Carbon projects, there will be a need to consider alignment and positioning in terms of communications. • Consultation assumption: the Working Group is keen to run a high-level initial consultation. This could be carried out in relation to the scoping stage to inform the baseline analysis. In addition, there may be opportunities to promote community engagement through the strategy. 				
15. Assumed Business As Usual Status (BAU)	<ul style="list-style-type: none"> • BAU status – progress towards a low carbon energy network at the local level is determined by UK level policy and market led intervention under national commitments. • Baseline work undertaken as part of the first stage (Low Carbon Energy Network Strategy) will clearly define the business as usual position to ensure clarity around the ‘additionality’ of proposed interventions. 				
16. Business Case stage deliverable	<p>In advance of a defined scope of works for any proposed capital commitment, a Strategic Assessment will be prepared. This document will cover, at a high-level:</p> <ul style="list-style-type: none"> • the local context • the study objectives • the study goals • the procurement process and • how to expedite the output. <p>It is proposed that the Strategy will set out a package of initial interventions (described in the TIP as ‘pilot’ measures) as a focus for TF investment as the first stage of a phased investment plan. A business case will be prepared as part of the commission to secure the draw down of funds.</p>				

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LOW CARBON HOUSING: COVERING NOTE

This working proposal was created by the Low Carbon Workspace Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed business case to the Clay Cross Town Board in Q4 2021.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Reallocation/profiling of costs:** £0.9 million of Towns Fund savings have indicatively been ascribed to this project, leaving £0.6 million indicatively allocated to this project. Opportunities to reallocate funds or secure funding from alternative sources will continue to be reviewed.
 2. **Outputs:** At the Town Investment Plan stage, the number of housing units to be supported was set at 100 (although not specifically allocated to any particular housing developments). This meant provision was made for approximately £15,000 per unit supported, based on the estimated cost premium associated with targeting net zero performance standards. The implication of the reduction in the allocation is that the level of TF grant for this project has been reduced to £6,000 per unit. This is below the level required to achieve net zero performance and the level of outputs may need to be reduced accordingly.
 3. **Delivery partners:** The proposals emerged following consultations with stakeholders across NEDDC (including leisure services operating Sharley Park), energy sector organisations (including Worcester Bosch) and potential delivery partners. High-level discussions took place in relation to a single site, with an expectation that the balance of any funding would be used to secure enhanced environmental outcomes across wider housing development. Proposals for the pilot housing scheme have evolved, with Nottingham Community Housing Association (NCHA) having secured an option on the land and now advancing a planning application. NCHA has expressed an interest in utilising TF to secure enhanced sustainability outcomes.
 4. **Sites:** Support for measures aimed at delivering low carbon housing in Clay Cross focusing on a pilot scheme at Market Street and creation of a pipeline of potential measures is being examined as part of the scope of support.

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- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will inevitably mean that some outputs becoming likelier than others:
 - The current focuses are:
 - Technology options to deliver against low carbon/net zero and implication for the number of units that can be supported.
 - Review of potential sites in addition to those indicated as part of the TIP submission
 - Provision of “starter homes” and “retirement apartments”
 - And, at this stage, the following are not being focused upon:
 - Retrofit of housing is excluded given the different funding streams available which prioritise this.

Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**
- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board (date to be confirmed) which will primarily focus on providing more detail around (i) low carbon technology options, (ii) demand and viability assessment and (iii) confirmation of site locations/delivery partners. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Jeremy Kenyon, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Karl Apps, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Low Carbon Working Group (outlined below)

This document has been reviewed and quality assured by Gill Callingham Director of Growth NEDDC, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN

1. Project name	Low Carbon Housing
2. Project aim	<p>Summary aim of overall project: the delivery of new and highly sustainable housing to meet the needs of local communities while bringing derelict and underused land back into use.</p> <p>Summary aim of current stage: to build a business case based on existing Green Book requirements which can be submitted to MHCLG for the release of up to £0.6 million of funding provisionally allocated to this initiative by 2025.</p>
3. Project description / initial considerations	<ul style="list-style-type: none"> • The housing market in Clay Cross has experienced significant growth, with pipeline development schemes bringing forwards 1,200 dwellings in the town and a further 2,400 across the wider catchment; <ul style="list-style-type: none"> ○ Clay Cross is increasingly viewed as a commuter town. In large part, this is based on relatively low property values, enabling first-time buyers and young families to access the housing market. ○ Values remain significantly below the average for Derbyshire. Historically, this reflects a local housing offer characterised by ex-Council stock. These lower values impact capacity to delivery higher quality, more sustainable housing on opportunity sites; ○ More starter homes and good quality rental apartments could be delivered in Clay Cross, which would contribute to meeting more local demand and supporting the replacement of ageing housing stock. • The property market assessment highlights the need for a revitalised town centre to complement housing led development to the north of Clay Cross, alongside the challenges to delivery in an area where property values are low, and evidence of demand has been muted. While recent investment at Egstow Park represents a huge opportunity, without significant intervention to address market failures arising from the poor quality environment and limited evidence of demand, the local benefits may not be captured. • It should be noted that Clay Cross has a significant level of domestic emissions, with a relatively high proportion of local residents within this ex-coal mining community remaining dependent upon solid fuels for heating. There is a desire to explore new technologies, including hydrogen, as part of a response that will see Clay Cross to emerge as an exemplar community for clean growth adaption.
4. Definitions	<ul style="list-style-type: none"> • Housing: any new residence, with particular emphasis on typologies that meet identified need within the housing market. • Low carbon: housing performance standards at least exceeding national guidelines laid down in Part L of Building Regulations. Further definitional work is required to confirm the level by which these guidelines will be exceeded.
5. TIP Stage Assumptions	<p>The TIP recorded the following assumptions on this initiative when submitted to MHCLG:</p> <ul style="list-style-type: none"> • “Secure the delivery of 150 new homes, providing a range of housing types and tenancies that respond to the needs of communities while addressing the blight of derelict land” (p 36); • “Demonstrate significant reductions in the overall levels of emissions arising from homes, industry and transport, achieving a route map to a net

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	<p>zero carbon position through ensuring that clean growth principles underpin investment” (p 36);</p> <ul style="list-style-type: none"> • “Description: The delivery of new and highly sustainable housing to meet the needs of local communities while bringing derelict and underused land back into use” (p. 45) • “Rationale: * Promote the redevelopment of underused land assets across Clay Cross; Promote sustainable methods of construction consistent with the wider Energy Network Strategy; Deliver healthy, adaptable housing; Deliver a range of types and tenures to meet the needs of local communities” p. 53) • “Outputs: 3) * New homes; Enhanced townscape environment • “Outputs / indicators: * Land values; Improved perceptions of the place by residents * businesses and visitors” (p.53) • “Delivery programme: Business case development: Q1 – Q4 2021, Feasibility Concept design: Q2 2022, Planning: Q3 2022, Detailed design: Q4 -Q1 2022, Procurement: Q2-Q3 2023, Delivery and fit-out: Q4 2023 – Q3 2025” (p.66) • “Outputs: 100 homes” (p66) • “Construction phase outputs: “£16m expenditure, GVA 6.1m, 200 person years employment, 16 apprenticeships” (p66) • “Operational phase: £1.2m residential spend p.a.” (p66) • “Fiscal impact: £138k per annum” (p66) 						
<p>6. Scope of Delivery</p>	<p>Scope of overall project: Overall 100 units will be delivered through this project, in addition to those which will form part of the mixed use Market Street / Bridge Street projects. A number of candidate sites have previously been identified. Housing delivery will focus on a number of sites in public ownership, including two sites in the town centre, namely land at Broadleys and land at Market Street. Both these sites are in the ownership of North East Derbyshire District Council, however there is scope to include the former Clay Cross Junior School building, which is vacant and in the ownership of Derbyshire County Council. It is expected that other sites will be confirmed through the town centre masterplanning process and an associated car parking strategy.</p> <p>Scope of current stage: to deliver a green book standard business case (using the format attached in section 13) by end Q4 2021. The business case will be prepared based on available information in respect of projects identified within the Low Carbon housing programme. It is envisaged that the business case team will work with prospective delivery partners to advance proposals to an appropriate stage to inform the business case.¹</p> <p>The allocation of future capital funding will be based on an assessment of the viability of the scheme and funding need, based on information provided by delivery partners. The business case will cover the following elements:</p> <table border="1" data-bbox="475 1727 1466 1912"> <thead> <tr> <th>Section</th> <th>Description</th> <th>Evidence/source</th> </tr> </thead> <tbody> <tr> <td>Strategic case</td> <td> <ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment </td> <td> <ul style="list-style-type: none"> • Town Investment Plan • Project proposals • Energy performance / emissions baselining </td> </tr> </tbody> </table>	Section	Description	Evidence/source	Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment 	<ul style="list-style-type: none"> • Town Investment Plan • Project proposals • Energy performance / emissions baselining
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¹ [Guide to developing the Project Business Case \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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		<ul style="list-style-type: none"> Proposed investment and Theory of change Risks and dependencies 	<ul style="list-style-type: none"> Consultation with key stakeholders Risk register
	Economic case	<ul style="list-style-type: none"> Option scoping Economic benefit assessment Economic costs Value for money Sensitivity analysis 	<ul style="list-style-type: none"> Option scoping and appraisal framework Cost Benefit Analysis technical note
	Financial case	<ul style="list-style-type: none"> Project costs Funding and revenue Affordability analysis Financial risks and implications 	<ul style="list-style-type: none"> Project cost plan Funding appraisal Match-funding commitments
	Commercial case	<ul style="list-style-type: none"> Status and approvals Procurement strategy Commercial delivery plan 	<ul style="list-style-type: none"> Project delivery plan
	Management case	<ul style="list-style-type: none"> Project governance Assurance and compliance Programme management Risk management Stakeholder engagement Monitoring and evaluation 	<ul style="list-style-type: none"> Project organogram Subsidy control – legal opinion Programme/Gantt Chart Risk register Communications plan Monitoring and evaluation plan
	Other supporting material	Provided by scheme promoters	<ul style="list-style-type: none"> Project designs Site investigation report (desktop) Letters of support

<p>7. Working Assumptions / Hypotheses</p>	<ul style="list-style-type: none"> Number of potential sites: no decisions have been made, although tow sites are referenced in the TIP. In light of changes to the allocation, the number would need to be reviewed. Site assessment work is on-going and will inform the site focus of the project. Delivery mechanism: no mechanism has yet been agreed but the strong assumption is that a delivery partner(s) would be sought to deliver the low carbon housing units on agreed sites. It is assumed that they will provide match funding for, and will lead on, the usual construction of a commercially-viable, standalone set of housing units. The Town Deal would provide funding into that process to meet the mutually agreed low carbon definition. No mechanism has yet been agreed, though a review of comparable initiatives is underway. Indicative financial benchmarking was undertaken based on standard rates for values (based on the market report for Clay Cross). Locations: no locations have been formally determined and a site review is on-going. Potential delivery partners: no delivery partners have been selected and a formal procurement /partnership process will be required in order to select/confirm the partner. Initial discussions have been held in relation to key sites at the TIP stage (notably Market Street and Broadleys) and although these are continuing, no formal commitments have been offered. Deliverables: the refurbishment/retrofit of existing housing is assumed to be out of scope at this stage. The initial assessment of potential outputs for was based on 15K per housing unit. This will need to be validated as
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	<p>part of business case development and the implications of any reduced level of funding.</p> <ul style="list-style-type: none"> • Costs: the overall financial contribution of the Clay Cross Town Deal to this project is currently assumed to still be up to £0.6 million and costs have been based on resulting rates. However it is recognised that funding could be reallocated from other projects to support up to £1.5 million (as outlined at the TIP stage). • Overall viability: should no private sector partner(s)/ Housing Associations be found as part of the initial design/ procurement stage of this project, then a public sector led initiative provides an alternative route. The key next checkpoint for assessing this is expected to be October/November. • Monitoring and evaluation: as an exemplar initiative, resource should be made available for effective monitoring, evaluation and the dissemination of best practice. 														
8. Key Dependencies	<ul style="list-style-type: none"> • The identification of suitable public delivery partner(s) and private partner with the commercial interest in delivering similar objectives to those outlined in this document • Market demand for housing within/near Clay Cross • An agreed, consistent definition of 'low carbon' housing which aligns with the overall project objectives • Obtaining planning approvals • Aligning with wider NEDDC strategies. 														
9. Outputs	<p>The following outputs were identified in the TIP based on TF grant of £1.5 million:</p> <table border="1" data-bbox="475 1039 1474 1391"> <thead> <tr> <th data-bbox="475 1039 1216 1084">Indicator</th> <th data-bbox="1216 1039 1474 1084">Quantity</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="475 1084 1474 1128">Outputs</td> </tr> <tr> <td data-bbox="475 1128 1216 1207">Remediation and Delivery of quality residential or commercial space in key locations</td> <td data-bbox="1216 1128 1474 1207">2.5 ha</td> </tr> <tr> <td data-bbox="475 1207 1216 1254">New energy efficient housing</td> <td data-bbox="1216 1207 1474 1254">100</td> </tr> <tr> <td colspan="2" data-bbox="475 1254 1474 1299">Outcomes</td> </tr> <tr> <td data-bbox="475 1299 1216 1346">Increased land values</td> <td data-bbox="1216 1299 1474 1346">TBC</td> </tr> <tr> <td data-bbox="475 1346 1216 1391">Energy / fuel cost savings</td> <td data-bbox="1216 1346 1474 1391">TBC</td> </tr> </tbody> </table> <p>It is anticipated that levels of output will be scaled to reflect the available resource. On a pro-rata basis, the £0.9m funding would support 40 homes. However, following the submission of the Town Investment Plan and the 'in principle' funding award, MHGLG now requires the following mandatory outputs to be collected/ reported annually:</p> <ul style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding committed (private and public) <i>Target of £11.4m</i> • Co-funding spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects 	Indicator	Quantity	Outputs		Remediation and Delivery of quality residential or commercial space in key locations	2.5 ha	New energy efficient housing	100	Outcomes		Increased land values	TBC	Energy / fuel cost savings	TBC
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	<ul style="list-style-type: none"> Number of residential units provided <i>Target is 75no. homes</i> <p>These will form an integral part of the final outputs, further detail of which will be provided at a subsequent iteration of this document.</p>																										
10. Costs	<p>The following high-level assumptions around costs have been made:</p> <table border="1" data-bbox="475 461 1458 674"> <thead> <tr> <th>(£million)</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Towns Fund</td> <td>-</td> <td>0.3</td> <td>0.3</td> <td>-</td> <td>-</td> <td>0.6</td> </tr> <tr> <td>Match/co-funding</td> <td>-</td> <td>2.0</td> <td>2.0</td> <td>1.8</td> <td>-</td> <td>5.8</td> </tr> </tbody> </table> <p>£0.9 million of Towns Fund savings have indicatively been ascribed to this project. On this basis, there is £0.6 million indicatively allocated to this project, assuming that the balance will be met through other funding sources.</p> <ul style="list-style-type: none"> Business case stage costs: A full cost plan will be provided to the Board in due course. Full project costs contribution from Clay Cross Town Deal: the allocation of funding to this project has been reduced to £0.6 million, which will impact on the level of output that can be achieved. Match costs: the TIP assumed match of £14.5 million (based on 100 housing units). Private sector providers will be sought and a more detailed assessment of the likelihood of match will be provided by November. Match will cover the full design / delivery / construction of commercially viable housing units. The contribution of the Town Deal will be limited to funding additional costs derived from the definition of ‘low carbon’ agreed between the Town Board and the public/private sector provider(s) supporting overall viability. 	(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Towns Fund	-	0.3	0.3	-	-	0.6	Match/co-funding	-	2.0	2.0	1.8	-	5.8					
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Towns Fund	-	0.3	0.3	-	-	0.6																					
Match/co-funding	-	2.0	2.0	1.8	-	5.8																					
11. Team Roles	<p>The business case team will primarily comprise the following:</p> <table border="1" data-bbox="475 1317 1458 1697"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td>AMION:</td> <td>Pete Alford/Kram Sadiq</td> <td>Coordinate business case, coordinate funding partners</td> </tr> <tr> <td>Thomas Lister:</td> <td>Rachel Lister</td> <td>Market assessment, liaison with development partners</td> </tr> <tr> <td>Edge:</td> <td>Geoff Tinsley</td> <td>Cost assessment</td> </tr> <tr> <td>Ramboll:</td> <td>Ed Kerr</td> <td>Strategic advice in relation to energy saving measures</td> </tr> <tr> <td>Nexus:</td> <td>Pete Tooher</td> <td>Partner engagement / coordination</td> </tr> </tbody> </table> <p>The wider working group, who will steer the project between reports to the Town Board, comprise the following:</p> <table border="1" data-bbox="475 1783 1458 1960"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td rowspan="2">NEDDC:</td> <td>Karl Apps</td> <td>Coordinate NEDDC inputs and lead engagement with delivery partners</td> </tr> <tr> <td>Maria Curran</td> <td>PMO</td> </tr> </tbody> </table>	Partner	Lead	Role	AMION:	Pete Alford/Kram Sadiq	Coordinate business case, coordinate funding partners	Thomas Lister:	Rachel Lister	Market assessment, liaison with development partners	Edge:	Geoff Tinsley	Cost assessment	Ramboll:	Ed Kerr	Strategic advice in relation to energy saving measures	Nexus:	Pete Tooher	Partner engagement / coordination	Partner	Lead	Role	NEDDC:	Karl Apps	Coordinate NEDDC inputs and lead engagement with delivery partners	Maria Curran	PMO
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	NEDDC	Tony Kimber	Interim Head of Service, Property and Estates
		Ed Owen	Low Carbon strategy
	NEDDC/ DCC	Cllr Kenyon, Cllr Dale, Cllr Cupit, Cllr Renwick	Chair; Strategic oversight and link to Town Board
	Worcester Bosch	Gary Golden; Bob Murdoch	Town Board Chair, energy sector stakeholder
	Coal Authority	Charlotte Adams	Energy sector stakeholder
	Cadent	Sally Brewis; Stuart Easterbrook	Energy sector stakeholder
	Midlands Energy Hub	Michael Gallagher	Energy sector stakeholder
	DCC	Denise Ludlum; Karen Lynam; Jane Cressey	
Roe Developments	Sarah Woodward	Coney Green site	

