

# Public Document Pack

## Re-issued Agenda Items 7, 8 and 12 Added



**North East  
Derbyshire**  
District Council

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Date: Wednesday, 9 March 2022

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

You are invited to attend the next meeting of the Clay Cross Town Deal Board to be held on **Friday, 18 March 2022 at 9.00 am by Zoom Meeting Platform**. Access credentials to the meeting will be sent to you separately.

Yours sincerely

A handwritten signature in black ink that reads "Sarah Steenberg".

Assistant Director of Governance and Monitoring Officer

## **A G E N D A**

**1 Apologies for Absence**

**2 Declarations of Interest**

Members are requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

**3 Minutes of Last Meeting (Pages 4 - 8)**

To approve as a correct record and the Chair to sign the Minutes of the Clay Cross Town Board held on 14 January 2022.

**4 Change of Vice-Chair**

**5 Strategic Programme**

Project Lead/Amion

**6 Status Update (Pages 9 - 26)**

Project Lead/Amion to update on the following:-

- Key Issues and Risks
- Connections
- Low Carbon Housing
- Low Carbon Workspace
- Town Centre
- Creative Hub
- Skills Hub
- Train Station Feasibility

7 **Sharley Park** (Pages 27 - 151)

Director of Transformation

8 **Communications Update** (Pages 152 - 154)

Senior Regeneration Officer & Urban Designer

9 **Any Other Business**

10 **Exclusion of Public**

The Chair to move:-

That the public be excluded from the meeting during the discussion of the following item of business to avoid the disclosure to them of exempt information as defined in Paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006).

11 **Land Assembly** (Pages 155 - 158)

Senior Regeneration Office and Urban Designer

12 **Programme Management, Assurance, Monitoring and Evaluation** (Pages 159 - 161)

Section 151 Officer

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# We speak your language



North East  
Derbyshire  
District Council

Polish

*Mówimy Twoim językiem*

Romanian

*Vorbim limba dumneavoastră*

Urdu

ہم آپ کی زبان بولتے ہیں

Chinese

我们会说你的语言



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## CLAY CROSS TOWN DEAL BOARD

### MINUTES OF MEETING HELD ON FRIDAY, 14 JANUARY 2022

#### **Present:**

Gary Golden (Chair) (in the Chair)  
Councillor Carolyn Renwick (Vice-Chair)

Peter Alford	- Amion Consulting
Councillor Nigel Barker	- NEDDC
Joe Batty	- DCC
Gill Callingham	- Director of Growth
Marie Cooper	- Cooper Brown Enterprises
Councillor Charlotte Cupit	- Deputy Leader NEDDC
Councillor Alex Dale	- Leader NEDDC
Tom Goshawk	- D2N2 LEP
Nick Holland	- Minofern Ltd
Andy James	- Sport England
Councillor Jeremy Kenyon	- NEDDC
Andrew King	- Treasurer – CX Town Centre Group
David Malone	- Chesterfield College
Councillor Geoff Morley	- NEDDC
Lee Rowley	- MP NED
Tony Walker	- Walker Hire

#### Also Present:

Karl Apps	- Assistant Director Economic Development, Regeneration & Housing Growth
Asher Bond	- Governance Officer
Matt Broughton	- Director – Transformation
Maria Curran	- Interim Project Manager
Jayne Dethick	- Assistant Director - Finance & Resources (S151)
Bryan Harrison	- Senior Regeneration Officer and Urban Design
Lee Hickin	- Managing Director
Anthony Kimber	- Interim Head of Property Services
Melanie Phythian	- Department of Business, Energy & Industry
Jane Weston	- Employment & Skills Officer

#### **CXT Apologies for Absence**

**B/44/**

**21-** There were no apologies for absence received for this meeting.

**22**

#### **CXT Declarations of Interest**

**B/45/**

**21-** Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

**22**

There were no declarations of interest at this meeting.

**CXT Minutes of Last Meeting**

**B/46/**

**21-22** RESOLVED – That the Minutes of the Clay Cross Town Deal Board held on 05 November were noted by the Chair.

**CXT Working Groups Update - Including Key Issues and Risks**

**B/47/**

**21-22** Town Deal Board received an update on the Working Groups.

The Director of Growth gave an update on the Town Centre Working Group, which included Bridge Street, Market Street and Clay Cross Connections.

The Working Group had considered a draft master plan which would need to be reviewed by the Board prior to consultation.

Board considered that the Market Street project should be prioritised over the Bridge Street site if there were budget restrictions.

Members discussed the lack of a leisure focus on the Bridge Street project and heard that market testing had discovered that businesses were not investing in leisure services at the present time.

Town Deal Board agreed that a meeting was necessary in order to consider the projects in more detail.

Board heard that the Skills and Enterprise Hub Working Group were having ongoing discussions with DCC on the transfer of library services to the skills hub. A digital skills badge was being considered through collaboration with the Universities and College. This would be module based and delivered through a blended approach.

Members were also informed that two ongoing consultations; the NEDDC business skills audit and, the community digital skills survey would inform the business case for the skills hub.

Town Deal Board heard that discussions over the location for the library had taken place and it was agreed that the library would be located in the town centre with the possibility of it being within the Skills Hub.

Members received an update from the Creative Hub Working group and heard that the old constabulary building and workshop were to be utilised. The Working Group considered that NEDDC would have to manage the building in the short term before it could be passed onto more permanent managers.

Board discussed the Creative Hub update and highlighted the difficulties of finding the right managers for the space. They noted that Amion had completed a high level market scope and were seeking to engage with operators of similar spaces in Sheffield.

RESOLVED –

1. That the CCTDB noted the contents of the report.
2. That the Board endorsed the measures for minimising programme delays and completing the required business cases for the projects identified in the Clay Cross Town Investment Plan.

**CXT** **Outline of Sharley Park Leisure Centre Business Case**

**B/48/**

**21-**

**22**

The Director of Transformation provided an outline of the Sharley Park Leisure Centre Business case. The Officer outlined the concept and ideas and informed Board that Council had been clear in their desire to establish a community hub.

The Officer informed Members that a procurement route had been agreed and that Strategic Leisure had developed a business case. Sport England had also been advising the Council throughout the project. UK Leisure Framework had helped the Council to acquire the development partner; Alliance Leisure.

Members noted that the Council had a design team comprised of Hadron Consulting, GT3 and, ISG. ISG were identified as a main contractor.

Town Development Board heard that NEDDC would make a decision in January on whether to proceed with the project, as long as costs remained within the budget envelope and the forecast subsidiary was less than the existing on Sharley Park.

Members discussed the business case and heard that it was strong, with an efficient building being designed from a fabric first approach. Discussions would still need to take place on what power source to use for the building.

Town Development Board also considered that the plans would need to be considered through a public consultation but noted that this should not take place until after a design had been agreed upon.

**CXT** **Programme Update**

**B/49/**

**21-**

**22**

The Associate Director of Amion Consulting presented a Programme Update for Town Deal Projects.

Members heard that project development and business case completed and assurance at the local level were expected to have been successfully concluded within 12 months of the Heads of Terms agreement. The submission date was originally envisaged to be March 2022. It was noted that this submission date was now more flexible but the deadline for spending Town Deal funding had not changed and remained at March 2026. There was an aspiration to bring project businesses cases forward as quickly as possible.

Town Development Board discussed the programme update and requested assurance that funders would deliver on business cases. They heard that it would be difficult to be clear on the Council's position with regards to match funding until there was a project fix. This would remain as a strategic risk.

Members considered that more detail was needed and for the Board as a whole to be aware of the projects in more detail.

**RESOLVED –**

1. That the CCTDB noted the contents of the report, the proposed programme and implications of not achieving the key approval dates.
2. That the CCTDB agreed to arrange a Board meeting in June 2022 to consider the locally assured business cases prior to submission of summary documents to DLUHC.
3. That the Board endorsed this programme and charges the Working Groups with bringing the businesses cases to the identified Board meetings for approval.

**CXT Assurance and Approval Process**

**B/50/**

**21-  
22**

The Assistant Director of Economic Development, Regeneration & Housing Growth updated the Clay Cross Town Delivery Board on the assurance and approval approach for the business cases prior to submission to the Department for Levelling Up, Housing and Communities.

Members heard that businesses cases had to be locally assured before they could be submitted. On the 24 September 2021, the CCTDB approved the appointment of Mace to complete the business case assurance.

The Officer went through the assurance and approval process and informed Members that they would be creating a forward plan and flow chart on this process.

**RESOLVED –**

1. CCTDB noted the contents of the report
2. CCTDB agreed to receive further reports and updates with the forward plan mapped out.
3. That CCTDB partners provide the project team with their decision timeline to support the delivery of the flow charts.

**CXT Communications/Engagement Update**

**B/51/**

**21-  
22**

The Assistant Director of Economic Development, Regeneration & Housing Growth provided Town Development Board with a communications and engagement update.

Members heard that this had been impacted by the Covid pandemic and that there was due to be a working group meeting this week.

It was considered that an additional Board meeting would be required for early February.

**CXT Any Other Business**

**B/52/**

- 21- Members agreed that a dedicated project manager should be hired to cover  
22 the period for completing the initial business cases. An amount of £100k was allocated to support this role.

**CXT Exclusion of Public**

**B/53/**

- 21- RESOLVED – That the public be excluded from the meeting during the  
22 discussion of the following items of business to avoid the disclosure to them of exempt information as defined in Paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006).

**CXT Early Release Funding**

**B/54/**

- 21- The Interim Project Manager updated the CCTDB on the feedback received to  
22 the priorities for the use of the Early Release funding. A protocol for approving the use of early release funding was circulated to Board Members and in response to received comments, further clarification and confirmation from the Board on process arrangements was sought. Approval was also sought to commission several studies that were considered as critical to the business cases.

Members discussed the recommendations at length and agreed that the recommendations should go through the Working Groups first and then be brought back to the Board for consideration.

**CXT Tender Briefs**

**B/55/**

- 21- The Associate Director of Amion Consulting presented a report to seek  
22 approval from the CCTDB to the recommendations from the Low Carbon Energy Network Strategy Brief and also the procurement route to include accessing the Scape framework for suitably qualified consultants to develop the strategy.

As the meeting was drawing to a close and a number of Members had to leave for prior commitments, it was agreed that the report and its recommendations would be emailed to Members who would then be given until Tuesday 18 January to respond.

## North East Derbyshire District Council

### Clay Cross Town Deal Board (CCTDB)

18 March 2022

#### Key Risks and Issues

#### Report of the Director for Growth

Classification: This report is public

Report By: Tom Mukherjee-Neale, Interim Project Manager

Contact Officer: Tom Mukherjee-Neale

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#### **PURPOSE / SUMMARY**

To draw the Board's attention the current status of each project, emerging issues and risks as well as providing an update on the progress being in developing projects during the business case preparation phase.

#### **RECOMMENDATIONS**

1. That the CCTDB notes the contents of the report.
2. That the Board endorses the measures for minimising programme delays and completing the required business cases for the projects identified in the Clay Cross Town Investment Plan.

#### **REPORT DETAILS**

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

- 1.1 As part of the route to securing funding, project development and business case completion and assurance at the local level, were expected to be successfully concluded within 12 months of the Heads of Terms agreement. That date was to be March 2022.
- 1.2 Subsequently, it has been confirmed that flexibility over the submission date is possible, and this has been explored further with Melanie Phythian from the government department and there is a formal process through which this needs to follow. However the deadline for spending Town Deal funding has not changed and remains March 2026 (the end of financial year 2025/26). Accordingly any decision to extend the deadline for submitting business cases

should take into account this longstop date and the ability to deliver the project(s) and spend funding within the compressed timeframe.

- 1.3 The current report provides progress updates on individual projects as part of the Board's oversight function and highlights issues and risks that could impact concluding the business cases.

## **2. Details of Proposal or Information**

- 2.1 Advances are being made across most projects - progress summaries of the projects are provided in Appendix 1-6.  
Workshops and working groups have enabled further detail to be investigated further. Due to the challenges raised in the Thomas Lister report that indicates Bridge Street is difficult to deliver in terms on land assembly and viability so consideration has been given to how the outputs of this project can be maintained but delivered in another way or another part of Clay Cross.
- 2.2 Any realignment of projects needs to follow a formal process with DLUHC. We have made an approach to the Local Area Representative, Melanie Phythian, who has confirmed that a programme approach to deliver outputs rather than individual projects would be supported as a change. It is recommended that the Board supports the formal application for an extension of time to the application. This requires a detailed programme review and list of formal outputs to align with the delivery programme to demonstrate ability to deliver. These documents will be provided for information when they have been prepared.
- 2.3 A broader town centre programme could be one option to ensure the outputs of the TIP are met. It is recommended to CCTB to approve investigations into a broader town centre regeneration scheme to reallocate the Bridge Street funding and maintain the target outputs.
- 2.4 The Rail Feasibility Study continues to be delayed as the Working Group discusses procurement of a supplier. This was planned as a swift process but the procurement considerations have held up this process.
- 2.5 Positive work has been undertaken on the Skills & Enterprise Hub. There is a good level of support from stakeholders and DCC are more active in the process and this needs to gather further pace. A good level of work is ongoing to determine the courses to take place in the hub but the spatial requirements have been refined allowing for design work to progress. The current cost forecasts for the capital works are estimated at £3.81m against a budget of £3.7m. Whilst higher this cost is encouraging at this stage.

- 2.6 Similarly design progress is being made on the Creative Hub but the main item to be progressed is the operating method of the Hub. This is to be further detailed in operational and strategic study.
- 2.7 The business case team resource is being revaluated as reported at the last board the current budget has been utilised so a further allocation will be required to progress to RIBA stage 2 and the conclusion of the business cases in preparation for the Town Deal submissions.
- 2.8 The Low Carbon Working Group met and discussed in detail options available to meet outputs. A study to look at what achieving low carbon housing would look like indicates an uplift of £22k would reach almost carbon neutral, but this requires further scrutiny. As the budget allocation is relatively low on the basis of the cost uplift required, consideration has been given how this will be suitably structured to attract maximum amounts of match funding. A proposal was put to and supported at the Working Group to establish a Challenge Fund for applicants to secure additional money to enhance carbon reduction measures. The Board is asked to support the principle of this with the details being worked up in conjunction of the Strategic Programmes Team.
- 2.9 The Low Carbon Workspace considerations formed part of the same working group. Considering the opportunities available for this investment stream it was proposed by the group to provide further investment into Sharley Park Community Hub to enhance the carbon credentials of the centre which has match funding already secured. The board is asked to support £1m funding into the Community Hub with the remainder being allocated to the challenge fund.

### **3 Reason for Recommendation**

- 3.1 Progress is being made but the time frames are becoming tight and without formal submissions to the government department the flexibility in time frames will not be granted. In addition, unless a formal proposal is agreed by DHLUC the flexibility to consider alternative methods to deliver viable options to secure the outputs defined in the TIP, there is significant risk to the programme.
- 3.2 A viable solution to maximise outputs from the Low Carbon work streams is represented by the amalgamation of projects and the establishment of the challenge fund.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 There is no other option.

## **DOCUMENT INFORMATION**

Appendix No	Title
Appendix 1	Project Progress Report Town Centre
Appendix 2	Project Progress Report Creative Hub
Appendix 3	Project Progress Report Rail Station Feasibility
Appendix 4	Project Progress Report Skills Hub
Appendix 5	Project Progress Report Low Carbon
Appendix 6	Project Progress Report Low Carbon Energy Network Strategy

## PPM070 - Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Low Carbon Projects	<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Karl Apps	<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham	<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme		
<b>Period covered:</b>	<b>From:</b> 01.02.2022	<b>To:</b>	03.03.2022		

**Overall RAG Status:** Red/Amber/Green

### Overview

<p>Intervention to create exemplar developments as a pilot to implementing a strategy promoting net zero carbon</p> <p>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>	A
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### Formal Outputs & Goals

<ul style="list-style-type: none"> <li>3 redeveloped abandoned or dilapidated sites</li> <li>4400sqm of commercial floor space</li> <li>200sqm increase in shared workspace</li> <li>Land values – TBC</li> <li>Perceptions of place by residents - % TBC</li> <li>Number of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC</li> </ul> <ul style="list-style-type: none"> <li>Demonstrate what low carbon workspace can be like</li> <li>Bring dilapidated industrial / commercial land back into use</li> </ul> <ul style="list-style-type: none"> <li>2.5ha of redeveloped abandoned or dilapidated sites</li> <li>100 new energy efficient homes</li> <li>Energy/fuel cost savings - % TBC</li> <li>Land values – TBC</li> </ul> <ul style="list-style-type: none"> <li>Create exemplar low carbon housing to demonstrate what future housing can be.</li> </ul>	A
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### Progress Summary

<ul style="list-style-type: none"> <li>Possible: Sharley Park Leisure Centre is a workplace in its own right, as well as hosting an NHS clinic, Citizens advice, and some commercial space. The advantage of this is that the basic project is already fully funded, so the low carbon funding already has the match in place (SPLC is a £23.6m project)             <ul style="list-style-type: none"> <li>Match funding already in place</li> <li>The current site is a 50 year old dilapidated leisure centre</li> </ul> </li> <li>Possible: Worcester Bosch training centre, for training their engineers on things such as heat pump installation, this has however fallen away as a</li> </ul>	A
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<p>realistic option given the strategic decision of the company to not invest in the site.</p> <ul style="list-style-type: none"> <li>• Site of the old Council depot has been cleared. Office space of some sort could be created there. Issue of where to find the £2m to £3m funding for the basic build, as the low carbon money is to enhance, not to do the basic building. One alternative is to sell the site. Mace have produced some high level options.</li> <li>• [Potential] - set up a grant challenge scheme for the funding, so local businesses can apply for funding for low carbon workspace projects. Need a document describing what options there are.</li> </ul>	
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### Plan milestones achieved

Milestones achieved since last report – first issue	<b>A</b>
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### Tasks not achieved as planned

Issue tender documents to appoint consultants	<b>A</b>
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### Tasks / products to be undertaken/developed during the next period

<ul style="list-style-type: none"> <li>• Waiting for concepts for Broadleys site from Northwood</li> <li>• Need info about the NCHA proposal for low carbon housing off Market St</li> <li>• Are there other sites for low carbon housing?</li> <li>• Should the provisional decision to reduce funding from £1.5m to £0.6m stand, or should the Town Deal shortfall of £0.9m be taken from other projects?</li> <li>• Convert into a grant funding scheme?</li> </ul>	<b>A</b>
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### Budget status

Town deal funding allocation	Matched Funding anticipated	Actual to Date	Variance	Projected Total	
£1.5m	£4m				<b>A</b>
£600k	£14.5m				

### Project issues/risks status

<ul style="list-style-type: none"> <li>• Workspace not sufficiently low carbon - e.g. if overtaken by new building standards</li> <li>• Insufficient funding to do anything significant</li> <li>• The Challenge fund is not sufficiently supported as a robust output of the Town deal</li> <li>• Housing not sufficiently low carbon - e.g. if overtaken by new building standards</li> <li>• Insufficient funding to do anything significant</li> <li>• Losing green space here and it not being replaced elsewhere in the town centre may cause political backlash</li> </ul>	<b>A</b>
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## Board Discussion Points

<ul style="list-style-type: none"><li>- Decouple low carbon energy strategy from the low carbon schemes</li><li>- Support the principle of setting up a challenge fund to allow more detail work to be undertaken on the basis of how it would work and be administered.</li><li>- Support formal approach to DLUHC for reframing the approach</li><li>- Support £1m investment into Sharley Park to improve energy performance and contribute to the overall outputs of the Town Deal.</li></ul>	<b>A</b>
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## PPM070 - Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Low Carbon Energy Network Strategy		<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Karl Apps		<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham		<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme			
<b>Period covered:</b>	<b>From:</b>	01.02.2022	<b>To:</b>	03.03.2022		

**Overall RAG Status:** Red/Amber/Green

### Overview

Development of a detailed strategy and route map to achieve local targets for net zero carbon underpinned by detailed baselining and feasibility.	A
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### Formal Outputs & Goals

<p>Condition: Provide further detail of the costing split between the feasibility study and the phase 1 associated infrastructure works.</p> <ul style="list-style-type: none"> <li>Develop a low carbon energy strategy for Clay Cross, a roadmap to net-zero in 2050</li> <li>Develop a series of projects to demonstrate low carbon technology, such as energy from coal mines, district heating, exemplar buildings etc.</li> </ul>	A
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### Progress Summary

<ul style="list-style-type: none"> <li>Produce an energy network strategy. This is split into 4 stages, with review after each, to determine how to proceed. The envisaged product is approximately £150k. Project brief has been agreed. A key output is to develop a viable pathway for Clay Cross to reach net zero by 2050. This can be considered a 'deep dive' building on and complementing county, regional and national strategies.</li> <li>Identify exemplar projects to demonstrate the path to a net-zero future - e.g. energy from old mines, district heating solutions, exemplar large buildings, innovative power generation etc.</li> <li>[Potential] - set up a grant scheme for part of the funding, so local businesses (including housing) can apply for funding for low carbon workspace projects. These could range from community waste composters to microgeneration and low carbon solutions for buildings.</li> <li>Meeting with Mace w/c 14 March to discuss the brief and detail the way forwards.</li> </ul>	A
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### Plan milestones achieved

Milestones achieved since last report – first issue	A
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### Tasks not achieved as planned

Issue tender documents to appoint consultants	A
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### Tasks / products to be undertaken/developed during the next period

Agree procurement route and issue tender.	A
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### Budget status

Town deal funding allocation	Matched Funding anticipated	Actual to Date	Variance	Projected Total	
£1m	£0.25m				A

### Project issues/risks status

<ul style="list-style-type: none"><li>• Strategy ends up being redundant or overtaken by county / regional / national strategies</li><li>• Unable to identify suitable projects to fund</li></ul>	A
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### Board Discussion Points

- To decouple from the other Low Carbon projects	A
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## Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Town Centre Regeneration		<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Maria Curran		<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham		<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme			
<b>Period covered:</b>	<b>From:</b>	17.02.2022	<b>To:</b>	03.03.2022		

**Overall RAG Status:** **Red/Amber/Green**

### Overview

<p>Phase 1 of a mixed-use redevelopment within the town centre for commercial, retail, leisure and residential purposes.</p> <p>One consideration for progressing is to now look at the separate schemes of <a href="#">Bridge Street</a> and <a href="#">Market Street</a> as an overall Town Centre regeneration scheme. This has resulted from the study by Thomas Lister undertaken and a subsequent evaluation of the best way to achieve the outputs defined in the TIP.</p> <p>A future direction needs to be established for the development of Clay Cross, to create a town centre that more people want to visit and spend time and money in.</p> <p>Clay Cross has a mostly utilitarian centre, based around shopping. Unfortunately the future of shopping is radically changing and it will not create a viable town centre in the future. There needs to be a nice space in the centre, where people want to meet up. Cafe culture, restaurants, leisure activities etc.</p> <p>Improve collateral footfall, e.g. with the Market St and High St shops, and whatever goes on this site, and major retail / SPLC sites</p> <p>Night time economy improved</p>	
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### Formal Outputs & Goals

<ul style="list-style-type: none"> <li>- 3,100 sqm of commercial space</li> <li>- 40 new homes</li> <li>- 5,000 sqm of new or improved public realm</li> <li>- 2,500 sqm of land brought back into use</li> <li>- Increased footfall p.a. in the town centre by 200,000</li> <li>- Improved perception of place - % TBC</li> <li>- 1,700 sqm of commercial space</li> <li>- 40 new homes</li> <li>- 2,000 sqm of new or improved public realm</li> <li>- 2ha of land brought back into use</li> <li>- 200m of enhanced linkages across the town centre</li> </ul>	<b>A</b>
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### Progress Summary

<p>In order to evaluate the feasibility of redefining how the outputs of the Market Street and Bridge Street schemes will be delivered a meeting has taken place with DLHUC to understand their appetite for and willingness to adapt options. This was met very positively and felt that a programme approach would open up opportunities and reduce risk overall. There is a process to follow should the decision to be to accept the proposal to combine projects into a redefined Town Centre Regeneration Scheme.</p> <p>Transport considerations need to support the variety of methods that people will travel to the town and be based on data driven information to support the appropriate provision. There are currently</p>	<b>A</b>
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studies analysing the usage of the car parks in the town with additional layers to understand how they are used and by whom.	
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### Plan milestones achieved

Milestones achieved since last report	
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### Tasks not achieved as planned

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### Tasks / products to be undertaken/developed during the next period

<ul style="list-style-type: none"> <li>o Robust understanding of car parking requirements needed. Not just what happens today, but what should be happening to promote use of the town centre.</li> <li>o What are the goals for bringing into Clay Cross, to revitalise it. Right mix of shops, food and drink, leisure activities, events etc. What sort of mix of retail / commercial / restaurants / night life / open space / residential is the target.</li> <li>o Formally request for a time extension to various projects, in particular town centre and connections - needs reprogramming those projects also, and a plan to hit that timescale.</li> <li>o Tom, Cllr Kenyon and Gary Golden to meet - at Worcester Bosch</li> </ul>	<b>A</b>
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### Budget status

Approved Budget	Planned in FY 21/22	Actual to Date	Variance	Projected Total	
Town deal funding: £9m Intended match funding: £19.5m	£2m	£1,612			<b>G</b>
<b>Overall Programme position</b>					
DCC Project Leads Accountable Body Project / Programme Management	£80,000 £161,000	£72,429			

### Project issues/risks status

<ul style="list-style-type: none"> <li>• Failure to identify clear objectives for the project consistent with the TIP and strategic aims of the Board and partners</li> <li>• Any change in scope of project not agreed by MHCLG/other funder. Reduction in allocation of funding and withdrawal of funding.</li> <li>• Viable design not found, to achieve commercial match funding</li> <li>• Failure to significantly improve usability of the town centre</li> </ul>	<b>A</b>
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### Management action requests

Should we combine most of this project with the Market St regeneration project, and move the majority of the funding to that, with a portion going to some of the other projects?	
Formally request an extension of time for projects.	

## PPM070 - Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Creative Hub	<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Martyn Handley	<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham	<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme		
<b>Period covered:</b>	<b>From:</b> 28.02.2022	<b>To:</b>	05.03.2022		

**Overall RAG Status:** Red/Amber/Green

### Overview

Repurposing historic buildings to establish a creative sector led community asset for enterprise, performance and activity within the town centre.	<span style="color: orange;">A</span>
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### Formal Outputs & Goals

<ul style="list-style-type: none"> <li>- Creation of 34 jobs</li> <li>- 1,200sqm of workspace</li> <li>- 20 enterprises using the space</li> <li>- 10 start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> <li>- 15,000 visitors to arts, cultural and heritage events and venues</li> </ul>	<span style="color: orange;">A</span>
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### Progress Summary

<ul style="list-style-type: none"> <li>• Valuations of the buildings are being undertaken at the moment. Extra examination is required of the DACES curriculum building due to questions over its potentially poor condition. A rough estimate of 2 weeks for this to be completed has been provided which would mean a report by w/c 21<sup>st</sup> Feb 2022.</li> <li>• Buttress have provided high level estimates of the cost to implement the renovation/restructure works (that is, those in addition to any purchase and repair costs) which are also significantly higher than the town deal allocation</li> <li>• Early release funding of £40k has been approved by the Board for the commissioning of a Business/Operation plan for the Hub. This support is expected to provide a plan/strategy, based upon options analysis and best practice, for how the Creative Hub is best managed and operated, and by whom. It would address the key issue of the Hub's financial sustainability.</li> <li>• A draft brief has been written and sent to the WG for comment, with non-received to date. This, and the recommended method of procurement (open market) will be then put to the Board for approval, and procurement begun once this has been received. It is expected that this piece of work will take approx. 6 weeks.</li> </ul>	<span style="color: orange;">A</span>
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### Plan milestones achieved

Milestones achieved since last report	<span style="color: orange;">A</span>
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### Tasks not achieved as planned

Delays occurring during this period, or still outstanding from previous reports	<span style="color: orange;">A</span>
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## Tasks / products to be undertaken/developed during the next period

<ul style="list-style-type: none"> <li>- Ensure working group becomes more functional with more constructive input from the arts groups to help determine the suitable space required for various activities to assist in determining the most appropriate location to accommodate such development.</li> <li>- Ensure the tender for consultants is agreed</li> <li>- Regen team to undertake research for suitable bench mark comparable sites.</li> </ul>	<b>A</b>
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## Budget status

Town Deal Fund Budget	Intended match funding	Actual to Date	Variance	Projected Total	Comments
£0.85m	£0.15m	£0.00			See town centre project report to understand project & programme management costs to date