The overall owner of this project within the Working Group is Cllr Jeremy Kenyon (as Chair of the Working group) and Karl Apps (as the officer appointed to lead). Both are ultimately responsible for the output and practical achievability of the proposal.

Specialist inputs and guidance will be provided by other members of the Low Carbon Working Group as required.

12. Workplan

The current working assumptions around the timeline of the business case are the following:

Task	Date	Lead/role/responsibilities
Objectives and brief	July/Aug 21	<ul style="list-style-type: none"> Agree clear objectives for the project with the Working Group – AMION/ NEDDC
Market testing	Sept 21	<ul style="list-style-type: none"> Review of potential sites – TL/NEDDC Engagement with site owners – TL/AMION
Funding review	Sept 21	<ul style="list-style-type: none"> Review of opportunities for match funding – AMION/Ramboll
Preliminary project review and appraisal	Sept 21	<ul style="list-style-type: none"> Review of strategic alignment – AMION / TL Initial appraisal of proposed projects – AMION / TL
Option scoping	Sept – Oct 21	<ul style="list-style-type: none"> Scoping and appraisal of strategic options – AMION / TL Identify options for detailed appraisal
Support design development	Oct 21	<ul style="list-style-type: none"> Design development progressed by site owner/developer Team provide independent advice and validation
Draft Strategic Case	Sept 21	<ul style="list-style-type: none"> Drafting - AMION

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Project design pack	Oct – Nov 21	<ul style="list-style-type: none"> Design pack and supporting information provided to business case team – project promoters
Draft Economic Case	Nov 21	<ul style="list-style-type: none"> Cost benefit analysis - AMION
Draft Business Case	Nov – Dec 21	<ul style="list-style-type: none"> Commercial Case – AMION/TL Financial Case – TL/Edge Management Case – AMION/NEDDC
Secure HoT agreement with delivery partners	Dec 21	<ul style="list-style-type: none"> Engagement with partners – NEDDC Review of HoT – TL/team
Final Business Case	Dec 21	<ul style="list-style-type: none"> Drafting – AMION to lead
Business Case appraisal	Dec 21	<ul style="list-style-type: none"> NEDDC
Board Approval	Dec 21	<ul style="list-style-type: none"> NEDDC

The overall timeline of the project remains, for now, those outlined in the TIP pending further analysis:

- Business Case: up to Dec 2021
- Detailed design: Q1 – Q2 2022
- Procurement of delivery partner: Q3 2022
- Delivery and fit-out: Q4 2022 – Q1 2024

Significant further work is required to validate these dates in the coming phase.

13. Risk

Key risks:

Risk name	Description	Rating	Mitigations	Status
Environmental	Technical challenges associated with delivery of innovative solutions based on emerging technologies	High	<ul style="list-style-type: none"> Develop a framework to guide investment decisions – economic vs environmental outputs Secure appropriate expert advice through due diligence 	Open
Programme	Market engagement - risk that delivery partners may be unable to commit to design development without funding certainty resulting in delays	High	<ul style="list-style-type: none"> Follow up initial engagement with interested parties (including Roe) to establish interest and develop proposals NEDDC to review opportunities for direct delivery 	Open
Stakeholders	Difficulty identifying and securing agreement with potential delivery partners	Medium /High	<ul style="list-style-type: none"> Initial engagement with potential delivery partners at Coney Green Continue to engage with partners to inform option scoping Consider call for projects 	Open
Financial	Level of TF funding insufficient and lack	High	<ul style="list-style-type: none"> Work with delivery partners to scope potential interventions 	

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		of match funding opportunities		<ul style="list-style-type: none"> Carry out a review of potential funding opportunities 	
	Compliance	Measures to address viability gap and support installation by delivery partners may not comply with subsidy control and constitute state aid	High	<ul style="list-style-type: none"> Engagement with delivery partners Establish subsidy control/ state aid work package and seek legal advice and support NEDDC to review compliance and potential funding routes 	
14. Communication / consultation	<ul style="list-style-type: none"> Communication assumption: A high-level review has been undertaken of the project and it has been agreed that no immediate communications is necessary beyond the overall work being done by project as a whole. It is not expected that detailed communications will be needed prior to the submission of a business case. Further details will be provided at a subsequent iteration of this document. As will be the approach for all projects, there is a clear desire to consistently and regularly communicate the overall situation on the CXTD on a regular basis to residents – and this project will be expected to contribute this where required. Consultation assumption: Given the level of intervention and envisaged partner led delivery route, it is expected that consultation will focus primarily on key partners and stakeholders. Public consultation will be limited to formal required processes (such as a planning application). 				
15. Assumed Business As Usual Status (BAU)	The BAU case anticipates regulatory changes that will increase the minimum energy efficiency standards for new housing. This will be examined as part of the review of technology solutions being proposed and the overall outcome sought from the project.				
16. Business Case stage deliverable	 Clay Cross Business Case Template.docx				

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LOW CARBON WORKSPACE: COVERING NOTE

This working proposal was created by the Low Carbon Workspace Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed business case to the Board by December 2021.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Re-profiling of costs:** the original Town Investment Plan envisaged the Town Deal contribution to this project being expended in FY 2021/2022. This has been profiled over a longer period of years given the time it will take to agree, procure and mobilise this project.
 2. **Outputs:** a number of high-level objectives have been suspended at this stage (primarily around Leisure / Town Centre uses and later Business As Usual/ construction phase outputs) as they are not material to the objective of the project and need further time to be refined. Further work will be undertaken to confirm reasonable outputs and will be proposed by the Working Group in the future.
 3. **Project composition:** a reference was made in the initial TIP to this initiative being a pilot. This has been iterated to the delivery of an exemplar building to demonstrate to future commercial providers of industrial space in Clay Cross. There is no follow-on expectation on the part of the Clay Cross Town Deal Board/ NEDDC to continue to build large-scale additional industrial workspace after the conclusion of this project (although it is hoped that private sector providers would replicate the exemplar approach).
 - **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will inevitably mean that some outputs becoming likelier than others. The current focuses are:
 - Two locations (Clay Cross Depot and a site in Coney Green owned by Roe Development)
 - Provision of industrial and/or office workspace
 - Provision of new premises and/or retrofit of existing premises
- At this stage, proposals for retail, leisure and food and drink premises are not being considered.

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Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**
- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board on (date to be confirmed) which will primarily focus on providing more detail around (i) low carbon technology options, (ii) demand and viability assessment and (iii) confirmation of site locations/delivery partners. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Jeremy Kenyon, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Karl Apps, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Low Carbon Working Group (outlined below)

This document has been reviewed and quality assured by the following Gill Callingham Director of Growth NEDDC, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN	
1. Project name	Low Carbon Workspace
2. Project aim	<p>Summary aim of overall project: To deliver multiple thousand square metres of new industrial workspace within Clay Cross, which have a lower carbon footprint than that required by existing building standards.</p> <p>Summary aim of current stage: to build a business case based on existing Green Book requirements, which can be submitted to MHCLG for the release of up to £1.5 million of funding provisionally allocated to this initiative by 2024.</p>
3. Project description / initial considerations	<ul style="list-style-type: none"> • Clay Cross has a substantial amount of existing industrial workspace and the draft Local Plan assumes significant growth by 2034. To support overall national and NEDDC project aims, this initiative aims to provide example(s) of how new commercial developments can have a lower carbon footprint than is currently required by national building standards whilst still meeting the needs of commercial owners and lessees. • It should be noted that one site in Clay Cross has already been purchased by NEDDC as part of the Town Deal Accelerator Fund and consequently should be considered as an opportunity by this project. • It is assumed that the money provisionally allocated in the Town Deal would be an effective subsidy to ensure the delivery of higher performance buildings (see 4 for working definitions) and would primarily address any viability gap between the normal commercial cost of delivery and the additional cost created by meeting that definition. This would be subject to review to ensure it meets requirements around state aid / subsidy control.
4. Definitions	<ul style="list-style-type: none"> • Workspace: currently defined as industrial unit(s) or office (Use Class B2 and/or Use Class E(g)) within the Clay Cross Town Deal area. • Low carbon: building performance standards at least exceeding national guidelines laid down in Part L Building Regulations. Further definitional work is required to confirm the level by which these guidelines will be exceeded.
5. TIP Stage Assumptions	<p>The TIP recorded the following assumptions on this initiative when submitted to CLG:</p> <ul style="list-style-type: none"> • <i>The delivery of “Low Carbon Industrial Workspace – delivery of new, high quality, smaller scale industrial space for lease;” (p.15)</i> • <i>“Description: intervention to create exemplar developments as a pilot to implementing a Strategy promoting net zero carbon” (p.45)</i> • <i>“Project sites: Bridge Street low carbon workspace / Coney Green low carbon workspace” (p.46)</i> • <i>“Rationale: * Potential to exploit opportunity for new, high quality, smaller scale industrial space for lease to meet latent local demand, * Opportunity to deliver low carbon space consistent with the wider energy strategy, * Retention of innovation, entrepreneurs and higher skills in the Town, * Delivery of projects at Bridge Street, Depot and Coney Green” (p.53)</i> • <i>“Outputs: New industrial, high quality floorspace; Attraction of new businesses and jobs” (p.53)</i> • <i>“Outputs / indicators: Increased GVA through new, higher value added businesses; Improved skills base” (p.53)</i>