## Project issues/risks status

<ul style="list-style-type: none"> <li>• That the valuations come back showing that the cost to repairs buildings, particularly the DACES building, is restrictive high and makes the project untenable</li> <li>• The project will require significant match funding, which has not yet been sourced.</li> <li>• A long-term operation model has not yet been agreed, or an organisation who has agreed to take on the role of day to day management</li> </ul>	<b>A</b>
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## Management action requests

	<b>RAG</b>
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## PPM070 - Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Skills & Enterprise Hub	<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Tom Mukherjee-Neale	<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham	<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme		
<b>Period covered:</b>	<b>From:</b>	17.02.2022	<b>To:</b>	03.03.2022	

**Overall RAG Status:** Red/Amber/Green

### Overview

Shared platform for establishing an integrated skills and enterprise offer, based on collaborative working between public and private providers.	<b>G</b>
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### Formal Outputs & Goals

<ul style="list-style-type: none"> <li>• 1,200sqm of new education and enterprise facilities</li> <li>• 2,000 new learners assisted over a five - year period</li> <li>• 30 enterprises utilising the space</li> <li>• 50% of working age population with qualifications</li> </ul>	<b>G</b>
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### Progress Summary

<ul style="list-style-type: none"> <li>• The Adult Education building, owned by DCC, on Market Street is currently used for adult education, but it is very old and tired and not fit for purpose. The major proposal is to do an internal redesign and significant extension to create a suitable space for a variety of education purposes.             <ul style="list-style-type: none"> <li>• Proposed to remove a good part of the rear of the building and redevelop it to consolidate the space and make better use of it, including allowing for a more contemporary library space, with innovation space above it.</li> <li>• Buttress has produced some updated plans of the space which were presented to the working group. These were met positively but it was felt some spaces could be refined to save money but the education stakeholders were positive about the opportunity it presented and the suitability of the spaces proposed.</li> <li>• The estimated cost is £3.8m. Of this £2m is from the Town Fund and the remainder from private / DCC.</li> <li>• One question is how the skills hub fits with the wider DCC and national education agenda.</li> <li>• Library could be incorporated into the building - ongoing discussion with DCC</li> <li>• Provision of creche - who would staff this? How many staff and visitors is it intended to provide for?</li> <li>• Parking provision is clearly a general concern, including at the Feb WG. Seems likely that greater activity will need more car parking, to avoid stifling the facility. What are the options for additional car parking?</li> </ul> </li> <li>• What skills will be taught? "Class Feed" ? Digital boot camps. CAD training. MS Office teaching. Employability support. Construction skills (or should that be in a place with significant outdoor space?)</li> <li>• T-Levels are part of the consideration but not currently delivered at Chesterfield College</li> </ul>	<b>G</b>
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### Plan milestones achieved

Update plans and cost estimates	<b>G</b>
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## Tasks not achieved as planned

Delays occurring during this period, or still outstanding from previous reports	G
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## Tasks / products to be undertaken/developed during the next period

<ul style="list-style-type: none"> <li>• Develop the concept for what can be delivered viably on this site. Includes enterprise space and education space (what is the right mix?)</li> <li>• Which providers will be involved</li> <li>• Who funds capital, and revenue in the long term?</li> <li>• Get outline costs for a redesign of the DACES building, including sufficient car parking provision</li> <li>• Develop how the library can be integrated into the source</li> <li>• What courses are to be delivered and they fit with other offerings in the area</li> </ul>	G
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## Budget status

Approved Budget	Planned to Date	Actual to Date	Variance	Projected Total	
Town deal funding: £2m Intended match funding: £1.7m					G

## Project issues/risks status

<p>Adult Education is a DCC function, so their engagement is critical for long term success - it needs to be an integral part of their plans for education in the District.</p> <p>Can DCC provide the match funding - capital and revenue. Do we have examples of operating costs for this sort of service? Need to flesh out the business case and ongoing costs.</p> <p>Time frame for DCC to sign off prior to the Sept 2022 submissions. (estimate July 2022)</p>	G
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## Management action requests

	G
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## PPM070 - Project Progress Report

To be completed by the project manager as a summary each week

<b>Project Name:</b>	Clay Cross Rail Station Feasibility		<b>Ref:</b>		<b>Ver:</b>	1.00
<b>Project Manager:</b>	Martyn Handley		<b>Ext:</b>		<b>Issue Date:</b>	03.03.2022
<b>Project Sponsor:</b>	Gill Callingham		<b>Ext:</b>			
<b>Project Start date:</b>	June 2021	<b>Project End Date:</b>	2026 for build in line with Town Deal Funding programme			
<b>Period covered:</b>	<b>From:</b>	01.02.2022	<b>To:</b>	03.03.2022		

**Overall RAG Status:** Red/Amber/Green

### Overview

Commissioning detailed work to investigate the feasibility of reinstating a train station within Clay Cross.	A
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### Formal Outputs & Goals

To produce a feasibility study to determine whether there is a suitable viable solution to introducing a train station to the town of Clay Cross. Both lines passing the town will be investigated to determine the most suitable solution.	A
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### Progress Summary

<ul style="list-style-type: none"> <li>Strategic Assessment for submittal to Board and DHLUC has been drafted, but the Chair of WG (Lee Rowley MP) has said that this cannot be looked at until the procurement method/route has been finalised.</li> <li>Procurement – WG have raised fears over appointing Gleeds directly through the Scape Framework, and preferred to run a mini-competition through Scape or another framework. However, to do this through Scape would apparently involve the appointment of Gleeds as project managers. An options paper for procurement was sent to the WG before Christmas with a request to make a decision on the preferred route. Lee raised a number of questions. I have been endeavouring to get an answer from Procurement since, and have been trying to arrange a meeting between NEDDC procurement and the WG for the last couple of weeks, but am struggling to get any dates or times provided by Lee (who is key to be there as he is the one with the most questions/concerns)</li> </ul>	A
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### Plan milestones achieved

Milestones achieved since last report – first issue	A
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### Tasks not achieved as planned

Issue tender documents to appoint consultants	A
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### Tasks / products to be undertaken/developed during the next period

Agree procurement route and issue tender.	A
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## Budget status

Town deal funding allocation	Matched Funding anticipated	Actual to Date	Variance	Projected Total	
£0.15m	£0.05m				A

## Project issues/risks status

<ul style="list-style-type: none"><li>Project time frames associated with the Town Deal submissions, with the consultant to be appointed by March 2022. This will not happen due to the delays in agreeing procurement route</li><li>DHLUC may not look kindly on our self-imposed delays and therefore refuse funding</li></ul>	A
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## Board Discussion Points

	A
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## Clay Cross Town Board

18 March 2022

### Sharley Park Business Case

#### Report of the Director of Transformation

Report By: Director of Transformation

Contact Officer: Matt Broughton (01246 242210)

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#### **PURPOSE / SUMMARY**

- To provide Town Board with the Sharley Park Town Fund Business Case and Business Case Assurance documents for consideration.
  - To seek agreement from Clay cross Town Board to prepare and submit Sharley Park Town Fund Business Case, Business Case Assurance and other associated documentation to the Town Hub for consideration.
- 

#### **RECOMMENDATIONS**

That Clay Cross Town Board agree:

1. To pursue options 5 as the preferred option as outlined in the business case however, should further funding become available, seek to deliver the higher BCR through options 6, 7 and 8.
  2. To prepare and submit Sharley Park Town Fund Business Case, Business Case Assurance and other associated documentation to the Town Hub for consideration.
- 

#### **IMPLICATIONS**

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**Finance and Risk:**      Yes       No

**Details:**

1. The financial risks are largely outlined in the risk register included in the business case.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):**      Yes       No

**Details:**

1. The North East Derbyshire District Council (NEDDC) is the accountable body for the Clay Cross Towns Fund and whilst the spirit of the Towns Fund and its intent, to be private sector- and community-led, should be reflected in the governance and assurance framework, the Council and S151 Officer more specifically are responsible for ensuring robust process to protect the interest of the public.

On Behalf of the Solicitor to the Council

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**Staffing:** Yes  No

**Details:**

There are no staffing issues arising from this report.

On behalf of the Head of Paid Service

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## DECISION INFORMATION

<b>Links to the Clay Cross Town Fund and Town Investment Plan</b>
<p>The Town Investment Plan is focused on five themes:</p> <ul style="list-style-type: none"><li>(i) Town Centre Regeneration;</li><li>(ii) Connectivity;</li><li>(iii) Skills and Enterprise;</li><li>(iv) <b><u>Health, Wellbeing and Leisure</u></b>;</li><li>(v) Clean Growth.</li></ul> <p>Direct delivery of the 'Sharley Park and Sharley Park Active Community Hub' project.</p>

## REPORT DETAILS

### 1 **Background**

- 1.1 On the 3rd March 2021 the Chancellor Rishi Sunak announced that Clay Cross would receive £24.1m of funding to deliver a number of projects contained in the Clay Cross Town Investment Plan.
- 1.2 The Town Investment Plan outlines the Sharley Park and Sharley Park Active Community Hub project as:  
  
*“replacement of the ageing leisure centre with a new facility incorporating complementary health services delivered in conjunction with the adjacent NHS Hospital, a low carbon energy pilot and new and improved formal and informal activity and sport facilities in the wider Sharley Park;”*
- 1.3 Clay Cross faces significant challenges associated with health and well-being. The area has higher than average instances of poor health including, for example, a higher proportion of residents with long term limiting illnesses,

a higher percentage of people with obesity, and high instances of mental health issues. In addition to this, levels of inactivity are amongst the highest in the District.

- 1.4 Existing infrastructure is not adequate to respond to these challenges. Sharley Park Leisure Centre is no longer fit-for-purpose, being both outmoded and costly to run. More generally, there is a deficit of cultural and entertainment assets within town and, while there are green spaces, the Open Space, Sport and Recreation Local Plan evidence report suggests there is an under provision in children's play and youth facilities.
- 1.5 Through stage 1 consultation with the public on the Town Investment Plan, two thirds of all survey respondents indicated that the most important project for Clay Cross was a replacement leisure centre and improvements to Sharley Park, the provision of activities for older children and teenagers, and improved leisure facilities and local parks were recurrent themes raised throughout, alongside the need for tree planting and improved green spaces.

## 2 **Report**

- 2.1 This report, and more specifically the appended business case, pulls together the work of the Sharley Park working group over recent years, provides an overview of the case for investment and project delivery.
- 2.2 The Business Case (appendix A) builds upon the Sport England Strategic Outcome Planning Guidance (SOPG) which is the Sport England case for investment in Clay Cross.
- 2.3 The Economic Case (within the Business Case) has been developed by Amion Consulting in consultation with Strategic Leisure Ltd.
- 2.4 The Business Case & SOPG has been developed by Strategic leisure Limited in conjunction with Alliance Leisure Ltd and Sport England.
- 2.5 The Business Case, Economic Case and SOPG directly informed and align to the January 2022 NEDDC Cabinet and Council reports 'Sharley Park Development'. The Cabinet and council reports and its recommendations secured both the commitment from the Council to proceed with the project to practical completion (Subject to grant funding being secured) and £13.5m contribution to the project.
- 2.6 The Clay Cross Town Board local assurance process includes and independent review of the business/economic case by Mace. Mace have reviewed the all associated documents, confirmed accuracy and compliance with the Towns Fund guidance and created the 'Business Case Assurance' report (Appendix B) which recommends the project is '**Ready to proceed**'.
- 2.7 NEDDC, acting in their role as accountable body, have reviewed the business case and business case assurance and at the March 2022 Cabinet, provided local assurance sign off and recommended the project to be considered at Town Board.

- 2.8 Considering the Town Investment Plan, Sharley Park Business Case and the Business Case Assurance, this report recommends that Clay Cross Town Board approve and endorse the project to be submitted to the government Town Hub for consideration.
- 2.9 The business case outlines a number of options, some of which have been discounted and some which rely on securing further investment in the project. The business case highlights option 5 (All options outlined below) as the preferred option as it is deliverable without financial contributions greater than that already identified and represents high value for money with a benefit vs cost ratio (BCR) of 2.4:1. However, the working group continues to pursue the addition a further investment in activities for teenagers/young adults ([Tag Active](#)) and low carbon heating technologies such as air source heat pumps and associated photovoltaic installation and battery storage. All options, including tag active and low carbon heat sources, have been subject to the full business case and reviewed by Amion, Mace and the Council accordingly. As outlined below these additional options can significantly increase the BCR and where further investment is secured, will be included in the development.
- 2.10 It should be noted that at this stage not all grant funding contributions associated with the project have been secured. The status is as follows:

**NEDDC contribution (£13.5m)** - Funding secured with further consideration to investment in Tag Active ongoing.

**Town Fund (£6m)** - Investment unsecured (The purpose of this report)

**Sport England (£1.5m)** - Investment unsecured and submission not expected until RIBA Stage 3. However, indications that Sharley Park is in their investment 'pipeline' and Sport England are have and continue to commit their own resource to support the development of the project.

**Football Foundation (0.5m)** – Investment unsecured however, the Football Foundation are commencing (at their cost) a construction feasibility assessment, prior to the submission of a funding bid later in the year.

### 3 **Reasons for Recommendation**

- 3.1 The purpose of the local assurance process is to ensure the investment of public money into this project represents value for money for the public. Both the Council and Mace have concluded that this project is ready to proceed.
- 3.2 The Economic case, within the business case, tests a number of options including:
- Option 1 - Continue to operate in its current form
  - Option 2 - Close existing leisure centre and do not replace
  - Option 3 - Refurbish the existing facility
  - Option 4 - Build only a new leisure centre
  - Option 5 - Community hub with Clinic and CAB
  - Option 6 - Community hub with Clinic, CAB and Tag Active

- Option 7 – Community hub with Clinic, CAB, and carbon reduction technologies.
- Option 8 - Community hub with Clinic, CAB, Tag Active and carbon reduction technologies

3.3 Paragraph 1.10.1 (Page 58) in appendix A provides the Appraisal summary, stating:

*The key results of the Economic Case based on quantified benefits are summarised in the Appraisal Summary Table (Table 1.21). As can be seen below, when the full capital costs of the re-developed Community Hub are considered (including borrowing) Options 5, 6 and 8 all have an initial BCR of 2.2:1, and option 7 has an initial BCR of 2.1:1. These figures demonstrate that Options 5, 6, 7 and 8 all represent 'high' value for money, with Option 6 having a slightly higher Net Present Social Value.*

**Table 1.21: Appraisal Summary Table (£m) – including borrowing**

£m	Option 4	Option 5	Option 6	Option 7	Option 8
[A] PV initial benefits	34.485	49.681	51.563	50.049	51.931
[B] PV adjusted benefits	3.448	4.968	5.156	5.005	5.193
[C] PV net marginal public sector costs	20.071	22.473	22.966	23.521	24.014
[D] PV Towns Fund-only costs	6.921	6.921	6.921	6.921	6.921
[E] PV project costs	20.071	22.473	22.966	23.521	24.014
NPSV [A-C]	17.863	32.176	33.753	31.532	31.561
Initial BCR (xx:1) [A/C]	1.7:1	2.2:1	2.2:1	2.1:1	2.2:1
Adjusted BCR (xx:1) [A+B/C]	1.8:1	2.4:1	2.5:1	2.2:1	2.4:1

*Table 1.22 presents the same information but uses the costs net of borrowing (i.e. assuming all borrowing is repaid using the income generated by the new facility). This reduces the net public sector costs considerably. Using this approach, all options deliver very high value for money. Option 6 has the highest initial BCR (7.2:1), Option 5 is the next highest (6.4:1), Option 8 marginally lower at 6.3:1, Option 7 at 5.7:1 and Option 4 the lowest at 4.1:1 (although still offering very high value for money). Option 6 has the highest Net Present Social Value.*

**Table 1.22: Appraisal Summary Table (£m) – grant and revenue costs only**

£m	Option 4	Option 5	Option 6	Option 7	Option 8
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[A] PV initial benefits	34.485	49.681	51.563	50.049	51.931
[B] PV adjusted benefits	3.448	4.968	5.156	5.005	5.193
[C] PV net marginal public sector costs	8.341	7.779	7.135	8.835	8.301
[D] PV Towns Fund-only costs	6.921	6.921	6.921	6.921	6.921
[E] PV project costs	8.341	7.779	7.135	8.835	8.301
NPSV [A-C]	29.592	46.870	49.584	46.219	48.822
Initial BCR (xx:1) [A/C]	4.1:1	6.4:1	7.2:1	5.7:1	6.3:1
Adjusted BCR (xx:1) [A+B/C]	4.5:1	7.0:1	7.9:1	6.2:1	6.9:1

3.4 Based upon the Business Case, Economic Case, Business Assurance Case and the Council's local assurance process, the investment in Sharley Park leisure facility provides high value for money for the public, contributes to addressing local health and social issues in and around Clay Cross and reduces the annual cost of operating Sharley Park Leisure Centre significantly.

3.5 The project will directly deliver the following Town Fund outputs:

Number of safeguarded FTE jobs	20
Number of new community/sports centres	1
New sustainable commercial floorspace (m2)	4800 (Commercial Use Classes A3, B1, D1, D2)
Total length of pedestrian paths improved (Miles)	1

3.6 In addition, wider health related KPI's are:

KPI	How it will be measured
Overall increase in the number of attendances at Sharley Park Community Activity Hub	Number of new members of the Active Community Hub
Increased numbers of people taking part in, and staying with, physical activities and programmes (at recommended levels)	Number of people in Clay Cross meeting Chief Medical Officer recommendations for physical activity through the Active Lives Survey (Annual)
New participants engaging with the Community Activity Hub – both actively and through the social opportunities.	Number of new members of the Active Community Hub & Customer Survey (Annually)
Inactive people engaging with the Hub offer and returning	Number of new members of the Active Community Hub & Customer Survey (Annually)
Increased everyday use of outdoor active environments around Sharley Park e.g. Pitches, walking and cycling routes	Numbers of people using pitches (Football, Bowls, Cricket).
Reduction in numbers of people living with long -term health conditions in Clay Cross	Public Health Data (Annually)
Improved healthy weight levels for children and adults in Clay Cross	Public Health Data (Annually)
Reduction in health inequalities in Clay Cross	Public Health Data (Annually)

## 4 Alternative Options and Reasons for Rejection

4.1 All options regarding the development of Sharley Park are considered within the business case.

## DOCUMENT INFORMATION

Appendix No	Title
A	Business Case
B	Business Case Assurance
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report.)	
<b>Sport England SOPG</b>	

## Appendix A – Business Case

## Appendix B – Business Case Assurance

# North East Derbyshire District Council

Towns Fund Business Case

Stage 2 Submission

March 2022

Towns Fund<sup>®</sup>



**North East  
Derbyshire**  
District Council

## Table of Contents

<b>1. Strategic Case</b>	<b>1</b>
Introduction	1
Case for Change	3
Stakeholders	4
Our Communities' Needs and Priorities	6
Policy Alignment	11
Vision and Objectives	12
Alignment with Wider Strategic Outcomes	13
The Proposed Investment	18
<b>2. Economic Case</b>	<b>20</b>
Introduction	20
Approach to the Economic Case	20
Approach adopted	21
Shortlisting of Options	22
Economic costs	26
Economic costs including optimism bias	29
Economic Benefits	30
Project outputs	30
Additionality	31
Project outcomes and impacts	32
Cost savings associated with lower crime / ASB	33
Labour supply	34
Residents into employment wellbeing benefits	35
Wellbeing from participating in sport	36
Health benefits (cost savings and other health benefits)	36
Wellbeing benefits from the availability of local advice	37
Carbon Savings	37
Distributional analysis	38
Non-quantified benefits	39
Summary of assessed benefits	40
Value for money assessment	41
Appraisal summary	41

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North East Derbyshire District Council  
**Towns Fund Business Case - Stage 2 Submission**

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	Sensitivity	43
	Switching values	44
	Economic Case Summary	45
<b>3.</b>	<b>Financial Case</b>	<b>46</b>
	Introduction	46
	Headline Revenue Impact	46
	Sharley Park Community Activity Hub	47
	Performance Indicators	49
	Assumptions	50
	Resources	53
	Summary of Capital Finance	57
	Project Risks	57
<b>4.</b>	<b>Commercial Case</b>	<b>58</b>
<b>5.</b>	<b>Management Case</b>	<b>70</b>
	Project Organisation and Governance	71
	Project Governance	72
	Core Team	72
	Key Project Roles	73
	Project Delivery	74
	Project Reporting Structure	75
	Assurance	75
	Scope Management	75
	Programme/Schedule Management	75
	Milestones and Critical Path	77
	Risk and Opportunities Management	77
	Risks, Constraints and Interdependencies	77
	Project Management	78
	Change control	78
	Health and Safety	79
	Stakeholder engagement	79
	Benefits, Monitoring and Evaluation	80
	Disclaimer	81

## Appendices

Appendix 1: Risk Register

Appendix 2: Economic Case Assumptions

Draft Version ↘

## 1. Strategic Case

### Introduction

- 1.1. This project comprises the replacement of the dilapidated Sharley Park Leisure Centre with a new healthy and active community hub, where residents can undertake physical activity and access health/wellbeing support services under one roof. The existing facility, built in 1970's, is in poor structural condition and not accessible for all, with an outdated mix of activities and is heavily subsidised by the Council. Responding to extensive community consultation, the new facility will be accessible to all, comprise of formal sports facilities (6 lane x 25m pool, a learner pool and moveable floor, 4 badminton court sports hall, 100 station fitness suite, a studio, soft play and multi-purpose room, spin studio, full size, floodlit 3G pitch, measured mile cycle track, and outdoor play area), outreach health services, pop-up library provision, Citizens Advice, NEDDC Contact Centre, cafe, community meeting room facilities, and social space linked into the active environment of Sharley Park, including new cycling and walking routes, cricket pitch, bowling greens, grass football pitches and disc golf.
- 1.2. The project has been developed over an 18 month period, led by a steering group comprising of Sport England, British Cycling, Derbyshire FA, Chesterfield Royal Hospital, Clay Cross Hospital, Derbyshire County Council, Active Derbyshire, Street Games, Citizens Advice and Derbyshire Voluntary Action.
- 1.3. To date, desktop feasibility work has been completed, pre-application consultation with NEDDC (Planning Authority) and Sport England, design work undertaken to RIBA Stage 2, and an indicative masterplan of the site produced. Further cost consultancy work is now underway to inform partner decision making and financial implications.
- 1.4. The project is anticipated to increase physical activity in the community significantly through both formal activity in the facility and informal activity in the park. The business case anticipates a doubling of attendances in the centre which in turn reduces the financial burden on the Council and local taxpayer by some £200,000 per year. This is in addition to a 300 Tonne per annum reduction in carbon emissions, in comparison to the existing facility.
- 1.5. North East Derbyshire is a largely rural area, set within one of the most picturesque counties in England; it forms part of the border of the historic Peak District.
- 1.6. North East Derbyshire is a district of contrasts, from thriving urban settlements to beautiful rural villages and countryside. It covers almost 258 sq. kilometres with the main centres being Clay Cross, Dronfield, Eckington and Killamarsh.
- 1.7. An ex coal-mining area, Clay Cross community suffers from a range of deprivation, poor health, growing levels of obesity and low levels of physical activity. 1 in 5 residents has some day-to-day activity limitation.

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## North East Derbyshire District Council

### *Sharley Park Strategic Case*

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- 1.8. In the above context, and particularly the aims to support our communities to be healthier, and improve community health, NEDDC and partners have identified the need and opportunities for tangible change in Clay Cross. Further support and context for the development of the Sharley Park Active Community Hub is provided by the Levelling Up White Paper, February 2022 (<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>):

Levelling up will require us to:

- a. **boost** productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
- b. **spread** opportunities and improve public services, especially in those places where they are weakest;
- c. **restore** a sense of community, local pride and belonging, especially in those places where they have been lost; and
- d. **empower** local leaders and communities, especially in those places lacking local agency.

The UK has larger geographical differences than many other developed countries on multiple measures, including productivity, pay, educational attainment and health. Urban areas and coastal towns suffer disproportionately from crime, while places with particularly high levels of deprivation, such as former mining communities, outlying urban estates and seaside towns have the highest levels of community need and poor opportunities for the people who grow up there. While London and much of the South East have benefited economically, former industrial centres and many coastal communities have suffered. This has left deep and lasting scars in many of these places, damaging skills, jobs, innovation, pride in place, health and wellbeing.

#### **Medium Term objectives:**

- **Spread** opportunities and improve public services, especially in those places where they are weakest
- **Health:** By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
- **Wellbeing:** By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- **Restore** a sense of community, local pride and belonging, especially in those places where they have been lost

Pride of Place: By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.

### Case for Change

- 1.9. The project aligns with the ToC set out in TIP1:
- **Responding to challenges** – high concentrations of deprivation, instances of poor health and a high proportion of residents will long term life limiting illnesses, poor quality of leisure provision within the existing leisure centre, limited activities for older children and teenagers;
  - **Addressing need** – absence of a high-quality leisure offer impacting on investment demand, low wages and earning impacting on the affordability of market provided services, high deprivation and poor social mobility, high levels of obesity and mental health issues;
  - **Building on assets** – established site located adjacent to public open space, adjacent housing development site as a focus for an energy pilot; and
  - **Realising opportunities** – significant catchment and demand for leisure services, housing development at Egstow Park likely to further increase demand for services, potential to act as an anchor and facilitator as part of the green energy strategy for Clay Cross.
- 1.10. The scheme is a critical component of the emerging energy strategy for Clay Cross. It will contribute directly to ensuring that the emerging proposals are sustainable and integrate leading edge low carbon technology. In addition, it will contribute to raising aspirations and enhancing perceptions of Clay Cross – promoting further interest in investing within the town. The project will respond directly to key investment themes and objectives outlined within the TIP1 around health, welfare and leisure as well as clean growth. The project addresses the significant challenges around promoting healthy lifestyles in Clay Cross which is impacting on community health, aspirations and productivity. The delivery of a new healthy and active community hub is a key priority arising from consultation (850 users and non-users responded to engagement in support of a new active community hub). Complementary development and improvements in Sharley Park will add to the physical activity offer further promoting active lifestyles and an increase in visitors to the facility, park and subsequently the town. Linked to the improvements to the Bret Club (Community facility), located within the park, the project will provide for improved access to services and resources available to the community and particularly young people.
- 1.11. The associated carbon reduction through a ‘fabric first’ construction approach (300 Tonne reduction in carbon emissions) and low carbon heat source will make a significant contribution to net zero carbon objectives.
- 1.12. The Sharley Park area is subject to significant Anti-Social behaviour (ASB), with young people congregating around heat and light from the existing facility.
- 1.13. Based on consultation with young people through Streetgames and the community safety partnership, the new facility will be an asset of community pride, allow better management of the adjoining park, deliver activities in the park into late evening and offer formal/informal activities for young people to do, this will subsequently significantly reduce levels of ASB in the area.

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## North East Derbyshire District Council

### *Sharley Park Strategic Case*

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- 1.14. NEDDC is already working with key partners across the District to address and tackle identified local priorities. We recognise that we are all trying to support the same people in the Clay cross community- we can do it more effectively, and sustainably by co-locating our services and resources- and actually, this makes our services more accessible for local people and sustainable for the long term.
- 1.15. The impact of Covid 19 is significant in Clay Cross; inequalities have increased for those who already faced life challenges. The role and focus for this project is needed more than ever to improve quality of life through improved community health and wellbeing.



### Stakeholders

- 1.16. The main shared priority underpinning our future Vision for an Active Community Hub in Clay Cross is behaviour change to improve health.
- 1.17. In terms of the work of Public Health the key aim that aligns with our shared Vision is Objective One of the Health and Well-Being Strategy (Our Lives, Our Health 2018-2023) - Enable people in Derbyshire to live healthy lives. The Joined-Up Care Derbyshire Prevention Strategy (2018) also provides relevant context.
- 1.18. Public Health undertakes a range of work that supports this objective but the ones that are most relevant to physical activity and improving lifestyles are: Supporting the Active Derbyshire Strategy e.g. commissioning programmes to support PA e.g. Walking For Health, Exercise by Referral etc. as well as wider work across the system to encourage physical activity e.g. active travel.