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	<ul style="list-style-type: none"> • “Delivery programme: Business case development: Q1 – Q2 2021, Feasibility Concept design: Q3 2021, Planning: Q4 2021, Detailed design: Q1 - Q2 2022, Procurement: Q3 2022, Delivery and fit-out: Q4 2022 – Q1 2024” (p.66) • “Outputs: * Commercial floorspace: 4,400 sq m, * Town Centre uses: 100 sq m, Workspace: 200 sq m, Industrial, 4,000 sq m, Leisure: 100 sq m” (p.67) • “Construction phase outputs: Person years employment: 63, Gross value added: £1.9m, Apprenticeships supported: 5 (p.67) • “Operational phase: Gross employment: 92 FTE, Gross value added: £4.8m, Local resident expenditure: £0m” (p.67) “Fiscal impact: Business rates: £110,000/pa” (p.67) 															
6. Scope of Delivery	<p>Scope of overall project: works to deliver or enhance the provision of workspace within Clay Cross on or before 2024, working with delivery partners to promote premises to enhanced environmental performance standards. It is highly likely that partners will be sought to deliver the sites and, at the conclusion of the build, the involvement of the Clay Cross Town Deal Board will cease with the delivery of a commercially-viable industrial workspace, which can be operated by owners in a normal, commercial way. No ongoing financial, practical or logistical commitments are assumed to be retained by NEDDC/ CXTD Board at the conclusion of the project.</p> <p>Scope of current stage: to deliver a green book standard business case (using the format attached in Section 16) by end Q4 2021. The business case will be prepared based on available information in respect of projects identified within the Low Carbon workspace programme. It is envisaged that the business case team will work with prospective delivery partners to advance proposals to an appropriate stage to inform the business case.¹ The allocation of future capital funding will be based on an assessment of viability of the scheme and funding need. The business case will cover the following elements:</p> <table border="1" data-bbox="475 1272 1474 1924"> <thead> <tr> <th>Section</th> <th>Description</th> <th>Evidence/source</th> </tr> </thead> <tbody> <tr> <td>Strategic case</td> <td> <ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies </td> <td> <ul style="list-style-type: none"> • Town Investment Plan • Project proposals • Energy performance / emissions baselining • Consultation with key stakeholders • Risk register </td> </tr> <tr> <td>Economic case</td> <td> <ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs • Value for money • Sensitivity analysis </td> <td> <ul style="list-style-type: none"> • Option scoping and appraisal framework • Cost Benefit Analysis technical note </td> </tr> <tr> <td>Financial case</td> <td> <ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications </td> <td> <ul style="list-style-type: none"> • Project cost plan • Funding appraisal • Match-funding commitments </td> </tr> <tr> <td>Commercial case</td> <td> <ul style="list-style-type: none"> • Status and approvals • Procurement strategy </td> <td> <ul style="list-style-type: none"> • Project delivery plan </td> </tr> </tbody> </table>	Section	Description	Evidence/source	Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies 	<ul style="list-style-type: none"> • Town Investment Plan • Project proposals • Energy performance / emissions baselining • Consultation with key stakeholders • Risk register 	Economic case	<ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs • Value for money • Sensitivity analysis 	<ul style="list-style-type: none"> • Option scoping and appraisal framework • Cost Benefit Analysis technical note 	Financial case	<ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications 	<ul style="list-style-type: none"> • Project cost plan • Funding appraisal • Match-funding commitments 	Commercial case	<ul style="list-style-type: none"> • Status and approvals • Procurement strategy 	<ul style="list-style-type: none"> • Project delivery plan
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¹ [Guide to developing the Project Business Case \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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		<ul style="list-style-type: none"> Commercial delivery plan 	
	Management case	<ul style="list-style-type: none"> Project governance Assurance and compliance Programme management Risk management Stakeholder engagement Monitoring and evaluation 	<ul style="list-style-type: none"> Project organogram Subsidy control – legal opinion Programme/Gantt Chart Risk register Communications plan Monitoring and evaluation plan
	Other supporting material	Provided by scheme promoters	<ul style="list-style-type: none"> Project designs Site investigation report (desktop) Letters of support

<p>7. Working Assumptions / Hypotheses</p>	<ul style="list-style-type: none"> Number of potential sites: no decisions have been made but TIP hypotheses suggested two sites would be likely and this remains the working assumption at this stage. Delivery mechanism: no mechanism has yet been agreed but the assumption is private sector delivery partner(s) would be sought to deliver the agreed workspace/sites. It is assumed that these commercial partners will provide match funding for, and will lead on, the usual construction of a commercially-viable, standalone set of Class B industrial workspaces/office workspace. The Town Deal would provide funding into that process to meet the mutually agreed low carbon definition. Indicative financial benchmarking was undertaken based on standard rates for values (based on the market report for Clay Cross). It is noted, that options for retrofitting existing business premises have not been ruled out at this stage. Locations: no locations have been formally determined but a strong focus is being placed on assessing the former Depot site at Bridge Street and a potential site at Coney Green (see below). Alternative options will continue to be reviewed throughout the project in case either of the above options prove non-viable/unachievable. Potential delivery partners: no delivery partners have been selected and a formal procurement/partnership process will be required in order to confirm the partner. Initial discussions have been held with Roe Developments, the owner of a site in Coney Green, which has expressed interest in being a future delivery partner. Deliverables: The initial assessment of potential outputs for new sites was based on site capacity analysis, applying standard development ratios to the area of potentially identified sites. This will need to be validated as part of business case development. The refurbishment of existing premises is assumed to within scope at this stage. Costs: the overall financial contribution of the Clay Cross Town Deal to this project is assumed to be up to £1.5 million (as outlined at the TIP stage). This is part of a wider financial envelope which will require match funding from private sector provider(s). A working assumption of around £4 million of match/ co-funding will be needed to deliver the suggested workspace floorspace – further work is needed to drill down on the robustness of costs, which were based on budget rates. Overall viability: should no private sector partner(s) be found as part of the initial design / procurement stage of this project consideration will be
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	<p>given to public sector led options. The key next checkpoint for assessing this is expected to be October/November.</p> <ul style="list-style-type: none"> ● Monitoring and evaluation: as an exemplar initiative, resource should be made available for effective monitoring, evaluation and the dissemination of best practice. 										
8. Key Dependencies	<ul style="list-style-type: none"> ● The identification of suitable delivery partner(s) with the commercial interest in delivering similar objectives to those outlined in this document ● Market demand for industrial premises within / near Clay Cross ● An agreed, consistent definition of 'low carbon' which aligns with the overall project objectives ● Obtaining planning approvals ● Aligning with wider NEDDC strategies 										
9. Outputs	<p>The following outputs are assumed at the conclusion of the project:</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Outputs</td> <td></td> </tr> <tr> <td>Remediation sites and Delivery of quality residential or commercial space in key locations</td> <td>1 or greater</td> </tr> <tr> <td>Increase in the amount (and diversity) of high quality, affordable industrial floor space</td> <td>Current assumption: 4,400 m²</td> </tr> <tr> <td>Increase in the amount of shared workspace or innovation facilities</td> <td>Current assumption: 200 m²</td> </tr> </tbody> </table> <p>Following the submission of the Town Investment Plan and the 'in principle' funding award, MHCLG now requires the following mandatory outputs to be collected/ reported annually:</p> <ul style="list-style-type: none"> ● Monies spent directly on project delivery (either local authority or implementation partners) ● Co-funding committed (private and public) ● Co-funding spent on project delivery (private and public) ● Number of temporary FT jobs supported during project implementation ● Number of full-time equivalent (FTE) permanent jobs created through the projects <i>Target is 150 FTE jobs created</i> ● Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects ● Amount of rehabilitated land <i>Target is 30,000 sqm (3ha)</i> ● New sustainable commercial space <i>Target is 4,400 sqm</i> ● Increase in shared workspace <i>Target is 200 sqm</i> <p>Further detail about outputs will be provided at a subsequent iteration of this document.</p>	Indicator	Quantity	Outputs		Remediation sites and Delivery of quality residential or commercial space in key locations	1 or greater	Increase in the amount (and diversity) of high quality, affordable industrial floor space	Current assumption: 4,400 m ²	Increase in the amount of shared workspace or innovation facilities	Current assumption: 200 m ²
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10. Costs	<p>The following high-level assumptions around costs have been made:</p> <table border="1" data-bbox="475 264 1458 483"> <thead> <tr> <th>(£million)</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Towns Fund</td> <td></td> <td>0.5</td> <td>1</td> <td></td> <td></td> <td>1.5</td> </tr> <tr> <td>Match/co-funding</td> <td></td> <td>1</td> <td>3</td> <td></td> <td></td> <td>4</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ● Business case stage costs: at this stage it is not anticipated that further funding will be needed to complete the business case. However, the proposals will need to be supported by evidence of costs and future demand, which should be provided by the project promoter. Costs incurred at risk by commercial delivery partners will not be capable of being funded through TF. ● Full project costs contribution from Clay Cross Town Deal: The best assessment of budgeted costs on this project remains £1.5m as per the TIP. ● Match costs: the TIP assumed match of £4 million (based on industry benchmarks). Private sector providers will be sought and a more detailed assessment of the likelihood of match will be provided at the next Board meeting. Match will cover the full design / delivery / construction of commercially-viable industrial workspace/office workspace. The contribution of the Town Deal will be limited to funding additional costs derived from the definition of ‘low carbon’ agreed between the Town Board and the private sector delivery partner(s), alongside additional viability funding where supported by a strong rationale. 	(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Towns Fund		0.5	1			1.5	Match/co-funding		1	3			4								
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11. Team Roles	<p>The business case team will primarily comprise the following:</p> <table border="1" data-bbox="475 1216 1458 1597"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td>AMION:</td> <td>Pete Alford/Kram Sadiq</td> <td>Coordinate business case, coordinate funding partners</td> </tr> <tr> <td>Thomas Lister:</td> <td>Rachel Lister</td> <td>Market assessment, liaison with development partners</td> </tr> <tr> <td>Edge:</td> <td>Geoff Tinsley</td> <td>Cost assessment</td> </tr> <tr> <td>Ramboll:</td> <td>Ed Kerr</td> <td>Strategic advice in relation to energy saving measures</td> </tr> <tr> <td>Nexus:</td> <td>Pete Tooher</td> <td>Partner engagement / coordination</td> </tr> </tbody> </table> <p>The wider working group, who will steer the project between reports to the Town Board, comprise the following:</p> <table border="1" data-bbox="475 1682 1458 1933"> <thead> <tr> <th>Partner</th> <th>Lead</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td rowspan="2">NEDDC:</td> <td>Karl Apps</td> <td>Coordinate NEDDC inputs and lead engagement with delivery partners</td> </tr> <tr> <td>Maria Curran</td> <td>PMO</td> </tr> <tr> <td>NEDDC / DCC</td> <td>Cllr Kenyon, Cllr Dale, Cllr Cupit, Cllr Renwick</td> <td>Chair; Strategic oversight and link to Town Board</td> </tr> </tbody> </table>	Partner	Lead	Role	AMION:	Pete Alford/Kram Sadiq	Coordinate business case, coordinate funding partners	Thomas Lister:	Rachel Lister	Market assessment, liaison with development partners	Edge:	Geoff Tinsley	Cost assessment	Ramboll:	Ed Kerr	Strategic advice in relation to energy saving measures	Nexus:	Pete Tooher	Partner engagement / coordination	Partner	Lead	Role	NEDDC:	Karl Apps	Coordinate NEDDC inputs and lead engagement with delivery partners	Maria Curran	PMO	NEDDC / DCC	Cllr Kenyon, Cllr Dale, Cllr Cupit, Cllr Renwick	Chair; Strategic oversight and link to Town Board
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	NEDDC	Tony Kimber	Interim Head of Service, Property and Estates																								
	NEDDC:	Dave Broom	NEDDC Depot site																								
	NEDDC	Ed Owen	Low Carbon strategy																								
	Worcester Bosch	Gary Golden; Bob Murdoch	Town Board Chair, energy sector stakeholder																								
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	DCC	Denise Ludlum; Karen Lynam; Jane Cressey																									
	Roe Developments	Sarah Woodward	Coney Green site																								
	<p>The overall owner of this project within the Working Group is Cllr Jeremy Kenyon (as Chair of the Working group) and Karl Apps (as the officer appointed to lead). Both are ultimately responsible for the output and practical achievability of the proposal.</p> <p>Specialist inputs and guidance will be provided by other members of the Low Carbon Working Group as required.</p>																										
12. Workplan	<p>The current working assumptions around the timeline of the business case are the following:</p> <table border="1"> <thead> <tr> <th>Task</th> <th>Date</th> <th>Lead/role/responsibilities</th> </tr> </thead> <tbody> <tr> <td>Objectives and brief</td> <td>July/Aug 21</td> <td> <ul style="list-style-type: none"> Agree clear objectives for the project with the Working Group – AMION/ NEDDC </td> </tr> <tr> <td>Market testing</td> <td>Sept 21</td> <td> <ul style="list-style-type: none"> Review of potential sites – TL/NEDDC Engagement with site owners – TL/AMION </td> </tr> <tr> <td>Funding review</td> <td>Sept 21</td> <td> <ul style="list-style-type: none"> Review of opportunities for match funding – AMION/Ramboll </td> </tr> <tr> <td>Preliminary project review and appraisal</td> <td>Sept 21</td> <td> <ul style="list-style-type: none"> Review of strategic alignment – AMION / TL Initial appraisal of proposed projects – AMION / TL </td> </tr> <tr> <td>Option scoping</td> <td>Sept-Oct 21</td> <td> <ul style="list-style-type: none"> Scoping and appraisal of strategic options – AMION / TL Identify options for detailed appraisal </td> </tr> <tr> <td>Support design development</td> <td>Oct-Nov 21</td> <td> <ul style="list-style-type: none"> Design development progressed by site owner/developer Team provide independent advice and validation </td> </tr> <tr> <td>Draft Strategic Case</td> <td>Oct 21</td> <td> <ul style="list-style-type: none"> Drafting - AMION </td> </tr> </tbody> </table>			Task	Date	Lead/role/responsibilities	Objectives and brief	July/Aug 21	<ul style="list-style-type: none"> Agree clear objectives for the project with the Working Group – AMION/ NEDDC 	Market testing	Sept 21	<ul style="list-style-type: none"> Review of potential sites – TL/NEDDC Engagement with site owners – TL/AMION 	Funding review	Sept 21	<ul style="list-style-type: none"> Review of opportunities for match funding – AMION/Ramboll 	Preliminary project review and appraisal	Sept 21	<ul style="list-style-type: none"> Review of strategic alignment – AMION / TL Initial appraisal of proposed projects – AMION / TL 	Option scoping	Sept-Oct 21	<ul style="list-style-type: none"> Scoping and appraisal of strategic options – AMION / TL Identify options for detailed appraisal 	Support design development	Oct-Nov 21	<ul style="list-style-type: none"> Design development progressed by site owner/developer Team provide independent advice and validation 	Draft Strategic Case	Oct 21	<ul style="list-style-type: none"> Drafting - AMION
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	Project design pack	Oct-Nov 21	<ul style="list-style-type: none"> Design pack and supporting information provided to business case team – project promoters 		
	Draft Economic Case	Oct 21	<ul style="list-style-type: none"> Cost benefit analysis - AMION 		
	Draft Business Case	Oct - Nov 21	<ul style="list-style-type: none"> Commercial Case – AMION/TL Financial Case – TL/Edge Management Case – AMION/NEDDC 		
	Final Business Case	Dec 21	<ul style="list-style-type: none"> Drafting – AMION to lead 		
	Business Case appraisal	Dec 21	<ul style="list-style-type: none"> NEDDC 		
	Board Approval	TBC	<ul style="list-style-type: none"> NEDDC 		
	<p>The overall timeline of the project remains, for now, those outlined in the TIP pending further analysis:</p> <ul style="list-style-type: none"> Business Case: up to Dec 2021 Detailed design: Q1 – Q2 2022 Procurement of delivery partner: Q3 2022 Delivery and fit-out: Q4 2022 – Q1 2024 <p>Significant further work is required to validate these dates in the coming phase.</p>				
13. Risk	Key risks:				
	Risk name	Description	Rating	Mitigations	Status
	Environmental	Technical challenges associated with delivery of innovative solutions based on emerging technologies	High	<ul style="list-style-type: none"> Develop a framework to guide investment decisions – economic vs environmental outputs Secure appropriate expert advice through due diligence 	Open
	Programme	Market engagement - risk that delivery partners may be unable to commit to design development without funding certainty resulting in delays	High	<ul style="list-style-type: none"> Follow up initial engagement with interested parties (including Roe) to establish interest and develop proposals NEDDC to review opportunities for direct delivery 	Open
	Stakeholders	Difficulty identifying and securing agreement with potential delivery partners	Medium /High	<ul style="list-style-type: none"> Initial engagement with potential delivery partners at Coney Green Continue to engage with partners to inform option scoping Consider call for projects 	Open
	Financial	Level of TF funding insufficient and lack of match funding opportunities	High	<ul style="list-style-type: none"> Work with delivery partners to scope potential interventions 	