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## North East Derbyshire District Council

### *Sharley Park Strategic Case*

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- 1.19. To support the delivery of the above outcomes, and the behaviour changes needed to benefit community quality of life, NEDDC has developed 'PALS'; this is Physical Activity and Lifestyle Support, a behaviour change plan, focussed on health and well-being in Clay Cross.
- 1.20. PALS brings together cross-sector collaboration to deliver operational reality. Partners include the Derbyshire Health and Wellbeing Board, Place Alliance, One Public Estate and the North Derbyshire Strategic Health and Wellbeing Group, working closely with the NEDDC PALS co-ordinator.
- 1.21. PALS enables the development of personal plans to support individuals through the behaviour change needed to become physically active and improve their health and wellbeing. It provides both the motivation and capability to change; investment in facilities and services through NEDDC's transformation Programme will provide the key opportunity to ensure the local infrastructure is in place to support the behaviour change to take place.
- 1.22. Our project in Sharley Park is about developing and implementing partnership interventions to facilitate a long-term behaviour change in the community, which will benefit their health, increase participation in physical activity, improve quality of life, and overall life chances. PALS is integral to achieving this behaviour change as PALS provides a means of engaging with those who are inactive and introducing them to activity through the Sharley Park Active Community Hub. PALS has a critical role in referring/signposting, at community level, individuals to the Active Community Hub.
- 1.23. Early partnership working on PALS has seen a strategic group established, sharing of opportunity for community events and engagement and identification of key opportunities and principles.
- 1.24. The work of PALS has continued during Covid 19 to provide general support to the Clay Cross community; it will now re-focus on connecting people, spaces and physical activity. This will be through initiatives such as walking to the Park to start increased participation in active travel, which can then be further developed through the Active Community Hub.
- 1.25. The Clay Cross Healthy Futures group has been developed with a 52 strong consortium of partners operating services in Clay Cross. The main aim of the consortium is to improve the overall Health and Wellbeing of all local residents via a co-ordinated partnership approach 'providing something for everyone'.
- 1.26. To date the group has had success with a pilot [Beat the Street](#) initiative and the launch of the [Love Exploring app](#) which is used to engage communities in active travel using an online app to follow walking routes and mindfulness trails as well as using as a tool to engage families in augmented reality trails. Over 700 downloads of the app and 200 families engaged in the launch back in June 21.
- 1.27. A Young People's sub-group has been established to support young people actively engaging in Physical activity and social activity. A successful Sport England Place fund has been secured to support a weekly physical activity session for 11 – 17 years. A weekly youth group is being developed by the local parish for 13-17 years and being supported by the Clay Cross HFG. A young producer's programme is being developed to shape local Arts and Cultural activity via First Art. A youth voice is being established by DCC's Youth and Community Engagement Workers.

**Our Communities' Needs and Priorities**

1.28. NEDDC is already working with key partners across the District to address and tackle identified local priorities. We recognise that we are all trying to support the same people in the Clay cross community- we can do it more effectively, and sustainably by co-locating our services and resources- and actually, this makes our services more accessible for local people.

1.29. The main shared priority underpinning our future Vision for an Active Community Hub is:

*A flagship community health and wellbeing facility, which is a social hub for the town, promoting and improving active lifestyles in the area, linking to and enhancing outdoor recreation (formal and informal) and helping to promote and remove access barriers to partner services.*

1.30. Our shared local strategic outcome indicators are:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• <b>Tackling inactivity;</b></li></ul>        | <ul style="list-style-type: none"><li>• <b>Increasing physical activity amongst young people;</b></li></ul>    |
| <ul style="list-style-type: none"><li>• <b>Inclusivity and engagement;</b></li></ul> | <ul style="list-style-type: none"><li>• <b>Working collaboratively;</b></li></ul>                              |
| <ul style="list-style-type: none"><li>• <b>Wider local partnerships;</b></li></ul>   | <ul style="list-style-type: none"><li>• <b>Making a difference and changing life behaviours; and</b></li></ul> |
| <ul style="list-style-type: none"><li>• <b>Improving accessibility;</b></li></ul>    | <ul style="list-style-type: none"><li>• <b>Building community capacity and resilience.</b></li></ul>           |

1.31. The development of the Active Community Hub will provide both indoor and outdoor physical activity facilities, a mixture of free to use, pay as you go and membership activities, as well as the lifestyle support services.

1.32. The Sharley Park offer, will, for the first time be connected, co-ordinated and designed to meet the needs of those who live in the locality, to encourage and support a behaviour change journey for those who are inactive. These people are also those who are most likely to be facing a number of other life challenges; providing economic, learning, support, social and outreach clinical services from the Active Community Hub will enable individuals and families to engage, become involved and be helped to access the support they need.

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North East Derbyshire District Council  
**Sharley Park Strategic Case**

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1.33. It will contribute to identified outputs as follows:

• **Delivery of outpatient physio and counselling services covering mental and physical well-being;**

• **Creation of a Community Activity Hub;**

• **Support for community sports clubs;**

• **Delivery of a welcoming and sociable space, where family and friends can meet, be active together, and access the support they need to address day to day challenges; and**

• **Delivery of core lifestyle services such as weight management, smoking cessation;**

• **Lifestyle support and advice services e.g. CAB, council services;**

• **Provision of high quality, accessible indoor and outdoor places and spaces in which more people can be physically active;**

• **Opportunities for young and older people to be physically active, learn new skills, develop ability, and learn about opportunities for volunteering, mentoring etc.**

# North East Derbyshire District Council

## Sharley Park Strategic Case

1.34. Our partners include:



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## North East Derbyshire District Council

### **Sharley Park Strategic Case**

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1.35. Support and buy-in to addressing the identified needs of the Clay Cross community has been confirmed by:

- **NEDDC Cabinet & Council Decisions January 2022** – To pursue the development of a new facility / community hub at Sharley Park.
- **OPE Feasibility Study/report** – Clay Cross (January 2019)
- **SPLC new facility Strategic Steering Group & Town Fund Working Group**
  - NEDDC Senior Leisure Team
  - NEDDC Property and Commercial Services
  - NEDDC Planning Team
  - Sport England
  - DCC Public Health
  - NHS Hardwick CCG
  - DCHS – Clay Cross Hospital
  - NHS – outreach clinics, physiotherapy, rehabilitative services
  - Voluntary Sector representatives
  - Active Derbyshire
  - North Derbyshire Strategic Health Group
  - Healthy North East Derbyshire Locality Group
  - One Public Estate
  - Clay Cross Community Police
  - DCC Library service
  - Citizens Advice Bureau
  - Street Games
  - Derbyshire FA
  - Chesterfield Royal Hospital
- **Community Consultation Sub-Group**
  - NEDDC Senior Leisure Team
  - Community Safety Team
  - Clubs
  - School Sport Partnership
  - Cross section of User/non-user representatives which may include; older people, youth, couples/individuals, families, single parents, people with disabilities and carers
  - Active Derbyshire

# North East Derbyshire District Council

## Sharley Park Strategic Case

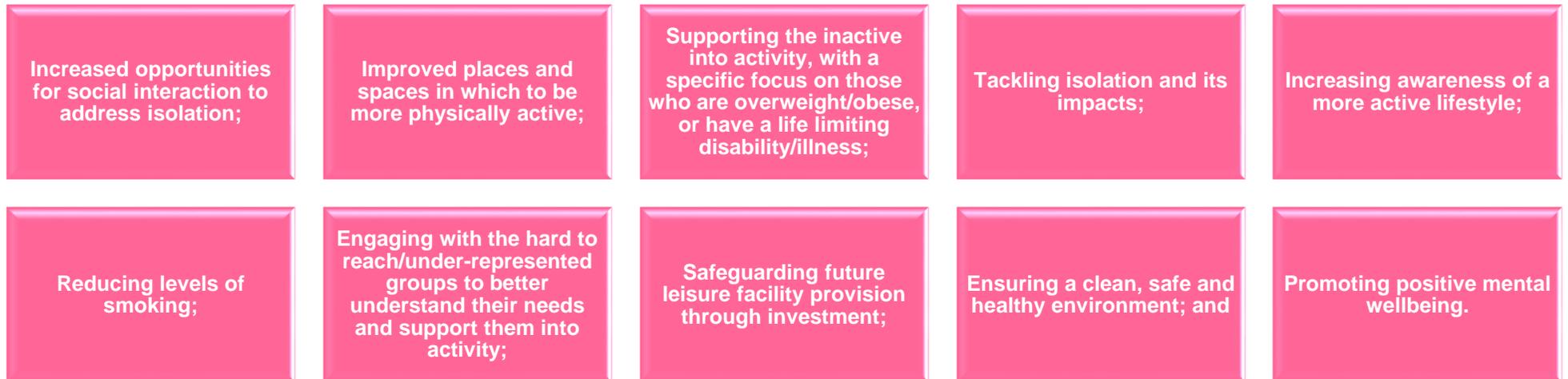
- 1.36. The Football Association, Football Foundation and British Cycling have also indicated their interest in the wider Sharley Park site for the development of a new floodlit 3G pitch and potentially some cycling facilities.
- 1.37. Chesterfield Football Club is considering re-locating its training facilities to Sharley Park, utilising the facility for their education programme and academy. The Club is also looking to purchase and develop a disused park-based building as their centre, so they can train and undertake off-field work in Clay Cross.
- 1.38. Potentially cycling facilities will link into the wider cycle network, connecting existing and new Clay Cross communities, the town centre and local schools.
- 1.39. Live Life Better Derbyshire wish to use the Active Community Hub as a facility to continue the delivery of their core services – smoking cessation, weight management or physical activity, hiring spaces as needed to deliver these services. These services are currently being delivered at Sharley Park Leisure Centre.
- 1.40. The consultation process developed for the Clay Cross area in relation to physical activity and sport and specifically existing facilities comprised a combination of:

**Table 1: Consultation Undertaken**

<i>Method</i>	<i>Number Completed</i>
<i>Member Questionnaire</i>	<b>420</b>
<i>Non-Member Questionnaire</i>	<b>387</b>
<i>Face To Face Interviews</i>	<b>16</b>
<i>Focus Groups (Number Of People Attending Each)</i>	Youth Forum Business Development Police Parish Councillors – Clay Cross Disability Group
<i>Telephone/Email Interviews</i>	General Public – 7 Clubs – 4 Schools – 4 Councillors – 4 Public Health

North East Derbyshire District Council  
**Sharley Park Strategic Case**

- 1.41. It is clear from the circa 850 user and non-member responses received that there is great interest in improving the main NEDDC facility, Sharley Park Leisure Centre, and in developing provision that better meets identified needs for physical activity, health and well-being through high-quality facilities, services and activities.
- 1.42. Barriers to participation are clearly identified across the non-member respondents.
- 1.43. These provide further evidence to reinforce what is already known about local barriers to participation, but importantly, this is the first time they have been articulated by the community itself; however, we also know that these barriers, if removed, can become opportunities to change behaviours.
- 1.44. In the above context, and particularly the aims to support our communities to be healthier, and improve community health, NEDDC and partners have identified the need and opportunities for tangible change in Clay Cross
- 1.45. The key lifestyle changes we recognise are needed in Clay Cross are:



**Policy Alignment**

- 46. North East Derbyshire is a largely rural area, set within one of the most picturesque counties in England; it forms part of the border of the historic Peak District.

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## North East Derbyshire District Council

### *Sharley Park Strategic Case*

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- 1.47. North East Derbyshire is a district of contrasts, from thriving urban settlements to beautiful rural villages and countryside. It covers almost 258 sq. kilometres with the main centres being Clay Cross, Dronfield, Eckington and Killamarsh.
- 1.48. An ex coal-mining area, Clay Cross community suffers from a range of deprivation, poor health, growing levels of obesity and low levels of physical activity. 1 in 5 residents has some day-to-day activity limitation.

#### Policy Alignment

- 1.49. The need and opportunity for this change was first identified in 2018/19 when a detailed Insight study was undertaken to really understand how, where and why physical activity could contribute to the regeneration of Clay Cross and have a positive impact on community health. This change relates both to community behaviours and the existing physical activity infrastructure.
- 1.50. Since this work, North East Derbyshire District Council (NEDDC) and multiple partners have continued to work toward their shared Vision for Change and investment in physical activity; the concept and commitment has remained the same; what has changed and delayed it coming to fruition is the opportunity to apply for external funding through the Towns Fund, and the impact of Covid 19.
- 1.51. The thinking and vision behind the Community Activity Hub has been updated in this report, as have capital costs and revenue implications. Where relevant, strategic policy, priorities and data has also been updated, but it must be remembered that the pandemic effectively took 16 months out of planning, so much of the original evidence base still holds. There has not, in most cases, been the production of new health data, or new strategies as the public sector has been focussed on mitigating the impact of Covid 19, and then recovering from it.

#### Vision and Objectives

- 1.52. Our collective approach for this important open space and the Clay Cross community it serves is:  
*‘A flagship community health and wellbeing facility, which is a social hub for the town, promoting and improving active lifestyles in the area, linking to and enhancing outdoor recreation (formal and informal) and helping to promote and remove access barriers to partner services.*
- 1.53. This will be achieved by putting the new community activity hub at the heart of the overall Clay Cross regeneration , developed and delivered with the support of the Towns Fund, and a range of other external partners.

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## North East Derbyshire District Council

### *Sharley Park Strategic Case*

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1.54. The development of the Sharley Park Active Community Hub is part of the wider Clay Cross Towns Fund Masterplan.