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				<ul style="list-style-type: none"> Carry out a review of potential funding opportunities 	
	Compliance	Measures to address viability gap and support installation by delivery partners may not comply with subsidy control and constitute state aid	High	<ul style="list-style-type: none"> Engagement with delivery partners Establish subsidy control/ state aid work package and seek legal advice and support NEDDC to review compliance and potential funding routes 	
14. Communication / consultation	<ul style="list-style-type: none"> Communication assumption: A high-level review has been undertaken of the project and it has been agreed that no immediate communications is necessary beyond the overall work being done by project as a whole. It is <u>not</u> expected that detailed communications will be needed prior to the submission of a business case. Further details will be provided at a subsequent iteration of this document. As will be the approach for all projects, there is a clear desire to consistently and regularly communicate the overall situation on the CXTD on a regular basis to residents – and this project will be expected to contribute this where required. Consultation assumption: given the primary customer focus between commercial lessors and their clients, it is expected that consultation will focus primarily on key partners / potential partners. Public consultation will be limited to formal required processes (such as a planning application). 				
15. Assumed Business As Usual Status (BAU)	The BAU case anticipates regulatory changes that will increase the minimum energy efficiency standards for new industrial space. This will be examined as part of the review of technology solutions being proposed and the overall outcome sought from the project.				
16. Business Case stage deliverable	 Clay Cross Business Case Template.docx				

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MARKET STREET AND BRIDGE STREET (TOWN CENTRE REGENERATION): COVERING NOTE

This working proposal was created by the Town Centre Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed business case by Q4 2021.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Scope and phasing of the proposed project:** proposals for the phased regeneration of Market Street and Bridge Street in the town centre are now being advanced as a single project (they were identified separately within the Town Investment Plan). This approach provides greater flexibility to support prioritisation as part of a coordinated investment plan within the budget parameters established through the TIP. The scope of the TF intervention will be determined by means of an option testing process, based on evaluation against critical success factors (including strategic alignment) prior to a full cost benefit analysis. This project links closely with the Clay Cross Connections project as there are dependencies between the projects. The WG covers both the Town Centre and Clay Cross Connections work.
 2. **Outputs:** based on initial demand and affordability assessments, it is envisaged that the level of outputs delivered through project will be lower than at the TIP stage. Further work is needed to determine achievable outputs within clear budget parameters.
 3. **Baseline evidence:** due to delays to the completion of the DCC transport model, there is a need to scope potential measures to ensure that proposals are appropriately evidence at this stage of design development. In addition, consideration should be given to commissioning early stage demand and feasibility testing in respect of proposals for a market offer in Clay Cross.
- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will be based on the above changes to scope unless the Town Board directs otherwise.

Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**

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- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board on (date to be confirmed) which will primarily focus on providing more detail around (i) Objectives and associated critical success factors for the project (ii) Option framework for intervention (long list options) (iii) Land assembly strategy (iv) Measures to provide connectivity aligned to Clay Connections work (v) Events and activities scoping plan for Clay Cross specifically the Market Square (vi) Stakeholder and Community engagement proposal. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Gill Callingham, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Maria Curran, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by Karl Apps, Head of Economic Development, Regeneration and Housing Delivery, NEDDC based on this early stage of the proposal development, who deems this to be a reasonable and achievable proposal:

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN

1. Project name	Market Street and Bridge Street (town centre regeneration)
2. Project aim	<p>Summary aim of overall project: To secure the regeneration of priority zones within Clay Cross town centre, supporting priority themes identified within the Town Investment Plan (TIP) to renew the towns heart and re-establish Clay Cross as a market town.</p> <p>Summary aim of current stage: To develop concept proposals for a town centre regeneration scheme that support a Green book compliant business case for submission to the Clay Cross Town Board.</p>
3. Project description/ initial considerations	<ul style="list-style-type: none"> • The town centre extends from Market Street in the south to the relatively modern Tesco development in the north, with the A61 comprising the western boundary. The town centre provides the main focal point for retail and associated uses within the town. Alongside customer service focused activities, workspace primarily comprises light industrial and trade units, with very limited office accommodation. There are a limited number of civic buildings within the town centre, including the Adult Education Centre. The leisure centre, hospital and library lie on the edge of centre. • Working with local communities, the Council has played a central role in promoting town centre regeneration over a number of years. In particular, the GMI led scheme delivered a Tesco superstore alongside small retail units and a health centre. The 2013 Regeneration Framework set out aspirations for the town, building upon an earlier 2006 vision prepared by Clay Cross Neighbourhood Partnership. • Re-establishing Clay Cross as a distinctive market town is a longstanding objective referenced in both the 2006 and 2013 framework. Building on these established frameworks, alongside the Clay Cross Feasibility Study Masterplan, a plan led approach was adopted in relation to the development proposals for the town centre at the TIP stage. A spatial strategy was identified as a framework, within which targeted investments would be advanced over a period of 10 years. This approach is consistent with the earlier regeneration frameworks, though the allocation of funding through TF provides a pathway to the delivery of the initial phases. • It is envisaged that the initial phases will advance mixed-use redevelopment of town centre sites to deliver an updated retail, commercial, leisure and residential offer, including a market square and events space. Proposals were outlined within the TIP in respect of identified zones (termed Market Street and Bridge Street). The scope of the proposals was based on high level visioning, having regard to available desk top information. The scope of the project will be subject to further review and option testing. • Town centre sites are subject to a complex array of freehold and leasehold interests. There are extensive public sector ownerships across the town centre, though in a number of instances these are subject to complex lease arrangements. • There is a need to consider existing infrastructure within the scope of on-site regeneration interventions. Alongside the bus station within the Market Street zone, there are opportunities to establish a more coherent

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	<p>plan for highway and pedestrian connections across the town centre and wider environs. Proposals should align with a wider infrastructure plan for the town.</p>
4. Definitions	<ul style="list-style-type: none"> • Town Centre: a boundary for the town centre is defined within the emerging Local Plan and Clay Cross Feasibility Study Masterplan Report (2020). Based on a review of existing policy objectives and studies, the Town Investment Plan defined two zones as a focus for targeted planning: <ul style="list-style-type: none"> ○ <i>Market Street zone</i> – extending from a Market Street frontage to the south to Harris Way in the north, with Bridge Street running along the western boundary. As defined in the TIP, this zone comprises a number of land parcels: (i) dated retail/business units to the south with on-site parking, (ii) the Bus Station running east to west in the centre, (iii) a more modern courtyard to the north, with small retail units and a health centre enclosing a council owned car park. ○ <i>Bridge Street zone</i> – located to the west of Bridge Street, bounded by Harris Way to the north and Eldon Street to the south. A modern Aldi has been developed to the east of the site (with direct access to the A61). The zone is mixed and includes a range of manufacturing, residential and retail/trade counter premises, alongside a children’s playcentre. • Regeneration: the comprehensive, plan led redevelopment of identified sites or zones in support of strategic objectives, identifying clear outputs that result in enhanced outcomes for the town as a whole or key identified target groups.
5. TIP Stage Assumptions	<p>The proposals for the regeneration of the town centre were outlined in the TIP in two phases, with Phase 1 focusing on the Market Street zone and Phase 2 focusing on the Bridge Street zone. The assessment of each project was based on high level baseline analysis and scheme appraisal which included:</p> <ul style="list-style-type: none"> • Market assessment – a high level review of demand for proposed town centre uses based on examination of relevant databases showing the take-up of commercial premises, sales rates and values supplemented by engagement with local agents and potential operators; • Supply analysis – a review of the existing development pipeline within Clay Cross and across a wider catchment; • Land ownership – a high level review of freehold ownerships and occupiers, focused on the assets of NEDDC and partners; • Site visit – review of current conditions including on-site assets, constraints and key issues for consideration; • Transport – an initial review of the existing highway network, public transport provision and car parking based on local observation and background data (including bus route information and data) <p>Based on this information, a spatial strategy was developed for the town centre. Concept development proposals were outlined. Financial projections were outlined based on local market values, adopting standard cost rates. In the absence of detailed baseline data, the initial projections assume base land costs for private sector ownerships and do not make provision for abnormal development costs. The financial appraisal informed a preliminary assessment</p>

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of the total cost and value, with a provisional funding requirement identified in respect of a viability gap.

The TIP recorded the following assumptions in respect of these initiatives when submitted to CLG:

Market Street	Bridge Street
<p><i>“Mixed-use redevelopment for commercial, retail, leisure and residential purposes including a town square events space” pg.6, 11</i></p> <p><i>“Although previous Regeneration Frameworks for Clay Cross have promoted the regeneration of the heart of the town, a number of key objectives remain to be delivered – including the creation of a central space; improved traffic circulation on Eyre Street and Market Street; and the delivery of an attractive, walkable link between Market Street and the edge of centre retail area centred on Tesco” pg. 18</i></p> <p><i>“Within the town centre the focus will be to enliven Market Street, with the redevelopment of land to the north of Market Street, centred around a new market square and the creation of the Skills and Enterprise Hub and Creative Clay Cross immediately to the south.” pg.42</i></p> <p><i>“Phase 1 of mixed use town centre regeneration delivering homes, commercial premises and a market square within an enhanced environment” pg.45</i></p> <p><i>Rationale – “Creation of a square and event space addresses current lack of public space for events; Revitalisation of the Town Centre; Brings retail into the Town Centre; Re-use of vacant properties; Improved connectivity between Market St and commercial/retail development to the north – promoting linked trips, footfall and expenditure in the Town Centre; Market square to provide a focus for community activity, markets and events, increasing footfall, retention of spend and encouraging development of micro businesses; New housing meets need for lower cost affordable homes within the Town Centre.” Pg. 53</i></p> <p><i>Timescales – procurement Q2 2023; Delivery Q1 2025 pg. 66</i></p>	<p><i>“Redevelopment of land at Bridge Street to create a new mixed-use town centre and residential area, improving linkages between the heart of the town centre and adjacent retail areas” pg.6,11</i></p> <p><i>“Development and access improvements to the north of the town centre around Bridge Street will further strengthen the town centre but importantly create a link between the heart of the town centre and edge of centre development around Tesco” pg.42</i></p> <p><i>“Phase 2 of town centre regeneration, relocating bus station to support housing, leisure and commercial premises promoting enhanced connectivity” pg.45</i></p> <p><i>Rationale – “Improved linkages between heart of town centre and edge of centre retail areas; Re-use of underused land to create new homes and commercial opportunities – new activity, footfall and spend in the town centre; Scope to accommodate workspace, leisure uses close to the town centre, contributing towards retention of activity and spend; Potential to relocate the bus station to improve connectivity with the town.” Pg.53</i></p> <p><i>Timescales – procurement Q1 2024; Delivery Q2 2026 pg. 66</i></p>

Regard should also be had to the TIP2 document which sets out further detail in respect of the aims and assumptions at the point at which the Town Investment Plan was prepared.

The scope and scale of the projects will be subject to comprehensive review following the completion of more detailed baseline analysis for example in relation to need and demand, ownerships, site conditions and highways. This will inform option testing to ensure that the proposed scheme optimises value for money within an agreed funding envelope.

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6. Scope of Work	<p>Scope of the overall project: comprehensive, plan-led investment to secure the regeneration of key sites in support of strategic objectives to re-establish Clay Cross as a market town and promote the creation of a more vibrant and attractive town centre. The proposals will support the assembly and clearance of low quality premises to enable the creation of a market square as a focus of events, surrounded by a market facing mix of modern retail, leisure, commercial and residential accommodation. The scale of the project will be determined by deliverability and affordability criteria having particular regard to market demand and land ownership criteria. The proposals will promote enhanced connectivity through the town centre, pending the preparation of a clear transport plan for Clay Cross town centre. It is highly likely that an experienced development partner will be sought to support the delivery of the strategic objectives for the project, subject to up-front investment to de-risk the opportunity.</p> <p>Scope of the current stage: to deliver a HM Treasury Green Book compliant business case (using the template attached in Section 16) by Q1 2022. The business case will be prepared based on a project concept design developed to RIBA Stage 2, informed by relevant supporting investigations. The stage of design development will support a level of detail consistent with the Outline Business Case stage as set out within HMT guidance.¹ Supporting evidence should be appended to the business case and will be reviewed as part of the appraisal process. Within the scope of the business case commission, a range of supporting documentation will be prepared including:</p> <ul style="list-style-type: none"> • Site ownership schedule and assembly strategy • Market demand assessment • RIBA 2 plans and concept designs • Cost assessments and financial appraisals <p>It is assumed that design development will be advanced post allocation through the procurement of a delivery partner for the scheme.</p> <p>It is noted that allowance has not been made within the scope of the business case commission for the preparation of detailed transport plans (or associated baselining) or feasibility work associated with the creation and operation of a market.</p> <p>In addition, it is confirmed that additional inputs required to advance the project to an outline planning application will not be within the scope of the current stage, though the team will engage in pre-application discussions with planning officers.</p> <table border="1" data-bbox="454 1556 1410 1928"> <thead> <tr> <th>Section</th> <th>Description</th> <th>Evidence/source</th> </tr> </thead> <tbody> <tr> <td>Strategic case</td> <td> <ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies </td> <td> <ul style="list-style-type: none"> • Town Investment Plan • Market Demand Assessment • Risk register • Stakeholder engagement plan </td> </tr> <tr> <td>Economic case</td> <td> <ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs </td> <td> <ul style="list-style-type: none"> • Option scoping and appraisal framework </td> </tr> </tbody> </table>	Section	Description	Evidence/source	Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies 	<ul style="list-style-type: none"> • Town Investment Plan • Market Demand Assessment • Risk register • Stakeholder engagement plan 	Economic case	<ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs 	<ul style="list-style-type: none"> • Option scoping and appraisal framework
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¹ [Guide to developing the Project Business Case \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance/developing-a-project-business-case)

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		<ul style="list-style-type: none"> • Value for money • Sensitivity analysis 	<ul style="list-style-type: none"> • Cost Benefit Analysis technical note
	Financial case	<ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications 	<ul style="list-style-type: none"> • Project cost plan • Financial appraisal • Match-funding commitments
	Commercial case	<ul style="list-style-type: none"> • Status and approvals • Procurement strategy • Commercial delivery plan 	<ul style="list-style-type: none"> • Project delivery plan • Market demand assessment
	Management case	<ul style="list-style-type: none"> • Project governance • Assurance and compliance • Programme management • Risk management • Stakeholder engagement • Monitoring and evaluation 	<ul style="list-style-type: none"> • Project organogram • Subsidy control – legal opinion • Programme/Gantt Chart • Risk register • Communications plan • Monitoring and evaluation plan
	Other supporting material		<ul style="list-style-type: none"> • Project designs (RIBA2) • Site investigation report (desktop) • Building surveys • Planning statement and evidence of pre-app • Market feasibility study • Events/Activity plan • Letters of support

Subject to approval, it is envisaged that the Council will use Towns Fund investment to progress procurement of delivery partner(s) for the proposed schemes.

7. Working Assumptions / Hypotheses	<ul style="list-style-type: none"> • Sites/ Zones: no decisions have been made, the TIP advanced proposals for two phases of regeneration. While this remains the working assumption, based on an updated review of affordability, there may be a need to undertake a prioritisation exercise. Given its prominence, it is a working assumption that the Market Street site would be advanced as a priority, subject to further investigations. • Scale of intervention: alongside feasibility, the affordability of proposals will be a factor in determining the potential scale of intervention. The project scope outlined within the TIP was based on a visioning exercise. The scale and configuration of the proposals should respond to updated market and site investigations to ensure that the strategy provides a robust foundation for market engagement and delivery. It is noted that a shortlist of potential options will be evaluated to establish the preferred approach. • Mix of activities: initial market assessment has not identified market demand for commercial leisure activities within Clay Cross. There is expected to be demand for retail and food & drink activities, alongside some town centre housing. Housing developers have identified demand within the town centre is for flats (to rent) and market sale small starter homes. The Council is to undertake a strategic housing assessment for the area to identify housing need. • Land assembly: the wider regeneration area includes a wide range of public and private interests. A clear strategy for land assembly,
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	<p>decanting and relocation needs to be created. This needs to be informed by and consider the impact on scheme costs and should be aligned with the strategic comms plan</p> <ul style="list-style-type: none"> • Bus station: the TIP outlined proposals for the relocation of the Bus Station. Based on strategic partner engagement, alongside initial affordability testing, there is a need to review and evaluate alternative options for the bus station, including for the improvement of the existing facility. Options will need to be appropriately scoped and appraised through the business case process. • Strategic highway network: issues associated with the existing highway network were identified as a priority issue for the local community through TIP stage consultation. DCC is preparing a detailed baseline model for Clay Cross which will provide the evidence for a transport plan for the town (including the town centre). However, this work has been delayed by the need to collect more data and it is not anticipated that baseline evidence (or a coherent and up-to-date transport plan) will be available within the timescales of the business plan. However, it is envisaged that project objectives will inform the scope of the transport plan and that proposals will be refined following business case approval, providing an opportunity to ensure alignment. This is aligned with the Clay Cross Connections work. • Events and activities: it is assumed that local partners will actively promote a programme of events and activities, focused around a new market square. It is envisaged that this will include market events. Further work should be commissioned to develop a strategy and test the feasibility of proposals for the re-introduction of a market in Clay Cross town centre. • Delivery mechanisms: no mechanism has yet been agreed, but it is envisaged that local partners will seek a private sector development partner to advance the delivery of the scheme, in accordance with agreed parameters. It is assumed that the development partner will secure commercial funding. This approach assumes that the Board and Council will advance up-front interventions to de-risk the development. This will include assembling the site and securing an outline planning consent. • Monitoring and evaluation: as an exemplar initiative, resource should be made available for effective monitoring, evaluation and the dissemination of best practice.
8. Key dependencies	<p>The availability of an appropriate funding envelope to support the scale of intervention needed to catalyse change within Clay Cross town centre</p> <p>Securing the assembly of land interests through negotiated purchase or other arrangements (to be determined)</p> <p>Subject to detailed ground investigations</p> <p>Demonstrating the feasibility of a proposed market operation within Clay Cross town centre</p> <p>Aligning with strategic NEDDC strategies</p> <p>Preparing and submitting a satisfactory business case (and supporting evidence) within the timescales for TF allocations</p> <p>Aligning with an emerging transport plan for Clay Cross town centre</p>

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	<p>Securing planning approvals</p> <p>Identifying and securing a development partner (and private sector investment) on acceptable terms</p> <p>Securing investor/occupier demand for proposed scheme</p>																																												
9. Outputs	<p>The outputs and outcomes identified for each zone within the TIP are as follows:</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Market St</th> <th>Bridge St</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Outputs</td> <td></td> <td></td> <td></td> </tr> <tr> <td>New sustainable commercial floorspace (m²)</td> <td>3,100</td> <td>1,700</td> <td>4,800</td> </tr> <tr> <td>New sustainable homes</td> <td>40</td> <td>40</td> <td>80</td> </tr> <tr> <td>New or improved public realm (m²)</td> <td>5,000</td> <td>2,000</td> <td>7,000</td> </tr> <tr> <td>Land brought back into use (m²)</td> <td>2,500</td> <td>20,000</td> <td>22,500</td> </tr> <tr> <td>Enhanced linkages across town centre (m)</td> <td>-</td> <td>200</td> <td>200</td> </tr> <tr> <td>Outcomes</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Increased land values across the sites/wider town centre</td> <td></td> <td></td> <td>TBC</td> </tr> <tr> <td>Enhanced resident, business and visitor perceptions</td> <td></td> <td></td> <td>TBC</td> </tr> <tr> <td>Increased footfall</td> <td></td> <td></td> <td>TBC</td> </tr> </tbody> </table> <p>The scope of the town centre regeneration project and deliverable outputs will be subject to further appraisal informed by more detailed baseline analysis and viability testing.</p> <p>However, as required by MHGLG (following the submission of the Town Investment Plan and the 'in principle' funding award), the following mandatory outputs <u>must</u> be collected/ reported annually:</p> <ul style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding (£) committed (private and public) • Co-funding (£) spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects <i>Target of 100no. from Bridge Street site</i> • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects • New sustainable commercial floorspace <i>Target of 3,100 sqm on Market St & 1,700 sqm on Bridge St</i> • Number of residential units provided <i>Target of 80no. split evenly across both sites</i> • Amount of public realm improved <i>Target of 5,000 sqm from Market St site & 2,000 sqm from Bridge St site</i> • Amount of rehabilitated land <i>Target of 2,500 sqm Market St site and 20,000sqm (2ha) Bridge St</i> <p>Projected outputs will continue to be reported to the Town Board as design development progresses.</p>	Indicator	Market St	Bridge St	Total	Outputs				New sustainable commercial floorspace (m ²)	3,100	1,700	4,800	New sustainable homes	40	40	80	New or improved public realm (m ²)	5,000	2,000	7,000	Land brought back into use (m ²)	2,500	20,000	22,500	Enhanced linkages across town centre (m)	-	200	200	Outcomes				Increased land values across the sites/wider town centre			TBC	Enhanced resident, business and visitor perceptions			TBC	Increased footfall			TBC
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	<p>Potential outcomes will be scoped and estimated to inform the cost benefit analysis as part of a Green Book compliant option appraisal. Projections will be identified within a benefit realisation plan and aligned with the monitoring and evaluation plan prepared in respect of the proposed option.</p>																												
<p>10. Costs</p>	<p>An indicative cost profile was set out in respect of each scheme within the TIP.</p> <table border="1" data-bbox="454 392 1391 560"> <thead> <tr> <th></th> <th></th> <th colspan="2">Market St</th> <th colspan="2">Bridge St</th> <th></th> </tr> <tr> <th>(£million)</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Towns Fund</td> <td></td> <td>2.0</td> <td>2.0</td> <td>2.5</td> <td>2.5</td> <td>9.0</td> </tr> <tr> <td>Match/co-funding</td> <td></td> <td>1</td> <td>10</td> <td>4.5</td> <td>4</td> <td>19.5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Business case stage costs: at this stage it is not anticipated that further drawdown of funding will be required to fund the business case. The proposals will need to be supported by robust evidence and resource has been allocated within the business case procurement for concept design development to RIBA 2. As highlighted elsewhere, there is considered to be a strong case for securing additional supporting evidence in relation to: (i) the existing highway network and transport infrastructure, (ii) the feasibility of a proposed market operation, and (iii) establishing a strategy for events and activities to build demand for leisure and related uses. These elements lie outside of the business case scope. • Public sector match funding: indicative financial appraisals (based on standard benchmark rates for land and construction costs) at the TIP stage identified a total public sector funding requirement of £11.5 million, including £2.5 million of other public funding. The source of this funding was not explicitly stated at the TIP stage, reflecting the early concept nature of the proposals. Potential opportunities to secure match funding (including land assets and in-kind contributions) to support strategic regeneration objectives will continue to be reviewed. • Private sector match funding: the estimate of private sector match (£17 million) was informed by a high level estimate of scheme value, assuming a partner led delivery strategy. This will continue to be evaluated as proposals are refined, informed by the site and market analyses. • Cost profile: the profile outlined above has been pushed back a year to allow for the time required to advance the scheme to business case. Subject to further project scoping, it is envisaged that the profile of expenditure will continue to be refined, with investment in the initial period linked to land assembly and the creation of a development platform. <p>The financial profile will continue to be reviewed and re-evaluated in light of scoping and site appraisal plan.</p>			Market St		Bridge St			(£million)	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Towns Fund		2.0	2.0	2.5	2.5	9.0	Match/co-funding		1	10	4.5	4	19.5
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11. Teams Roles

Business Case team:

Partner	Lead	Role
AMION:	Peter Alford and Graham Russell	Coordinate business case and manage the project team Lead option scoping and long-list appraisal Cost benefit analysis for shortlisted project options Lead drafting the business case
NEDDC:	Karl Apps, Project Director	Team coordination Support land assembly strategy Commission additional research needed to inform the business case Working Group and wider stakeholder engagement
	Maria Curran	PMO & regeneration support
	Tony Kimber Interim Head of Property	Support land assembly strategy
Buttress:	Martin Kirkpatrick	Site appraisal work – desk top review Coordinate baseline work Masterplan – option development
Thomas Lister:	Rachel Lister	Market assessment Prepare initial ownership schedule and liaise with site owners/occupiers Financial appraisal of proposals Engagement with development partners
Edge:	Geoff Tinsley	Cost assessment
Ramboll:	Ed Kerr	Strategic advice in relation to infrastructure and transport
Nexus:	Pete Tooher	Planning strategy Partner engagement / coordination

Wider project team

Partner	Lead	Role
NEDDC Economic Development	Gill Callingham	SRO/Chair
	Bryan Harrison	Regeneration & urban design support Link with other WGs
NEDDC Planning	Adrian Kirkham Graeme Cooper Helen Fairfax	Guide planning strategy for scheme Wider planning framework for Clay Cross town centre
DCC Highways and transport	Chris Hegarty Ian Turkington Dean Jones	Highway and transport survey data Bus Station relocation Active travel data for Clay Cross Guide project scoping
Stagecoach Yorkshire	John Young Commercial Director	Bus Station, bus journey times and operational issues
NEDDC/DCC Estates	Gareth Harper Jo Hollick	Baseline data for NEDDC / DCC assets Occupier relocation/decant strategy