### Alignment with Wider Strategic Outcomes

1.55. This project aligns with key national and local policy set out in for example Sport England's Uniting the Movement 10 year Strategy, Public Health policy and Vision, Derbyshire County Council's Health and Wellbeing Strategy and NEDDC's Corporate Strategy. North East Derbyshire District Council's (NEDDC) Vision for the District is:

North East Derbyshire is:

- **Clean and attractive**
- **A place where people are proud to live and work**
- **A place where people will prosper**
- **A place where people will feel safe, happy and healthy**

Our aims:

- **Enhancing our residents' quality of life.**
- **Protecting and promoting the Character of our District.**
- **Delivering high quality cost-effective services by engaging with our residents, our partners and our staff.**
- **Growing our local economy and being a business friendly District.**

Our most relevant priorities for Clay Cross and this project are:

- **Providing a range of leisure facilities for our communities**
- **Work with communities to tackle issues such as childhood obesity and lack of exercise.**
- **Work with partners to improve well-being and mental health services across the District.**
- **Engage better with our communities**

# North East Derbyshire District Council

## Sharley Park Strategic Case

The Council Plan 2019-2031 also identifies as a priority:

### Town centre regeneration

- **Support the One Public Estate agenda and work with partners for maximum benefit.**
- **Proactively seek out funding opportunities to improve our town centres and high streets.**

- 1.56. The main shared priority underpinning our future Vision for an Active Community Hub in Clay Cross is behaviour change to improve health.
- 1.57. In terms of the work of Public Health the key aim that aligns with our shared Vision is Objective One of the Health and Well-Being Strategy (Our Lives, Our Health 2018-2023) - Enable people in Derbyshire to live healthy lives. The Joined-Up Care Derbyshire Prevention Strategy (2018) also provides relevant context.
- 1.58. Our shared Vision for Clay Cross is therefore:

*A flagship community health and wellbeing facility, which is a social hub for the town, promoting and improving active lifestyles in the area, linking to and enhancing outdoor recreation (formal and informal) and helping to promote and remove access barriers to partner services.*

- 1.59. Our shared intended outcomes are:

**Table 2: Shared Outcomes**

Outcome	Specific Local Issues	Facility and Service Interventions
<b>OUTCOME 1: Reduced health inequalities;</b>	<ul style="list-style-type: none"> <li>• A former mining community, Clay Cross is a traditional small town which has seen significant change. Over the years much of its town centre infrastructure has disappeared leaving the community disconnected and isolated.</li> <li>• Physical activity is not a high priority for many.</li> <li>• High numbers of inactive people</li> <li>• Poor community health</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of a community activity hub to re-engage the community, both socially and through physical activity</li> <li>• Co-location of both physical activity and wider community services</li> <li>• Facilitating the inactive to become physically active through confidence-building social interaction opportunities</li> <li>• Provision of outreach health services supporting those with a range of long term conditions</li> </ul>

North East Derbyshire District Council  
**Sharley Park Strategic Case**

Outcome	Specific Local Issues	Facility and Service Interventions
	<ul style="list-style-type: none"> <li>Significant challenges for young and older people – life-limiting conditions, social isolation, poverty, low self-worth and expectations.</li> <li>High Levels of obesity</li> <li>High levels of deprivation</li> <li>Growth in physical and mental health inequalities, further exacerbated by Covid 19</li> </ul>	<ul style="list-style-type: none"> <li>Social Prescribing services (physical and mental ill-health)</li> <li>Specific activities and programmes targeted at families, older people, young people and children</li> <li>Provision of informal cycling and walking routes in and around Clay Cross and the park area</li> </ul>
<b>How will we know this outcome is being achieved?</b>	<b>Increased numbers of inactive adults and young people who are physically active on a regular basis</b>	
<b>OUTCOME 2: Increased physical activity levels,</b>	<ul style="list-style-type: none"> <li>Low levels of participation in physical activity</li> <li>NEDDC already working in multiple partnerships across the District e.g. PALS, school/club links, but want to change what is provided, where and how to change physical activity behaviours, and raise the bar for their communities.</li> <li>Contribution to reduced number of overweight and obese adults and children</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating the inactive to become physically active through confidence-building social interaction opportunities</li> <li>Provision of outreach health services supporting those with a range of long term conditions</li> <li>The Physical Activity and Lifestyle Service (PALS)</li> <li>Social Prescribing services (physical and mental ill-health)</li> <li>Specific activities and programmes targeted at families, older people, young people and children</li> <li>Provision of informal cycling and walking routes in and around Clay Cross and the park area</li> </ul>
<b>How will we know this outcome is being achieved?</b>	<b>Increased numbers of people taking part in, and staying with, physical activities and programmes (at recommended levels)</b>	

North East Derbyshire District Council  
**Sharley Park Strategic Case**

Outcome	Specific Local Issues	Facility and Service Interventions
<b>OUTCOME 3: Changing lifestyle behaviours</b>	<ul style="list-style-type: none"> <li>• Low levels of participation in physical activity</li> <li>• Social isolation</li> <li>• Lack of awareness of what is on offer</li> <li>• Lack of self-worth and low confidence</li> <li>• Poor community health</li> <li>• High numbers of people living with long -term conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating the inactive to become physically active through confidence-building social interaction opportunities</li> <li>• Provision of outreach health services supporting those with a range of long term conditions</li> <li>• The Physical Activity and Lifestyle Service (PALS)</li> <li>• Social Prescribing services (physical and mental ill-health)</li> </ul>
<b>How will we know this outcome is being achieved?</b>	<b>New participants engaging with the Community Activity Hub – both actively and through the social opportunities Specifically, inactive people engaging with the Hub offer and returning</b>	
<b>OUTCOME 4: Improved life opportunities</b>	<ul style="list-style-type: none"> <li>• Significant challenges for young and older people - social isolation, poverty, low self-worth and expectations.</li> <li>• Low levels of participation in physical activity</li> <li>• High numbers of people with long term health conditions</li> <li>• Rising levels of mental health across the community</li> <li>• Rising levels of isolation across all ages as a result of Covid 19, but particularly for those shielding</li> <li>• Low mobility levels.</li> <li>• Lack of safe cycling and walking routes linking the park to the town centre</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of a community activity hub to re-engage the community, both socially and through physical activity</li> <li>• Co-location of both physical activity and wider community services</li> </ul>
<b>How will we know these outcomes are being achieved?</b>	<ul style="list-style-type: none"> <li>• New participants engaging with the Community Activity Hub – both actively and through the social opportunities created</li> <li>• Increased use of 'Walking Buses' for schools</li> </ul>	<ul style="list-style-type: none"> <li>• Community employment rate</li> <li>• Reduction in numbers of people living with long -term health conditions</li> <li>• Improved healthy weight levels for children and adults</li> </ul>

North East Derbyshire District Council  
**Sharley Park Strategic Case**

Outcome	Specific Local Issues	Facility and Service Interventions
	<ul style="list-style-type: none"> <li>Increased everyday use of outdoor active environments e.g. walking and cycling routes</li> <li>Increased numbers of people acquiring new skills</li> <li>Contribution to an increased healthy life expectancy across the Borough</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in health inequalities</li> <li>Improved quality of life – people ‘feel’ better</li> <li>A more active community with higher expectations, growth in educational achievement and skills, and improved confidence</li> </ul>

1.60. Our draft KPIs for the Community Activity Hub are:

**Table 3: Draft KPI’s**

KPI	How it will be measured
<b>Overall increase in the number of attendances at Sharley Park Community Activity Hub</b>	Number of new members of the Active Community Hub
<b>Increased numbers of people taking part in, and staying with, physical activities and programmes (at recommended levels)</b>	Number of people in Clay Cross meeting Chief Medical Officer recommendations for physical activity through the Active Lives Survey (Annual)
<b>New participants engaging with the Community Activity Hub – both actively and through the social opportunities.</b>	Number of new members of the Active Community Hub & Customer Survey (Annually)
<b>Inactive people engaging with the Hub offer and returning</b>	Number of new members of the Active Community Hub & Customer Survey (Annually)
<b>Increased everyday use of outdoor active environments around Sharley Park e.g. Pitches, walking and cycling routes</b>	Numbers of people using pitches (Football, Bowls, Cricket).
<b>Reduction in numbers of people living with long -term health conditions in Clay Cross</b>	Public Health Data (Annually)
<b>Improved healthy weight levels for children and adults in Clay Cross</b>	Public Health Data (Annually)
<b>Reduction in health inequalities in Clay Cross</b>	Public Health Data (Annually)

North East Derbyshire District Council  
**Sharley Park Strategic Case**

1.61. In addition to the above, the Town Fund, regeneration focused KPI's are:

Number of safeguarded FTE jobs	20
Number of new community/sports centres	1
New sustainable commercial floorspace (m2)	4800 (Commercial Use Classes A3, B1, D1, D2)
Total length of pedestrian paths improved (Miles)	1

**The Proposed Investment**

1.62. The opportunity to re-develop and expand the physical activity offer in Clay Cross as part of a wider Hub is significant; this approach could result in a more relevant offer to the local community which will change life behaviours and facilitate more active lifestyles, because opportunities to be more active are focussed around social interaction and a range of other services. This is what the Insight identified - taking part together in an environment where people feel supported will encourage them to be more active.

1.63. It is envisaged that the Active Community Hub will be a built facility, with leisure facilities and a café at its heart, as well as the following range of services and organisations:

**Table 4: Active Community Hub - Proposed Future Facility Mix**

Proposed Active Community Hub		
Sports hall 4 court	Fitness class / studios	Soft Play
6 lane x 25m pool	2 Multi-purpose rooms	Spin Studio
Learner pool	Café	Full size 3G pitch, floodlit
100 station fitness suite (subject to demand)	Social Areas	Outdoor play equipment
'Changing Places' toilet/changing and associated equipment	Pop Up Library	Citizens Advice NE Derbyshire
Complementary commercial space	Hospital Clinics	Measured mile cycle track
Pop Up Library	Ancillary provision	Parking

North East Derbyshire District Council  
**Sharley Park Strategic Case**

1.64. Based on the Insight feedback, identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre in the future are:

**Table 5: Identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre**

<b>Identified Priorities For Services/Programmes/ Initiatives</b>	
Community information point	Provision for teenagers
Health checks	Learn something new groups
Sports physiotherapy clinic	Wellness sessions
Sports injury clinic	Start and finish for walking groups
Weight management	Start and finish for bike/cycle rides
Smoking cessation	Activities for young people
Access to council services	Provision for ageing population

## 2. Economic Case

### Introduction

- 2.1. The purpose of the economic dimension of this business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

### Approach to the Economic Case

- 2.2. The Economic Case assesses the economic impacts of the Sharley Park Community Hub project and whether value for money for the public sector is optimised. This involves developing a long-list of options, with the options qualitatively compared to identify a shortlist. A quantitative comparison of the shortlisted options and the Reference Case is then set out to identify the preferred option. Sensitivity analysis follows to test the quantitative findings of the preferred option.
- 2.3. The assessment of economic benefits has been undertaken in full compliance with the latest HM Treasury Green Book (2020) and relevant Departmental guidance published by the former Department for Communities and Local Government (DCLG, now Department for Levelling Up, Housing and Communities (DLUHC)). There are a number of over-arching assumptions which apply to the value for money assessment (unless otherwise stated):
- **all short-listed options have been appraised over a 30-year period, which reflects a conservative view about the life of the asset. The assessment period for each specific benefit varies in line with the evidence base and guidance. For example, the wellbeing benefits of participating in sporting activity are assessed over a 10 year period;**
  - **where Present Value figures are presented, cost and values have been discounted at 3.5%;**
  - **all monetised costs and benefits have been converted to 2021/22 prices, with general inflation excluded;**
  - **the costs and benefits of the intervention options are presented in net terms and relative to the reference case. Adjustments have also been made for leakage, displacement and multiplier effects where appropriate (as detailed below); and**
  - **optimism bias has been calculated for each short-listed option using HM Treasury methodology and included in the value for money analysis.**

North East Derbyshire District Council  
**Sharley Park Economic Case**

**Approach adopted**

2.4. The framework for assessing the economic benefits of the Sharley Park Community Hub has been developed having regard to the HM Treasury Green Book, DLUHC and DCMS / Sport England guidance. As set out within the DCLG Appraisal Guide, projects should be appraised on the basis of a benefit cost ratio (BCR) reflecting the private benefit associated with the change in land use (land value uplift) and the external benefits (and costs) of the scheme, compared to the net public sector cost. Table 6 sets out a summary from the DCLG Appraisal Guide of the potential benefits and costs that inform the assessment of the BCR.

**Table 6: Description of the benefits and costs identified within the DCLG Appraisal guide\***

	<b>Consumer and business impacts</b>	<b>External impacts and public sector finance impacts</b>
Present value benefits (numerator)	Private benefits e.g. land value uplift [Private sector costs if not captured in land value] Public sector grant or loan if not captured in land value [Public sector loan repayments if not captured in land value] Distributional benefits	External benefits [External costs]
Present value cost (denominator)		Public sector grant and/or loan [Other public sector loan repayments] Other public sector costs [Other public sector revenues]

**\* The benefits and costs in brackets are negative values**

2.5. The calculation of costs and benefits has accounted for the latest recommendations from DLUHC in relation to the Towns Fund, as well as other recent publications for regeneration projects. Reflecting the diverse nature of the expected impacts of the development, as well as the existing conditions within Clay Cross, a wide range of external benefits have been assessed in accordance with guidance as set out in the Economic Benefits section below.

### Shortlisting of Options

- 2.6. A range of alternative options for providing leisure facilities for the people of Clay Cross were considered. The identification of long-list options was driven by Strategic Options Framework Filter process in the HM Treasury Green Book<sup>1</sup>, accounting for: scope, solution, delivery, implementation, and funding.
- 2.7. The initial review and longlisting of options was based on the agreed objectives for the project including:
- **Reducing health inequalities;**
  - **Increasing physical activity levels;**
  - **Changing lifestyle behaviours;**
  - **Improving life opportunities;**
  - **Transforming and supporting the local community;**
  - **Having a positive impact on quality of life**
- 2.8. Through this process, key variables were identified as follows:
- **Create a new facility where residents can undertake physical activity and access health/wellbeing support services under one roof;**
  - **Make better use of the location on the edge of Sharley Park;**
  - **Increase physical activity in the community significantly;**
  - **Reduce the financial burden on the Council and local tax payer;**
  - **Integrate leading edge low carbon technology and make a significant contribution to net zero carbon objectives**

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## North East Derbyshire District Council

### ***Sharley Park Economic Case***

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- 2.9. Based on this, a variety of potential options were scoped. This optioneering process enabled the following longlist of intervention options to be scoped, alongside identifying a Reference Case position.
1. **Continue to operate the existing leisure centre in its current form** – this would see the existing £338,000 annual subsidy rise rapidly as the quality of the facility deteriorates, leading to lower user numbers. Significant refurbishment will be required within the next five years, which would not be undertaken in this option. This is therefore considered not to be a realistic option.
  2. **Close the existing leisure centre and do not replace** – this would see the existing leisure centre continue to operate in its current form until 2025/26, with the level of subsidy required rising from the current £338,000 per annum as usage declines. Current financial forecasts for NEDDC indicate that by 2025/26 due to the Council's worsening financial position, an increased annual subsidy will be unaffordable, and the leisure centre would therefore have to close. This is considered to be the most realistic 'do nothing' option.
  3. **Do Minimum (refurbish the existing leisure centre)** – this would see some level of investment in the current leisure centre which would enable it to continue operating beyond 2025/26. However, with no significant improvements, usage would continue to decline and the required subsidy would increase – meaning that this option would be unaffordable.
  4. **Do Less (rebuild the leisure centre)** – this would see the existing leisure centre re-built in a very similar form (i.e. as a traditional leisure centre). This would address the current poor quality of the current facility and would attract a higher number of users. However, the level of usage would not be high enough to completely remove the need for on-going revenue support for the re-built leisure centre.
  5. **Community Hub Option (NB – this is the option described as 'option 2' in the Strategic Case)** – in this option, the existing leisure centre would be demolished and replaced with a Community Hub incorporating both a new leisure centre and a range of other community services, including flexible space, an advice centre and health clinic. Combining services in this way will lead to greater usage of the leisure facilities, increasing revenues and a net operating surplus. Although the financial model indicates a gross annual financial loss once equipment leasing and capital repayment costs are taken into account, this is expected to reduce each year. The estimated on-going revenue cost is £2.1m over ten years<sup>2</sup>.
  6. **Enhanced Community Hub (with TAG Active facility) (NB – this is the option described as 'option 1' in the Strategic Case)** – this is the same as option 5, but with the addition of a TAG Active facility, which responds to the feedback from young people during the consultation. Inclusion of the TAG Active facility has a positive impact on both throughput and revenue generation, but adds £1.1m to the capital cost of the Hub.
  7. **Low carbon Community Hub** (incorporating low carbon technologies to reduce emissions from the new Hub) – this would be the same as option 5, but with £1.0m of investment in a range of low carbon technologies, which will lead to a reduction in carbon emissions associated with the Hub compared to options 5 and 6.