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	NEDDC Finance	Jayne Dethick S151 Officer	Overview of financial proposals Confirmation of match-funding (cash, assets, in-kind)																																			
	NEDDC/DCC procurement & legal services	Sandy Williams, Joan Talbot and Cory Walters	Procurement and compliance Subsidy control advice																																			
12. Workplan	<p>Outputs and Timeline:</p> <table border="1"> <thead> <tr> <th>Task</th> <th>Date</th> <th>Lead/role/responsibilities</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Site ownership schedule</td> <td>July 21</td> <td> <ul style="list-style-type: none"> Review of baseline information and updated analysis using on-line resources - TL </td> </tr> <tr> <td>July 21</td> <td> <ul style="list-style-type: none"> Land registry data - NEDDC </td> </tr> <tr> <td rowspan="2">Market assessment – Demand analysis</td> <td>August 21</td> <td> <ul style="list-style-type: none"> Updated market assessment report including schedule of key issues for option scoping – TL (complete) </td> </tr> <tr> <td>Aug – Sept 21</td> <td> <ul style="list-style-type: none"> Initial soft market testing with potential delivery partners – TL (on-going) </td> </tr> <tr> <td>Initial scoping appraisal</td> <td>August - Sept 21</td> <td> <ul style="list-style-type: none"> Review of cost and value assumptions underpinning indicative proposals set out within the Town Investment Plan - 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			<ul style="list-style-type: none"> • CPO process overview – Nexus/TL 	
	Draft Strategic Case	Oct 21	<ul style="list-style-type: none"> • Draft section circulated for comment – AMION 	
	Project plans - RIBA 2 concept (first draft) and option scoping	Nov 21	<ul style="list-style-type: none"> • RIBA 2 plans for preferred option • Basic plans for alternative intervention options • Develop the short-list of options in parallel with the design process – AMION/team • Scope delivery options – TL/wider team • Assume further rounds of updates following engagement/financial appraisal 	
	Initial Cost plan	Nov 21	<ul style="list-style-type: none"> • Draft cost plans for preferred and alternative options - Edge 	
	Engagement	Nov 21	<ul style="list-style-type: none"> • Consultation with local stakeholders/community – Nexus • Market testing – TL 	
	Financial appraisal	Nov 21	<ul style="list-style-type: none"> • Development appraisals for preferred and alternative options – TL • Funding strategy and appraisal – TL/AMION 	
	Project plans - RIBA 2 concept (amended draft) and option scoping	Dec 21	<ul style="list-style-type: none"> • Further updates following engagement/ financial appraisal, concluding with recommended preferred option. • Update short-list of options and identify a preferred option in parallel with the design process 	
	WG consideration of options and preferred option	Dec 21	<ul style="list-style-type: none"> • NEDDC/AMION/ Buttress 	
	Board Approval of preferred option	Jan 21	<ul style="list-style-type: none"> • NEDDC 	
	Draft Economic Case	Dec – Jan 22	<ul style="list-style-type: none"> • Cost benefit analysis – AMION • Draft economic case circulated for comment - AMION 	
	Project delivery plan	Dec – Jan 22	<ul style="list-style-type: none"> • Outline procurement strategy – NEDDC/AMION & TL • Project delivery plan – NEDDC/AMION • Risk management plan – NEDDC 	
	Draft Management Case	Dec 21	<ul style="list-style-type: none"> • Draft section circulated for comment – NEDDC/AMION 	
	Draft Commercial Case	Dec 21	<ul style="list-style-type: none"> • Draft section circulated for comment - AMION based on PDP 	
	Draft Financial Case	Dec 21	<ul style="list-style-type: none"> • Draft section circulated for comment – AMION/TL 	
	Draft Business Case WG Check & Challenge	Jan 22	<ul style="list-style-type: none"> • Present Draft Business Case for approval & recommendation to Board 	
	Final Business Case	Jan 22	<ul style="list-style-type: none"> • AMION 	
	Business Case Assurance	Jan 22	<ul style="list-style-type: none"> • NEDDC 	
	Board Approval	TBC	<ul style="list-style-type: none"> • NEDDC 	
13. Risk	Key risks drawn from the outline risk register:			
	Risk name	Description	Rating	Mitigations
	Business objectives	Failure to define and meet clear objectives	Medium /High	<ul style="list-style-type: none"> • Agree clear objectives at an early stage in the option scoping process
				Status
				Open

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		for the project aligned to the TIP		<ul style="list-style-type: none"> Set a clear design brief in light of updated baseline 	
	Land ownerships	Risk that the Council is unable to identify / secure third party interests needed for redevelopment	High	<ul style="list-style-type: none"> Prepare a schedule of interests for the site, identifying owner/title information Develop a clear engagement and land assembly strategy Develop occupier relocation strategy Consider CPO 	Open
	Land acquisition	Risk that purchase and compensation costs are not affordable within the scope of the funding allocation	High	<ul style="list-style-type: none"> Carry out appropriate valuations to inform budget appraisal Proactive engagement to understand value expectation 	Open
	Highways	Risk that the impact on highways/ transport is deemed to be unacceptable. Time needed to undertake further studies takes longer than anticipated and delays the options stage.	High	<ul style="list-style-type: none"> Establish highways technical Task & Finish Group and clearly defined Terms of Reference as a priority. Review existing baseline information to confirm assessment of need and commission further transport survey work to better inform the baseline and likely cost of options. Design brief to include for use of appropriate tools (e.g. Early Assessment & Sifting Tool [EAST]) to provide relevant, high level information to help form an early view of how options perform and compare. High-level transport/ junction modelling of short-listed options to better understand impact 	Open
	Planning	Risk that the scheme proposals do not secure planning consent	Medium /High	<ul style="list-style-type: none"> Prepare a clear planning strategy for the scheme Early engagement with planners 	Open
	Ground conditions	The risk that ground conditions / services may restrict development or increase costs	High	<ul style="list-style-type: none"> A phase/stage 1 environmental survey will need to be instructed to assess these risks 	Open
	Viability challenges	The risk that the level of funding secured through TF is insufficient to address the scale of the viability gap	High	<ul style="list-style-type: none"> Progress project cost refinement Option testing Engagement with potential partners 	Open

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	Match funding	The risk that that level of match funding is insufficient to support the objectives for the site	High	<ul style="list-style-type: none"> Capacity for NEDDC funding to be explored Engagement with funding and delivery partners to be carried out Funding strategy to be prepared 	Open
14. Comms / consultation	<ul style="list-style-type: none"> Communication assumption: A clear plan for communications will be critical for this project given sensitivities around: <ul style="list-style-type: none"> the prominence of the scheme in previous rounds of communication; community feedback in consultation undertaken to date identifying town centre regeneration as a strategic priority; sensitivities relating to third party interests; the potential delivery strategy, under which a private sector partner would be procured to develop detailed plans for the scheme. <p>The approach to communications will need to be clear from the outset, highlighting the strategic objectives and scope of the project. The approach should ensure that the risk of misalignment of expectations within the community is minimised.</p> Consultation assumption: a two stage community consultation process was undertaken to inform the development of the TIP. The Working Group has highlighted the importance of sustaining community consultation. Reflecting the points outlined above, the focus of community consultation at this stage should be around strategic objectives and scope. Targeted stakeholder consultation is progressing, focused around soft-market testing and engagement with landowners. 				
15. Assumed Business As Usual Status (BAU)	<ul style="list-style-type: none"> The BAU case assumes that strategic regeneration will not take place in the short to medium term in the absence of intervention. Development and refurbishment projects within the town centre will be advanced on a piecemeal basis, subject to market investment. Given the declining condition of town centre assets, alongside strategic challenges within key market sectors, it is envisaged that this will result in the ongoing deterioration of the traditional town centre (A61 corridor and Market Street). Over time, it is envisaged that sites will be advanced for residential led development. 				
16. Business Case stage deliverable	 <p>Clay Cross Business Case Template.docx</p>				

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RAIL STATION FEASIBILITY STUDY: COVERING NOTE

This working proposal was created by the Rail Station Feasibility Study Working Group for consideration by the Clay Cross Town Deal board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses / working assumptions and the current plan to deliver the completed business case to CLG by Q3 2022.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Type of feasibility study to be produced:** given the lack of an open New Stations Fund-type programme by the Department for Transport (DfT), it is not physically possible to conclude the full feasibility process on this proposal (as to do so would require DfT inputs, review from DfT civil servants, likely DfT match funding etc.). As a result, the scope of this initiative has been defined as the creation of a written document, which would cover submission of a proposal for the first stage of that process [known as a Strategic Outline Business Case (SOBC)]. This is the furthest that the initiative can get without an open New Stations Fund-type process and full DfT involvement.
 2. **Cost:** as a result of the above recommendation, it is possible that this project will not cost the full allocation of £200,000. The project wishes to retain the allocated Town Deal funds for now as costs could change as further work is undertaken. Any underspend can be reallocated to other projects, with MHCLG approval, at an appropriate point when costs are more certain.
- **Key working assumptions:** none to report at this stage.
- **Procurement:** the Working Group recommends procuring a consultant to begin work on SOBC as soon as is practical. To align with MHCLG requirements, a Strategic Assessment will be produced at the earliest opportunity to seek approval to draw down the funds. Simultaneously, it is proposed to progress the process for appointing a consultant. A draft procurement brief has been created by officers and, following agreement with the NEDDC procurement team, the process of appointment will be started whilst the Strategic Assessment is being agreed with MHCLG.

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Recommendation:

That the Clay Cross Town Deal Board:

- **notes the current detail and proposals contained within the document;**
- **notes the caveats therein and the potential for change in future iterations;**
- **acknowledges the particular focuses that the Working Group has chosen, and;**
- **endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.**

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal board on (date to be confirmed) which will primarily focus on providing more detail around (i) the full scope of the study based on the final brief agreed by the Working Group (ii) updates on the procurement process and (iii) the expected cost of the study based on market testing. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Lee Rowley, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Martyn Handley, NEDDC, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by Gill Callingham, Director of Growth NEDDC who, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN

1. Project name	Rail Station Feasibility Study
2. Project aim	<p>Summary aim of overall project: To complete a Strategic Outline Business Case (SOBC), to the most practically detailed level possible, on re-opening a railway station in / near Clay Cross</p> <p>Summary aim of current stage: to produce an interim “Strategic Assessment” document and to begin the procurement process for appointing a consultant to create the SOBC, which will allow Town Deal funding to be released for the full Strategic Outline Business Case.</p>
3. Project description / initial considerations	<ul style="list-style-type: none"> • Clay Cross railway station, located at Station New Road in Tupton, closed in 1967 and the town has been without a direct link to the Midland Mainline / Erewash Valley lines since then. Residents wishing to use the train either must travel to Chesterfield or elsewhere. • There has been a long-standing aspiration to re-open a station in Clay Cross for a number of decades and previous masterplans / strategic frameworks (e.g. Clay Cross Regeneration Framework, 2013) have all recorded this ambition. No detailed work has been undertaken in recent years nor, until now, has any practical process been identified to undertake that more detailed consideration. Other track considerations have also slowed progress in recent years – including HS2 effectively freezing any new development on the line until it is clear what is happening with that project. • This project does not have the specific aim of re-opening the station itself given the continuing wider considerations of HS2 and the Integrated Rail Plan. In addition, it should be stated that it cannot conclude a full business case process, for both cost and practical purposes – specifically that a 3-stage business case process requires input from the Department for Transport as part of a wider “New Stations Fund” type programme. There is no current DfT process open which would prevent the relevant checkpoint reviews being done. Instead, this project aims to produce a document which could be submitted to cover the first stage of that process at the point when it next opens for consideration. • The project was identified, in discussion with MHCLG, as one that could potentially be expedited. The Working Group have, therefore, looked as to how timelines could be brought forward to respond to that request.
4. Definitions	<ul style="list-style-type: none"> • Railway station: defined as a passenger railway station providing scheduled passenger services • “Clay Cross”: for the purposes of this document, it is accepted that the area under consideration may be wider than that covered by the Town Deal (primarily to enable consideration of sites such as the old Clay Cross Railway station in Tupton). • Strategic Assessment: document which will be prepared to release funds for the consultant to be employed to create the SOBC. This Strategic Assessment will be a high-level document which covers the local context, the study objectives, the study goals and the procurement process (and how to expedite the output).

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5. TIP Stage Assumptions	<p>The TIP recorded the following assumptions on this initiative when submitted to CLG:</p> <ul style="list-style-type: none"> • <i>“Rail Station – this project will explore the feasibility of re-establishing a rail station to serve the town and wider area” (p.6 /8)</i> • <i>“Commissioning detailed work to investigate the feasibility of re-instating a train station within Clay Cross” (p.45)</i> • <i>“Planning for a Railway Station – this may take some years to realise, but it would be important to begin planning for this now” (p.57)</i> • <i>“Delivery Programme: Q4 2021 Business Case development, Q1 – Q3 2022 Feasibility concept design” (p.66)</i>
6. Scope of Delivery	<p>Scope of overall project: to deliver a Strategic Outline Business Case, using the established template which has previously been required from the DfT for a new stations application, which would enable a submission at the point a “New Stations”-type Fund opens. Subsequent business case stages, and any final build / construction / project costs will be dealt with by a future project / initiative. This SOBC document will be delivered by Q3 2022.</p> <p>Scope of current stage: to produce an interim “Strategic Assessment” document, which will allow funding to be released for the full Strategic Outline Business Case. This document will cover, at a high-level, (i) the local context, (ii) the study objectives, (iii) the study goals, (iv) the procurement process and (v) how to expedite the output.</p>
7. Working Assumptions / Hypotheses	<ul style="list-style-type: none"> • Location: no decisions have been made on site location but the Working Group is aware of a number of potential options (a safeguarded site on the Egstow Park development and the old station location in Tupton). The work associated with the delivery of the SOBC would expect to highlight a preferred site, subject to that being possible, albeit with a clear caveat that it would be pending further investigation at later stages • Wider strategic rail context: it is unlikely that the wider context around HS2 / Integrated Rail Plan will be resolved in a timeline which fully works for the delivery of this SOBC. Thus, where it is necessary to do so, the SOBC will ring-fence off these considerations in order to progress with this project • Type: the specified aim of this project is the delivery of a station for heavy rail. The SOBC (or an associated document) should offer a clear, written statement about why light rail is not feasible in this context – and no further work should be undertaken on this point beyond that • Historic Strategic Statements: that the project has taken account of documents such as the Clay Cross Regeneration Framework (2013) and is in line with its aims and recommendations. • Area of Focus: it has been confirmed by MHCLG that they are happy for the area of focus for the project to be wider than the agreed Town Deal area, as long as Clay Cross residents are a beneficiary. • Procurement: due to the project being recommended as a Fast Track project as part of the TIP, the Working Group has agreed that an expedited Procurement process is recommended, with the actual appointment of

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	the consultants to be managed by NEDDC Procurement team to ensure best value for money.														
8. Key Dependencies	<ul style="list-style-type: none"> • The wider strategic rail context regarding HS2 / IRP / Northern Powerhouse / Restoring Your Rail (to be referenced where necessary but ring-fenced off where appropriate) • The procurement of suitable delivery partners for the construction of an SOBC • Willingness to engage from key stakeholders such as Network Rail, Department for Transport etc. • Understanding of other transport initiatives in Clay Cross to work out how best to integrate a future railway station at the location which is eventually proposed by the SOBC 														
9. Outputs	<p>The following outputs are assumed at the conclusion of the project:</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Outputs</td> <td></td> </tr> <tr> <td>Strategic Outline Business Case</td> <td>1 document</td> </tr> <tr> <td>A Land Value Capture Report</td> <td>1 document</td> </tr> <tr> <td>Any associated additional documents (such as disregard of light rail or equivalent) which are created as part of the SOBC development or can be created at this time to assist the success of future funding bids</td> <td>As determined by the project team</td> </tr> </tbody> </table> <p>Following the submission of the Town Investment Plan and the ‘in principle’ funding award, MHGLG now requires the following mandatory outputs to be collected/ reported annually:</p> <ul style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding committed (private and public) • Co-funding spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects <p>Further detail about outputs will be provided at a subsequent iteration of this document.</p>	Indicator	Quantity	Outputs		Strategic Outline Business Case	1 document	A Land Value Capture Report	1 document	Any associated additional documents (such as disregard of light rail or equivalent) which are created as part of the SOBC development or can be created at this time to assist the success of future funding bids	As determined by the project team				
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	Ian Turkington	Highways and Transport
	Chris Hegarty	Highways and Transport
Clay Cross Parish Council	Cllr Ted Mansbridge	
HS2	Michael Haughton	
Network Rail	Robert Russell	
	Maria Clayton	
	Richard Joslin	
Department for Transport	Samantha Goodey	
East Midlands Railways	David Jackson	

The overall owner of this project is, from a Working Group perspective, Lee Rowley (as Chair of the Working Group) and Martyn Handley as the appointed officer to lead. Both are ultimately responsible for the output and practical achievability of the proposal.

12. Workplan

The current working assumptions around the timeline of the business case are the following:

Task	Date	Lead/role/responsibilities
Determine funding approval requirements	July – Aug 21	<ul style="list-style-type: none"> MHCLG engagement – AMION S151 Officer engagement – NEDDC Agree local assurance requirements – NEDDC
Prepare Tender Brief for Study based on WG agreed objectives. Determine the procurement route	Aug - Sept 21	<ul style="list-style-type: none"> Determine compliant procurement route - NEDDC Identify potential suppliers – NEDDC/ AMION
Produce a draft Strategic Assessment for review	Sept 21	<ul style="list-style-type: none"> AMION
Working Group review of tender brief and Strategic Assessment	Sept - Oct 21	<ul style="list-style-type: none"> NEDDC
Board approval of tender action	By email	<ul style="list-style-type: none"> NEDDC
Procure consultancy to undertake the Feasibility Study	Sept – Oct 21	<ul style="list-style-type: none"> NEDDC

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	Finalise Strategic Assessment based on tender price	Oct – Nov 21	• AMION																									
	Strategic Assessment appraised by external assurance	Nov 21	• Respond to queries - NEDDC/AMION																									
	Board Approval of Strategic Assessment for submission to MHCLG	Nov 21	• NEDDC																									
	Consultant appointed	Nov-Dec 21	• NEDDC																									
	<p>The high-level indicative delivery plan for the project as a whole is:</p> <ul style="list-style-type: none"> • Q4: appointment of consultant to create SOBC / other documents • Q1 – Q3: creation of SOBC / other documents • Q1: commencement of 1st consultation • Q3: sign-off, approval of output documents • Q3: closure of project <p>These timelines have not been validated at this stage and should be seen as highly indicative / subject to change.</p>																											
13. Risk	<p>The following key risks have been identified:</p> <table border="1"> <thead> <tr> <th>Risk name</th> <th>Description</th> <th>Rating</th> <th>Mitigations</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Business</td> <td>Lack of clarity in relation to the objectives of the study</td> <td>Medium</td> <td>• Established clear objectives through the Working Group that are clearly aligned with wider strategic aims for Clay Cross</td> <td>Open</td> </tr> <tr> <td>Procurement risk</td> <td>Difficulty in securing an appropriate supplier to carry out the study</td> <td>Medium</td> <td>• Carry out initial market testing • Tender via a robust open procurement process</td> <td>Open</td> </tr> <tr> <td>Programme risk</td> <td>Difficulty in defraying identified TF allocation within the timescales set out in the TIF</td> <td>Medium /High</td> <td>• Work with MHCLG to agree alternative funding schedule</td> <td>Open</td> </tr> <tr> <td>Funding risk</td> <td>Risk that match funding cannot be sourced</td> <td>Medium /High</td> <td>• Ongoing engagement with partners to secure match (cash or in-kind contributions)</td> <td>Open</td> </tr> </tbody> </table>			Risk name	Description	Rating	Mitigations	Status	Business	Lack of clarity in relation to the objectives of the study	Medium	• Established clear objectives through the Working Group that are clearly aligned with wider strategic aims for Clay Cross	Open	Procurement risk	Difficulty in securing an appropriate supplier to carry out the study	Medium	• Carry out initial market testing • Tender via a robust open procurement process	Open	Programme risk	Difficulty in defraying identified TF allocation within the timescales set out in the TIF	Medium /High	• Work with MHCLG to agree alternative funding schedule	Open	Funding risk	Risk that match funding cannot be sourced	Medium /High	• Ongoing engagement with partners to secure match (cash or in-kind contributions)	Open
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14. Communication / consultation	<ul style="list-style-type: none"> • Communication assumption: Given that the project has both been identified for rapid progression and the level of interest within the community, we would expect regular communications to be issued for residents on this project. Those communications will need to be clear, 																											

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	<p>from the beginning, about the scope of the project (essentially “getting us ready for when we can bid”) so there is no misalignment within the community.</p> <ul style="list-style-type: none"> • Consultation assumption: the Working Group is keen to run a high-level initial consultation, perhaps regarding location, at an early stage. This will be put into the procurement brief for the appointed consultants to undertake. Then also a further consultation will be undertaken once the SOBC has been drafted.
15. Assumed Business As Usual Status (BAU)	<ul style="list-style-type: none"> • Given that this project seeks to deliver a Strategic Outline Business Case only, there is no definition required of the BAU status • Once completed, the project will be wound down and the SOBC will await the opening of a New Stations-type fund for, hopefully, minimal amendment and submission into such a process. The timelines for the opening of the next NSF-type fund are unclear at this stage.
16. Business Case stage deliverable	Intentionally blank

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CLAY CROSS SKILLS AND ENTERPRISE HUB: COVERING NOTE

This working proposal was created by the Clay Cross Skills Working Group for consideration by the Clay Cross Town Deal Board on 24th September. It provides a snapshot view of the status of the project, the current hypotheses/working assumptions and the current plan to deliver the completed business case to MHCLG by March 2022.

Please note that all elements of this document are potentially subject to change, should that be necessary, and will be iterated further as required during the course of the business case creation.

Key Points to note:

The Board should draw its attention to:

- **Potential changes in scope:** the Working Group is recommending the following changes to the original Town Investment Plan scope at this stage:
 1. **Reprofiling of costs:** the original Town Investment Plan envisaged the spend in the FY 2021/22 and FY 2022/23. Given the time it will take to agree, procure and mobilise this project, the spend profile has been rolled forward into FY 2022/23 and FY 2023/24
 2. **Outputs:** at this stage the high-level objectives outlined for the project remain the same, however further work will be undertaken to verify/confirm that the scale of the proposed outcomes (in particular the number of learners assisted) for the project are realistic and it is likely that the Working Group may propose alternatives in the future.
- **Key working assumptions:** no decisions have yet been taken but the chosen focus of the Working Group will inevitably mean that some outputs become more likely than others. The current focus remains on delivering the key objectives described in the TIP related to the refurbishment/ reconfiguration/ extension of the existing Clay Cross Adult Education Centre ('AEC') to provide a Skills and Enterprise Hub for key employers in the area, SMEs and a learning resource for local residents.

Recommendation:

That the Clay Cross Town Deal Board:

- notes the current detail and proposals contained within the document;
- notes the caveats therein and the potential for change in future iterations;
- acknowledges the particular focuses that the Working Group has chosen, and;
- endorses the broad approach of the Working Group described in this paper and confirms their willingness to build the business case based on that approach at this stage.

Should the approach be endorsed, the Working Group commits to returning with a further iteration to the next Town Deal Board (date to be confirmed), which will primarily focus on

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providing more detail around (i) the skills and enterprise offer (ii) an indication of the size of any additional extension needed to the existing AEC and (iii) the proposed operating model. The Board is asked to minute, as part of this approval:

- any particular steer they wish the Working Group to pursue in advance of the next meeting, and;
- any specific detail they wish to see in the next iteration.

Proposers & quality assurance

The proposers of this document are the Working Group comprising:

- Jane Weston, Chair of the Working Group (joint lead and joint ultimate author of this document)
- Karl Apps, Lead Officer (joint lead and joint ultimate author of this document)
- Other members of the Working Group (outlined below)

This document has been reviewed and quality assured by Gill Callingham, Director of Growth NEDDC who, based on this early stage of the proposal development, deems this to be a reasonable and achievable proposal.

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CLAY CROSS TOWNS FUND – BUSINESS CASE SCOPING PLAN

1. Project name	Skills & Enterprise Hub
2. Project aim	<p>Summary aim of the overall project: To deliver a Skills and Enterprise Hub offering new and refurbished space for skills, training and enterprise – for key employers in the area (including Worcester Bosch); SMEs; and a learning resource for residents, focused initially on Clay Cross residents.</p> <p>Summary aim of current stage: To develop a Green Book compliant business case to secure funding through the Town Investment Fund to support a Skills and Enterprise Hub.</p>
3. Project description/initial considerations	<p>The project emerged from baseline analysis undertaken to inform the TIP which highlighted low educational attainment and qualification rates within the local population. For example, the analysis noted that:</p> <ul style="list-style-type: none"> • Educational attainment in Clay Cross was lagging behind the England average. In 2019 56% achieved A-C in English and Maths compared with 65% nationally and the attainment 8 score was lower at 42.6% compared with 46.7%; • NE Derbyshire has a lower proportion of residents with higher skilled qualifications compared with the national average 33.8% vs 40.2%; and • There is poor social mobility at the district level with North East Derbyshire ranked 268 out of 324 local authorities. The area is identified as a ‘coldspot’ (1=best performing LA). <p>As the enhancement of skills and enterprise is a key objective of the Towns Fund, the Skills & Enterprise Hub was proposed as a means of aligning the existing skills offer with new provision, delivered by potential partners including established FE/HE providers.</p>
4. Definitions	Skills and Enterprise Hub – at the time of submission, the TIP assumed that the hub would be providing both Skills support for Employers and Residents, in addition to a small amount of ‘workspace’ for new enterprises.
5. TIP Stage Assumptions	<p>The TIP recorded the following assumptions on this initiative when submitted to CLG:</p> <ul style="list-style-type: none"> • [the delivery of] “Clay Cross Training, Learning and Enterprise Hub – this will comprise new and refurbished space for skills, training and enterprise – providing a hub for key employers in the area (including Worcester Bosch); SMEs and a learning resource for local residents;” (p.6) • “Description: Shared platform for establishing an integrated skills and enterprise offer, based on collaborative working between public and private providers” (p.45) • “Rationale: * High unemployment, low educational attainment, low levels of social mobility and aspirations * Lower productivity and high proportion of lower value added jobs * Skills support access to employment opportunities, new and existing businesses development and enhanced productivity * Demand led training to improve competitiveness of the business base” (p.53) • “Outputs: * New training opportunities provided – digital skills and employer led * Provision of workspace for microenterprises” (p.53) • “Outcomes / indicators: * New learners becoming job ready * Unemployed people assisted * Increased wages * Improved productivity” (p.53)

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	<ul style="list-style-type: none"> • “Delivery programme: Feasibility Concept design: Q1 2021, Business case development: Q2 – Q1 2022, Detailed design: Q2 - Q3 2022, Procurement: Q4 2022 – Q1 2023, Delivery and fit-out: Q2 2023 – Q2 2024” (p.66) • “Outputs: * Commercial floorspace: 2,050 sqm, * Town Centre uses: 150 sqm, * Workspace: 150 sqm, * Other: 1,750 sqm” (p.67) • “Construction phase outputs: Person years employment: 47, Gross value added: £1.4m, Apprenticeships supported: 4” (p.67) • “Operational phase: Gross employment: 32 FTE, Gross value added: £1.4m” (p.67) • “Fiscal impact: Business rates: £82,000/pa” (p.67)
6. Scope of Work	<p>The Skills and Enterprise Hub will provide digital skills training for key employers and SMEs; and provide individual learners with skills and employability support to assist them into the labour market and continued progression thereafter. The proposed hub will also provide workspace for potential new enterprises, as it has been identified that there is a lack of suitable space (up to 300sqft) for new start-ups.</p> <p>Digital skills are growing in importance across the economy and society as a whole. Basic digital skills are needed to participate fully in society as more services move online, whilst general digital skills are required in almost all jobs. Those working in the increasing number of digital roles (across all sectors of the economy) also need specialist digital skills.</p> <p>The trend towards digital skills being required to access products and services has been accelerated by the Covid-19 pandemic. However, a significant proportion of the population lack basic digital skills. Labour market research undertaken for DCMS has also analysed the digital skills sought by UK employers and the specific requirements for different occupations and sectors. This research categorised digital skills for the workplace as either:</p> <ul style="list-style-type: none"> • ‘baseline’ or ‘basic’ digital skills – for example using productivity software (Microsoft Word and Excel), computer literacy, handling digital information and content and understanding how technologies work; or • ‘specific’ or ‘advanced’ digital skills – for example software engineering and development, data analytics, IT support and system maintenance, digital marketing and sales, digital design, CRM and machining and manufacturing technology. <p>Consultations within the Working Group and subsequent discussions with a small group of local employers have confirmed the importance and need for digital skills within the local area, alongside employability support for new entrants. To ensure that the Skills Hub is responsive to the needs of the wider SME base within Clay Cross, a skills audit is currently underway.</p> <p>In addition to the demand for skills, the other themes for consideration in developing the business case include the need to agree:</p> <ul style="list-style-type: none"> • Geography of businesses accessing the hub – at this stage there is an assumption that the Skills and Enterprise Hub will be for Clay Cross or NEDDC businesses and businesses in wider North Derbyshire. In terms of the boundaries for residents accessing the Hub – the assumption is to target Clay Cross residents in the first instance but this may be broadened out as the project develops. • Operational model – at the Town Investment Plan stage, it was envisaged that the facility would provide flexible skills training facilities, which could be used by a

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range of partners as a focus for programme delivery. The sustainability of this model needs to be tested.