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<sup>2</sup> Once business rates are excluded from the economic costs (as they represent a transfer payment), in economic terms there is no on-going revenue requirement.

# North East Derbyshire District Council

## Sharley Park Economic Case

8. **Enhanced low carbon Community Hub (with TAG Active facility)** – this combines the additional benefits of options 6 and 7, including both a TAG Active facility and low carbon technologies to reduce emissions from the new Hub. Compared to Option 5, this includes an additional £2.1m of capital costs.

2.10. For clarity, the position of the Reference Case and alternative options against each variable is set out below.

Table 7: Summary of long-listed options

Variable	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Services under one roof</b>	Not achieved	Not achieved	Not achieved	Not achieved	Achieved	Achieved	Achieved	Achieved
<b>Better use of location</b>	Not achieved	Not achieved	Not achieved	Could be achieved	Greater integration with outdoor space proposed			
<b>Significant increase in physical activity</b>	Not achieved	Not achieved	Not achieved	Some uplift expected	Significant increase expected	Greatest increase expected	Significant increase expected	Greatest increase expected
<b>Reduce financial burden on the Council</b>	Burden continues in short to medium-term	Burden ceases when centre is closed	Burden continues in short to medium-term	Burden reduced but not eliminated	Burden reduced but not eliminated	Burden significantly reduced	Burden reduced but not eliminated	Burden significantly reduced
<b>Contribute to net zero</b>	No reduction in emissions	Reduction in emissions as centre closes	No reduction in emissions	Some reduction in emissions	Some reduction in emissions	Some reduction in emissions	Significant reduction in emissions	Significant reduction in emissions

2.11. The full assessment of long-listed options has been based on their ability to meet a range of Critical Success Factors (CSFs) identified in the HM Treasury Green Book, as follows:

- **Fit with aims and objectives** – consideration of the extent to which options achieve the project specific objectives and provide holistic fit/synergy with the policy objectives identified in the Strategic Case.
- **Meets needs and demands** – consideration of the extent to which options address existing/future challenges and align with opportunities in the local and regional area.

## North East Derbyshire District Council

### Sharley Park Economic Case

- **Benefits maximisation** – an assessment of how the options maximise outputs, outcome and benefits.
- **Potential value for Money** – an assessment of the potential Value for Money of the option.
- **Affordability** – an initial assessment of the relative cost of the options and whether they could be delivered within budget.
- **Deliverability** – consideration of the extent to which the options are deliverable in terms of stakeholders, suppliers, dependencies and risk (including planning), timescales and organisation’s experience.

2.12. Options that fail to meet a CSF are rejected at this stage and not taken forward to the shortlist, in line with Government guidance. Additionally, options that did not score favourably across the appraisal were ruled out from selection. The results of the long list assessment are displayed in the table below.

Table 8: Summary of shortlisting of options

Option	Fit with aims & objectives	Meets needs & demands	Potential VfM	Affordability	Deliverability	Conclusion
1. Tolerate the risk – Business as usual						Ruled out
2. Terminate the risk - Closure						Reference Case
3. Refurbish						Ruled out
4. Rebuild						Shortlisted
5. Community Hub						Shortlisted
6. Community Hub with TAG Active						Shortlisted
7. Low Carbon Community Hub						Shortlisted
8. Low Carbon Community Hub with TAG Active						Shortlisted

2.13. Following the analysis of long-listed options against the CSFs, five intervention options have been short-listed for more detailed assessment and consideration, in addition to the reference case:

- **Option 2: Do Nothing – existing centre closes and is not replaced (Reference Case)**
- **Option 4: Re-build a new leisure centre**

- **Option 5: Build a new Community Hub**
- **Option 6: Build an enhanced Community Hub with TAG Active**
- **Option 7: Build Low Carbon Community Hub**
- **Option 8: Build a Low Carbon Community Hub with TAG Active**

2.14. Options 5 and 6 provide a holistic, coherent solution to meet all the public sector objectives in an achievable approach, with Option 6 including an additional facility targeted at young people (funded through increased borrowing). The Do-Nothing option (Option 2) is short-listed as the Reference Case. Option 4 has also been shortlisted as the ‘do less’ alternative as it does not fail any of the CSFs, although it is considered less favourable in multiple categories than Option 5. Option 7 would deliver a Community Hub with an improved contribution to low carbon objectives, but at a greater cost (it is assumed that the additional investment required to deliver the low carbon technologies would be met through grant funding). Option 8 would deliver both the low carbon technologies and the TAG Active facility, at a higher up-front cost.

### Economic costs

2.15. The financial costs of the intervention options are as set out in the Strategic Case, and are based on F&G cost consultancy work (February 2021), and have informed the RIBA Stage 2 work. A breakdown of the capital costs for Option 5, the Community Hub option, is set out in the Strategic Case. These costs are to be met through £8m of public sector grant funding (£6.0m Towns Fund, £1.5m Sport England and £0.5m Football Foundation), plus NEDDC borrowing.

2.16. Under Option 6, additional costs of £750,000 for the TAG Active space and £350,000 for equipment are assumed to be met through higher levels of borrowing by NEDDC. Option 7 costs are the same as option 5, with the addition of £1.0m for low carbon technologies (which is assumed to be funded through additional grant funding). Option 8 combines these options with both additional grant funding and additional borrowing. The costs for Option 4 (a standard leisure centre) are based on the Community Hub costs, with the non-leisure centre elements removed, again assuming £8.0m of public sector grant funding. Option 2 assumes an increasing level of subsidy is provided to support the existing facility until 2024/25, at which point it would close, with demolition costs incurred in 2025/26.

**Table 9: Summary financial costs by funding source**

	Total capital / revenue	Grant	Borrowing
<b>Option 2</b>	1.6	-	-
<b>Option 4</b>	19.1	8.0	11.1

## North East Derbyshire District Council

### *Sharley Park Economic Case*

	Total capital / revenue	Grant	Borrowing
Option 5	21.8	8.0	13.8
Option 6	22.9	8.0	14.9
Option 7	22.8	9.0	13.8
Option 8	23.9	9.0	14.9

**NB – under option 2, the on-going costs are assumed to be met by NEDDC**

- 2.17. The revenue model and income forecasts prepared by Strategic Leisure Ltd for the Community Hub indicate that the costs of borrowing can be met through the income which the new facility will generate. The forecasts draw on Strategic Leisure Ltd's extensive experience of leisure centres and community sports facilities and are therefore assumed to be robust. However, given that the income which will be generated through the re-developed leisure centre / Community Hub cannot be guaranteed, a prudent approach has been adopted in the economic case. We have therefore modelled economic costs both including the borrowing element (grant, borrowing and revenue costs) and assuming the borrowing will be re-paid in full through the income streams (grant and revenue costs only). BCR estimates are provided using each cost base.
- 2.18. The capital costs have been profiled by NEDDC, informed by a recent new build leisure centre development, with the percentage spend by month applied to the Sharley Park cost forecast.
- 2.19. Nominal financial costs have been converted to economic costs in line with the Green Book approach. Transfer payments (taxes and subsidies – in this case the budget line for business rates) have been removed from the analysis<sup>3</sup> in line with guidance. A 2% constant price adjustment has been used to convert estimates of future costs to constant (2021/22) prices.
- 2.20. The constant price costs have been adjusted to present value costs by applying the Treasury's Social Time Preference discount rate of 3.5% per annum. Public capital expenditure within the programme is expected to run until 2024/25, in line with the Towns Fund guidance.
- 2.21. Within the Economic Case, we have presented the net present marginal costs of the alternative options in order to align with guidance, whereby the Reference Case costs have been subtracted from the calculated project costs. The economic costs in the Reference Case are estimated at £1.5m, which takes into account the subsidy required to maintain the existing leisure centre to 2025/26 plus demolition costs.

<sup>3</sup> As the estimated business rates payment exceeds the annual subsidy requirement, this results in there being no on-going economic cost under options 5, 6, 7 and 8.

## North East Derbyshire District Council

### Sharley Park Economic Case

2.22. Table 10 shows the estimated undiscounted and discounted gross public sector costs (including both the grant and borrowing elements) of each option.

**Table 10: Summary gross public sector economic costs (including grant, borrowing and revenue costs) (£m)**

	2022/23	2023/24	2024/25	2025/26	Future	Total	Net present cost
<b>Option 2</b>	0.331	0.433	0.471	0.323	0.000	1.558	1.431
<b>Option 4</b>	1.449	11.243	6.394	0.055	0.406	19.547	18.016
<b>Option 5</b>	1.603	12.828	7.316	0.026	0.021	21.794	20.164
<b>Option 6</b>	1.612	12.828	8.265	0.000	0.000	22.706	20.988
<b>Option 7</b>	1.612	13.309	7.787	0.026	0.011	22.746	21.038
<b>Option 8</b>	1.612	13.309	8.736	0.000	0.000	23.658	21.862

**NB – may not sum exactly due to rounding**

2.23. The financial models produced for the Community Hub indicate that the costs of borrowing can be met through the income which the new facility will generate. Table 11 therefore presents the capital grant and revenue costs of each option, with the borrowing element removed.

**Table 11: Summary public sector economic costs, grant and revenue costs only (excluding borrowing) (£m)**

	2022/23	2023/24	2024/25	2025/26	Future	Total	Net present cost
<b>Option 2</b>	0.331	0.433	0.471	0.323	0.000	1.558	1.431
<b>Option 4</b>	0.800	4.970	2.744	0.055	0.406	8.976	8.241
<b>Option 5</b>	0.800	4.970	2.744	0.026	0.011	8.551	7.919
<b>Option 6</b>	0.778	4.752	2.891	0.000	0.000	8.421	7.796
<b>Option 7</b>	0.836	5.503	3.130	0.026	0.011	9.505	8.799
<b>Option 8</b>	0.859	5.537	2.986	0.000	0.000	9.382	8.767

**Economic costs including optimism bias**

- 2.24. Optimism bias is the proven tendency for appraisers to be optimistically biased about key project parameters, including capital costs and operating costs and project duration.
- 2.25. The economic costs for each intervention include an allowance for Optimism Bias. This has been estimated using an Optimism Bias Mitigation Model based on the Supplementary Green Book Guidance produced by Mott MacDonald, with all project costs assumed to fall into the ‘standard building project’ category. A summary of the most significant mitigations made is included in the table below.

**Table 12: Optimism Bias by type of intervention**

Intervention	Type	Upper Bound OB	Mitigated OB	Comments
<b>Entire project</b>	Standard building project	24%	20%	Key mitigations include reducing the risk of project through the experience within the Council of undertaking major capital projects and procuring and managing appropriately skilled contractors; the experience embodied within the business case, project management team and level of project intelligence captured to date.

- 2.26. The discounted net present public sector cost including Optimism Bias for each option (including the Reference Case) is set out below – firstly for public sector costs including borrowing (table 13), and then with borrowing excluded (table 14)
- 2.27. Each table takes into account the income which would arise in each option, partially offsetting the public sector costs – in Option 2, this reflects a capital receipt assuming that the cleared site is sold for housing development, based on local values of £200,000 per acre<sup>4</sup>; in Options 5, 6, 7 and 8, this represents the income generated by the greater usage of the improved leisure services over a ten year period (with transfer payments i.e. business rates having been excluded from the economic costs).
- 2.28. The marginal costs are the costs of delivering the intervention, over and above the costs that would have occurred without the project (Reference Case). Therefore, for this calculation, the net costs in the Reference Case have been subtracted from the costs in the alternative options. This method aligns with our value for money assessment and government guidance.

<sup>4</sup> This would be subject to planning and represents a ‘best case’ scenario

# North East Derbyshire District Council

## Sharley Park Economic Case

Table 13: Summary public sector economic costs (grant, borrowing and revenue costs) including OB, and marginal costs (£m)

	Option 2	Option 4	Option 5	Option 6	Option 7	Option 8
Gross public sector cost (inc. borrowing)	1.431	18.016	20.164	20.988	21.038	21.862
Optimism Bias	0.286	3.603	4.033	4.198	4.208	4.372
Gross public sector cost including OB	1.717	21.619	24.197	25.186	25.248	26.234
Income (10 years)	0.168	0.000	0.175	0.671	0.175	0.671
Net public sector cost including OB	1.548	21.619	24.021	24.515	25.070	25.563
Net marginal public sector cost, over and above Reference Case	-	<b>20.071</b>	<b>22.473</b>	<b>22.966</b>	<b>23.521</b>	<b>24.014</b>

Table 14: Summary public sector economic costs excluding borrowing, including OB, and marginal costs (£m)

	Option 2	Option 4	Option 5	Option 6	Option 7	Option 8
Gross public sector cost (exc. borrowing)	1.431	8.241	7.919	7.796	8.799	8.767
Optimism Bias	0.286	1.648	1.584	1.559	1.760	1.753
Gross public sector cost including OB	1.717	9.889	9.503	9.355	10.559	10.521
Income (10 years)	0.168	-	0.175	0.671	0.175	0.671
Net public sector cost including OB	1.548	9.889	9.328	8.683	10.383	9.850
Net marginal public sector cost, over and above Reference Case	-	<b>8.341</b>	<b>7.779</b>	<b>7.135</b>	<b>8.835</b>	<b>8.301</b>

### Economic Benefits

### Project outputs

- 2.29. The outputs which will be achieved in each intervention option are shown in table 15. Option 6 will see the highest 'throughput', with the number of users of the Community Hub expected to increase each year from opening until a maximum point is reached after five years (2028/29). Option 8 creates the highest number of construction jobs, reflecting the increased investment in low carbon construction combined with additional spending on the TAG Active facility. Options 5, 6, 7 and 8 all have the same number of permanent FTEs.