- Wider services – outline proposals envisaged the co-location of the skills offer with wider public sector services, for example the provision of library services and workspace for new enterprises. Incorporating these activities within the model will be developed through the options analysis.
- Match-funding – proposals within the Town Investment Plan indicated that in the order of £1.7 million of additional funding would be secured. There is a need to scope funding options at an early stage to establish potential budget thresholds for the facility.

The business case will be prepared based on available project designs and supporting information developed to RIBA Stage 2, alongside a business plan for the operation of the facility. This is equivalent to the Outline Business Case stage as set out within HMT guidance.¹

Section	Description	Evidence/source
Strategic case	<ul style="list-style-type: none"> • Case for change • Project stakeholders and details of consultation undertaken • Policy alignment • Proposed investment and Theory of change • Risks and dependencies 	<ul style="list-style-type: none"> • Town Investment Plan • Skills audit and baseline • Assessment of need – library and public services • Market Assessment for workspace • Risk register
Economic case	<ul style="list-style-type: none"> • Option scoping • Economic benefit assessment • Economic costs • Value for money • Sensitivity analysis 	<ul style="list-style-type: none"> • Option scoping and appraisal framework • Service plan detailing skills and other outcomes • Cost Benefit Analysis technical note (AMION)
Financial case	<ul style="list-style-type: none"> • Project costs • Funding and revenue • Affordability analysis • Financial risks and implications 	<ul style="list-style-type: none"> • Project cost plan • Business plan (including financial appraisals) • Match-funding commitments • Land valuations
Commercial case	<ul style="list-style-type: none"> • Status and approvals • Procurement strategy • Commercial delivery plan 	<ul style="list-style-type: none"> • Project delivery plan • Market demand assessment
Management case	<ul style="list-style-type: none"> • Project governance • Assurance and compliance • Programme management • Risk management • Stakeholder engagement • Monitoring and evaluation 	<ul style="list-style-type: none"> • Project organogram • Subsidy control – legal opinion • Programme/Gantt Chart • Risk register • Communications plan • Monitoring and evaluation plan
Other supporting material		<ul style="list-style-type: none"> • Business plan (NEDDC/DCC) • Project designs (RIBA2) • Site investigation report (desktop) • Building surveys • Planning statement and evidence of pre-app • Letters of support

¹ [Guide to developing the Project Business Case \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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<p>7. Working assumptions</p>	<ul style="list-style-type: none"> • Potential Site – no decisions have been made but the TIP hypotheses suggested refurbishment/reconfiguration/extension of the existing Clay Cross Adult Education Centre for the hub, and this remains the working assumption at this stage. No provision was made for the purchase of the facility, as it was assumed that DCC will be an integral partner in the delivery of the scheme; • Delivery mechanism – it is assumed that North East Derbyshire District Council will oversee the phased programme of refurbishment works, following contractor procurement. • Potential Delivery partners – the TIP assumed that the project would create a hub for employers; potential new enterprises; and learners and provide a focus on low carbon and digital skills (for a range of levels including T level skills). This was based on engagement of key employers (Worcester Bosch; CCG) and skills and training providers (Chesterfield College; DCC). There was also an aspiration to relocate the existing library within the new Skills and Enterprise Hub. These assumptions remain and have been tested further through additional discussions with local schools; additional employers (CBE Plus and Microfern); and the library service. A survey of all businesses is currently underway to ensure that the skills provision is demand led. • Deliverables – the refurbishment/reconfiguration/extension of the Clay Cross of Adult Education Centre is the key deliverable from the project. A high-level business plan/operational framework will also be developed for the Hub (proportional to the business case requirements). • Costs – the overall financial contribution of the Clay Cross Town Deal to this project is assumed to be £2.0m (as outlined in the TIP). Match funding of £1.7m is to be provided. This funding is to cover the building works required to refurbish and extend the existing Adult Education Centre. No operational costs have been included in the TIP. • Overall viability – the TIP highlighted the need for a viable business plan for the venture, working with partners to establish an operational framework that provides a foundation for financial sustainability. 								
<p>8. Dependencies</p>	<ul style="list-style-type: none"> • Confirmation that Derbyshire County Council, which owns the Adult Education Centre, is willing to contribute the premises to the project at nil purchase cost and work in partnership to create the Skills Hub. • Identification of external funding both capital and revenue to support the project. • Confirmation that Chesterfield College (and/or potentially other training providers) will deliver skills training on an outreach basis, alongside existing provision by DCC. • Approval processes for example NEDDC Cabinet approvals and approvals from DCC and external partners including the approval of match funding. • Clay Cross Connections and the potential to relocate the bus station as well as connections to/from a new rail station: connections and easy access to the Skills & Enterprise Hub 								
<p>9. Outputs</p>	<p>The outputs and outcomes identified within the TIP are as follows:</p> <table border="1" data-bbox="440 1816 1511 1993"> <thead> <tr> <th data-bbox="440 1816 1342 1854">Indicator</th> <th data-bbox="1342 1816 1511 1854">Quantity</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1854 1342 1899">Delivery of new education and enterprise facilities</td> <td data-bbox="1342 1854 1511 1899">1,200 m2</td> </tr> <tr> <td data-bbox="440 1899 1342 1944">New learners assisted</td> <td data-bbox="1342 1899 1511 1944">2,000</td> </tr> <tr> <td data-bbox="440 1944 1342 1993">Working age population with qualifications</td> <td data-bbox="1342 1944 1511 1993">50%</td> </tr> </tbody> </table>	Indicator	Quantity	Delivery of new education and enterprise facilities	1,200 m2	New learners assisted	2,000	Working age population with qualifications	50%
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	Enterprises utilising high quality affordable and sustainable commercial spaces	30																					
10. Costs	<p>Following the submission of the Town Investment Plan and the ‘in principle’ funding award, MHCLG now requires additional mandatory outputs to be collected/ reported annually. These are as follows:</p> <ul style="list-style-type: none"> • Monies spent directly on project delivery (either local authority or implementation partners) • Co-funding committed (private and public) • Co-funding spent on project delivery (private and public) • Number of temporary FT jobs supported during project implementation • Number of full-time equivalent (FTE) permanent jobs created through the projects <i>Target of 30no. FTE</i> • Number of full-time equivalent (FTE) permanent jobs safeguarded through the projects • Amount of capacity of new or improved training or education facilities <i>Target of 1,200 sqm</i> <p>Further detail regarding the outputs and outcomes will be provided in a subsequent iteration of this document.</p> <p>Costs:</p> <table border="1" data-bbox="440 949 1509 1081"> <thead> <tr> <th>(£million)</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>Towns Fund</td> <td></td> <td></td> <td>1.5</td> <td>0.5</td> <td></td> <td></td> </tr> <tr> <td>Match/co-funding</td> <td></td> <td></td> <td>1.2</td> <td>0.5</td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Business case costs: Early release of some Town Deal funding has been approved by MHCLG to aid development and help to bring forward projects. The only additional costs that may be necessary relate to detailed operational business planning. Development of a high-level operational plan only has been assumed at this stage. • Match costs: the TIP suggested that up to £1.7million match funding may be possible for this project, through in-kind contributions, asset value and the proceeds from land sales (e.g. the library). However, there is currently a covenant on the library site, and further exploration of potential funding sources needs to be undertaken. • Town Fund contribution: the financial profile will be reviewed and re-evaluated in light of scoping and site appraisal, and the development of options. The options and associated outputs and outcomes will be presented to the Working Group as part of its Check & Challenge support. This will also consider affordability (within identified budget thresholds) and expected value for money based on the expected economic benefits. 		(£million)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Towns Fund			1.5	0.5			Match/co-funding			1.2	0.5		
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Nexus:	Pete Toher	Planning and Stakeholder engagement / coordination
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The wider Working Group who will steer the project between reports to the Town Board comprise the following:

Partner	Lead	Role
NEDDC:	Jane Weston Karl Apps	Coordinate NEDDC inputs and lead engagement with delivery partners
	Maria Curran	PMO
DCC Adult Education	Andy Williams	Provider of skills training
Chesterfield College/University of Derby	G.Varley Dr Peter Dewhurst	Potential provider of skills training
DWP	Julian Sutton	Potential provider of employability support
CCG		Office space/use of the skills hub for training
Private Sector representatives	Worcester Bosch CBE Plus Microfern	Use of the skills hub for training
Others	Councillors Cupit, Dale, Renwick and Rouse Tupton Hall School	

The overall owner of this project, from a Working Group perspective, is Jane Weston as the appointed officer to lead the project from the Council.

12. Workplan

The current working assumptions around the timeline for the business case are as follows:

Task	Date	Lead/Role/Responsibility
Desk based SWOT review of Creative Hub and Skills Hub to evaluate opportunities for co-location	July/Aug2021	AMION/TL
Stakeholder engagement (to inform demand/provision)	July - Aug 2021	NEDDC
Baseline/Site Investigations (desktop report)	August 2021	Buttress/Ramboll
Workspace/library/ needs and demand	Aug 21	NEDDC/AMION/Thomas Lister
Land ownership/assembly – baseline analysis	Aug 2021	Thomas Lister
Funding plan – scope potential match-funding options and establish funder objectives	September 2021	AMION

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	Business Plan – Scope (strategic case)	Sept 2021	AMION																
	Design brief and options scoping	Oct 2021	NEDDC/AMION																
	Skills needs – audit	Sept/Oct 2021	NEDDC																
	Project plans - RIBA 2 concept informed by results from Skills Needs audit	Oct 2021	Buttress																
	Draft Strategic Case	Oct 2021	AMION/NEDDC																
	Cost plan	Oct – Nov 2021	Edge																
	Draft Economic Case	Oct – Nov 2021	AMION																
	Financial appraisal	Nov 2021	NEDDC/AMION/DCC/TL																
	Outline procurement strategy and delivery plan	Nov 2021	NEDDC/AMION																
	Business Plan	Nov 2021	NEDDC																
	Draft Business Case	Nov-Dec 2021	Commercial Case – AMION/TL Financial Case – AMION/NEDDC/Edge/Partners Management Case (inc risk register and M&E plan) - AMION/NEDDC																
	Present draft Business Case to WG Check & Challenge	Dec 21	Present Draft Business Case for agreement																
	Final Business Case	Dec 2021	AMION/NEDDC																
	Business Case Assurance	Jan 2022																	
	Board Approval	TBC																	
	<p>The overall timeline for the project remains for now, those outlined in the TIP, pending further analysis:</p> <ul style="list-style-type: none"> • Business case: Dec 2021 • Procurement: Q4 2022 – Q1 2023 • Delivery and fit out : Q2 2023- Q2 2024 <p>Significant further work is required to validate these dates in the coming phase.</p>																		
13. Risk	<p>Key risks:</p> <table border="1"> <thead> <tr> <th>Risk name</th> <th>Description</th> <th>Rating</th> <th>Mitigations</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Financial</td> <td>Match funding availability</td> <td>High</td> <td> <ul style="list-style-type: none"> • Scoping of potential opportunities for match funding to be carried out at an early stage to inform scope of works. </td> <td>Open</td> </tr> <tr> <td></td> <td>Operational costs/income fail to achieve projections</td> <td>High</td> <td> <ul style="list-style-type: none"> • Engagement and consultation with end users/skills delivery partners planned, particularly in relation to paying for training. • Business plan to be prepared which will include marketing/promotion of enterprise space. • Consultations with other businesses in the area required, but demand for employment </td> <td>Open</td> </tr> </tbody> </table>				Risk name	Description	Rating	Mitigations	Status	Financial	Match funding availability	High	<ul style="list-style-type: none"> • Scoping of potential opportunities for match funding to be carried out at an early stage to inform scope of works. 	Open		Operational costs/income fail to achieve projections	High	<ul style="list-style-type: none"> • Engagement and consultation with end users/skills delivery partners planned, particularly in relation to paying for training. • Business plan to be prepared which will include marketing/promotion of enterprise space. • Consultations with other businesses in the area required, but demand for employment 	Open
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				and skills support has increased in recent months.	
	Programme	Market engagement - risk of limited interest from: <ul style="list-style-type: none"> • training providers; • employers - while pandemic may have increased the importance of skills, employment and enterprise support, businesses still focussed on re-opening • residents not engaging and participating with training 	High	<ul style="list-style-type: none"> • Follow up initial engagement with interested parties (Chesterfield College; University; AEC; Worcester Bosch; CCG; other local employers) to establish interest and develop proposals. • Demand for upskilling, reskilling, digital skills increasing. • Explore employability charter to increase digital skills to enhance employment chances and demonstrate the benefits of participation 	Open
	Business	Failure to meet objectives under the TIP	Medium	<ul style="list-style-type: none"> • Ensure SMART objectives established and linked to benefits realisation plan. • Ensure targets are informed by skills needs assessment/intelligence 	Open
14. Communication and consultation	<ul style="list-style-type: none"> • Communication assumption: A high-level review has been undertaken of the project and it has been agreed that no immediate communications is necessary beyond the overall work being done for the project as a whole. It is expected that detailed communications will be needed prior to the submission of a business case. Further details will be provided at a subsequent iteration of this document. As will be the approach for all projects, there is a clear desire to consistently and regularly communicate the overall situation on the CXTD on a regular basis to residents – and this project will be expected to contribute this where required. • Consultation assumption: a skills audit/survey is currently being carried out with businesses across Clay Cross as part of a bigger skills audit being undertaken for the district. This will ensure that the skills training provided in the hub responds to the needs of employers. Further consultation with Young People will also be carried out through the Youth Board. 				
15. Assumed BAU status	<ul style="list-style-type: none"> • The reconfiguration/extension of the AEC will not take place in the absence of the Town Deal Funding. • The opportunity to deliver much needed digital skills training to improve the employability of young people and upskill people in the workforce will be lost. 				
16. Business Case Deliverable	 Clay Cross Business Case Template.docx				

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