# North East Derbyshire District Council

## Sharley Park Economic Case

Table 15: Summary project outputs

	Option 2	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Total leisure centre throughput (by Yr5)</b>	0	520,600	732,400	769,700	732,400	769,700
<b>Construction employment (job years)</b>	0	184	211	221	220	231
<b>Permanent employment (FTEs):</b>						
<b>Leisure Centre</b>	0	27.5	39.3	39.3	39.3	39.3
<b>Other (Clinic / Council / Citizens Advice)</b>	0	-	18	18	18	18

### Additionality

- 2.30. Of key importance in assessing the impact of the proposals is the extent to which new activity is truly additional, and does not simply displace existing activity. This is affected by the following factors:
- **Leakage** – the proportion of outputs that benefit those outside of the project’s target area or group;
  - **Displacement** – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets;
  - **Multiplier effects** – further economic activity associated with additional local income and local supplier purchases; and
  - **Deadweight** – outputs which would have occurred without the project (the Reference Case).
- 2.31. The approach to assessing the net additional impact of a project, accounting for the above adjustments, is shown diagrammatically below. In terms of the cost benefit analysis, the national level has been considered in line with guidance, and a ‘medium’ level of additionality has been assumed (50%) unless otherwise stated, representing a cautious approach to assessing net benefits.



**Project outcomes and impacts**

2.32. Key economic outcomes and impacts considered in the economic benefits assessment include:

- **Land value uplift:** Analysis of changes in land values which reflect the economic efficiency benefits of converting land into a more productive use. As no change in use is proposed, no uplift is expected.
- **Wider social and economic benefits:** The project will provide a series of wider social and economic benefits arising from the increased physical activity which it will encourage, and the co-location of community services in a newly-built Hub:
  - **Reductions in costs associated with Crime / Anti-Social Behaviour:** greater use of the Centre and a better designed building will reduce levels of ASB in the area. The cost savings are estimated in line with guidance issued by the former MHCLG.
  - **Labour market supply:** Benefits associated with job creation and reduction in barriers to employment for local workers through the creation of jobs at re-developed leisure centre / Community Hub. The reduced barriers to entry will generate local economic benefits for the area, as calculated through labour supply benefits in line guidance issued by the former MHCLG.

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## North East Derbyshire District Council

### *Sharley Park Economic Case*

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- **Residents into employment:** Wellbeing benefits associated with residents not currently in employment moving into the new jobs created.
  - **Wellbeing from participating in physical activity:** Based on research undertaken for DCMS which demonstrates the welfare benefits of being physically active.
  - **Health savings from participating in physical activity:** Drawing on evidence from Sport England's model of economic benefits from regular participation in exercise.
  - **Wellbeing benefits from being able to access advice and support locally:** Using evidence from the Social Value Toolkit of the benefits of providing locally based advice and services.
  - **Carbon savings:** potentially arising from investment in low carbon technologies as part of the Community Hub, including Air source Heat pumps and Solar PV panels<sup>5</sup>.
- **Distributional analysis** – as outlined in the Green Book and MHCLG Appraisal Guidance, in order to accurately quantify the benefits of investment there is a need to take account of the differing marginal utility of income in different parts of the country. This analysis has been considered as part of the adjusted BCR.

2.33. In absence of the public sector intervention, the existing leisure centre would continue to operate in the short-term. However, with no investment, the facility would continue to deteriorate, the number of users would continue to fall and the subsidy required to keep it open would become unaffordable. It has therefore been assumed that the Centre would close in the reference case, by 2025. All the benefits presented in the tables below are net of the reference case position.

#### Cost savings associated with lower crime / ASB

2.34. As noted in the Strategic Case, the area around the existing leisure centre suffers from high levels of anti-social behaviour (ASB). Over 400 crimes were recorded in the local neighbourhood in the year to November 2021, and over 140 of these were ASB. The re-development of the leisure centre is expected to lead to a reduction in the level of ASB within the area as a result of:

- **improved design of the building and surrounding area, incorporating Secure by Design principles, including enhanced lighting;**
- **greater footfall, resulting in increased natural surveillance; and**
- **an improved offer for young people which will increase take-up of opportunities within the Hub and reduce anti-social activity.**

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<sup>5</sup>As the carbon savings methodology may not capture all the benefits associated with reduced carbon emissions (e.g. air quality improvements), environmental benefits are also included in the assessment of wider economic benefits.

# North East Derbyshire District Council

## Sharley Park Economic Case

- 2.35. The cost savings from reduced levels of ASB have been estimated as follows. Information on current levels of ASB in the area is taken from the data.police.uk website. A multiplier has been applied, to reflect the fact that not all crime is reported to or recorded by the police. The multipliers are sourced from Home Office research<sup>6</sup>. The estimated costs to society of each incident of ASB are taken from the same Home Office Research Report and have been updated to 2021 prices.
- 2.36. It has been estimated that the Community Hub re-development will lead to a 50% fall in the number of incidents of ASB. This would equate to c. 70 fewer recorded offences each year in the area. Adopting a prudent approach, we have modelled displacement rates of 50% (i.e. it has been assumed that some of the ASB will still occur, but in other parts of the town). This is assumed to apply to all four 'Community Hub options' (5, 6, 7 and 8), which will all provide a similar leisure offer. A smaller fall is expected under the 're-build' option (Option 4), given the lower footfall that would be generated.
- 2.37. The annual cost saving net of displacement has been estimated and applied over a ten-year period. The potential benefits for each option are shown in Table 16 below:

**Table 16: Crime cost savings**

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Present value (Cumulative, £000)</b>	£138	£276	£276	£276	£276

### Labour supply

- 2.38. The re-development of the existing leisure centre will have benefits associated with job creation (as shown in Table 16) and reduction in barriers to employment for local workers, compared to the reference case.
- 2.39. A local GVA per worker figure of £48,891 has been applied to the jobs taken up by new entrants, based on ONS Sub-regional productivity data for East Derbyshire. In line with the nature of the jobs created, labour market availability and WebTAG guidance<sup>3</sup>, it is assumed 10% of jobs created will be occupied by new entrants (reflecting the creation of entry level and customer services roles) and there will be a 40% welfare impact for these jobs. The GVA benefits which arise from an increased labour supply are assessed over a ten-year period, based on the recommended MHCLG methodology.

<sup>6</sup> 'The economic and social costs of crime', Second Edition, July 2018, Research Report 99, Home Office

## North East Derbyshire District Council

### Sharley Park Economic Case

2.40. Table 17 sets out the estimated benefits arising from this labour supply effect.

**Table 17: Labour supply**

	Option 4	Option 5	Option 6	Option 7	Option 8
Present value (Cumulative, £000)	£425	£854	£854	£854	£854

### Residents into employment wellbeing benefits

2.41. Benefits experienced by residents not currently in work who move into jobs created through the project have been estimated based on research by HACT and Simetrica<sup>7</sup> – a one-off value of £11,180 has been applied. The estimate takes account of the proportion of net jobs likely to be taken up by those not currently in work. The forecast additional employment impacts are as follows:

- for the Community Hub options, the benefit is based on 57 FTEs, of which 24 are assumed to be new (42%), and with 35% assumed to be taken up by people not currently in employment.
- for the Re-Build option, the figure is based on 27 new jobs created at the leisure centre, assuming that 50% are additional and 35% are taken up by people not currently in employment.

2.42. Table 18 sets out the estimated wellbeing impact of residents moving into employment

**Table 18: Residents into employment wellbeing benefits**

	Option 4	Option 5	Option 6	Option 7	Option 8
Present value (Cumulative, £000)	£25	£42	£42	£42	£42

<sup>7</sup> HACT (2014), Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach

**Wellbeing from participating in sport**

- 2.43. Research undertaken on behalf of DCMS by Fujiwara, Kudrna and Dolan (2014) in the paper ‘Quantifying and Valuing the Wellbeing Impacts of Culture and Sport’<sup>8</sup> has quantified the social wellbeing experienced by people who participate in a range of sporting activities. The paper uses a compensating surplus approach.
- 2.44. The estimated value per sports activity has been converted to 2021 prices and applied to the forecast throughput figures for the Community Hub, considering how this will build over a 5-year period. In Year 5, the forecast number of people using the sports facilities at the Community Hub is 694,600 under Options 5 and 7 (excluding the function room and soft play area, where users are not expected to be taking part in sporting activities), and 699,000 under Options 6 and 8 (with the addition of the TAG Active facility), with a smaller number under the ‘Re-build’ option. A wellbeing value of £12.25 per visit has been attributed to these forecast user numbers, with an additionality rate of 50% applied. The resultant benefit is shown in Table 19.

**Table 19: Wellbeing benefits from participating in sport**

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Present value (Cumulative, £000)</b>	£21,685	£30,399	£32,031	£30,399	£32,031

**Health benefits (cost savings and other health benefits)**

- 2.45. The health benefits associated with activities at the new Community Hub and active outdoor environment have been estimated using Sport England’s economic value of sport local model<sup>9</sup>. This model was developed by Cambridge Econometrics and SQW and uses national and published local data to provide an indicative annual value for a range of different elements of the sports economy. These values are presented in terms of Gross Value Added (GVA) and employment at the local authority, County Sports Partnership and Local Enterprise Partnership Levels. The model includes the same elements as the national study on the Economic Value of Sport (commissioned by Sport England in 2013) but also adds a value for the wider expenditure made by spectators and participants attending matches and events. The health savings and benefits experienced by those who regularly participate in sport are also calculated within the model, and are based on DCMS research.
- 2.46. A lifetime benefit is included for the number of people assumed to participate in sport at least once per week once the new Community Hub is constructed. It is expected that under Options 5 and 7 there will be c.4,600 users at the PAH per annum who at a minimum will meet this ‘once a week’ criteria (and therefore achieve health benefits), including regular users of the swimming pool, health and fitness facilities, sports hall and 3G pitch. The number will be slightly higher under Options 6 and 8, given the TAG Active facility. A 50% additionality factor has been applied.

<sup>8</sup> Included in DCMS’ Culture and Heritage Capital Evidence Bank  
<sup>9</sup> Sport England (July 2014) Economic Value of Sport – Local Model

# North East Derbyshire District Council

## Sharley Park Economic Case

Table 20: Health benefits

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Present value (Cumulative, £000)</b>	£11,489	£16,518	£16,767	£16,518	£16,767

### Wellbeing benefits from the availability of local advice

- 2.47. Green Book guidance highlights the importance of taking welfare, or wellbeing, into account in policy-making. Research undertaken by HACT has identified the monetary value of the wellbeing effect associated with being able to access advice locally. The value is taken from HACT's Social Value Bank<sup>10</sup>. Information from Citizens Advice indicates that they would expect to see a 10% uplift on the 780 people they provided with support in 2019/20, once the Community Hub is established. We have therefore assumed 860 people will be supported each year, and applied an additionality adjustment of 90% (i.e. 10% uplift). The wellbeing benefits over a ten year period have been included.

Table 21: Wellbeing benefits from the availability of local advice

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Present value (Cumulative, £000)</b>	£0	£1,320	£1,320	£1,320	£1,320

### Carbon Savings

- 2.48. Notwithstanding the carbon cost of the construction work, the annual CO<sub>2</sub> consumption of the facility will be greatly reduced in comparison to the current operation. Options 7 and 8 would see additional investment in low carbon technologies, to reduce carbon emissions from the new Community Hub building, e.g. air source heat pumps, solar panels, battery storage etc, whilst the re-build of the leisure centre / Community Hub to higher building standards than the current building under Options 4, 5 and 6 would also bring carbon savings in comparison to the current levels of emissions.
- 2.49. No detailed modelling work has yet been undertaken to assess the exact carbon savings which could be expected and, given the current volatility in the energy market, no estimate has yet been made of the potential financial savings arising from lower energy consumption<sup>11</sup>.

## North East Derbyshire District Council

### *Sharley Park Economic Case*

2.50. The indicative figures below have therefore been estimated in the following way:

- The existing Display Energy Certificate (DEC) for Sharley Park has been reviewed and shows that current emissions are 776 tonnes pa (November 2019), equivalent to 0.22 tonnes per m<sup>2</sup> of useful floor area (3,601m<sup>2</sup>) per annum.
- The DEC for the 2016-built Queens Park Sports Centre in Chesterfield shows 555 tonnes of CO<sub>2</sub> emissions per annum, equivalent to 0.11 tonne per m<sup>2</sup> of useful floor area (5,129m<sup>2</sup>).
- It has been assumed that under the re-build options (4, 5 and 6) an equivalent level of emissions could be achieved at Sharley Park. This would imply 558 tonnes of emissions pa under Options 5 and 6 (5,153m<sup>2</sup>) and 445 tonnes pa under Option 4 (4,108m<sup>2</sup>). The carbon emissions reduction would therefore be 218 tonnes pa under Options 5 and 6, and 331 tonnes pa under Option 4.
- Under Options 7 and 8, greater investment would be made in low carbon technologies, including a low carbon heating system. The potential carbon savings in this Option have been estimated based on the reductions seen at Eckington leisure centre, where an investment of £1m led to a 66% reduction in carbon emissions. Applying this to the current Sharley Park emissions would result in a reduction of 512 tonnes of CO<sub>2</sub> per annum.

2.51. The value of the carbon saving has been estimated having regard to short-term traded carbon values, informed by the *Valuation of energy use and greenhouse gas. Supplementary guidance to the HM Treasury Green Book on Appraisal and Evaluation in Central Government*. Further allowance has been made for additionality at 75%, allowing for some implementation of energy saving measures arising from activity displaced by the proposed scheme. Benefits are assumed to persist for 25 years, and have been converted to present values.

Table 22: Carbon Savings

	Option 4	Option 5	Option 6	Option 7	Option 8
Present value (Cumulative, £000)	£414	£273	£273	£640	£640

### Distributional analysis

2.52. One of the key justifications for the Towns Fund is to help level up the country, seeking to help rebalance activity from London and the South East to deteriorating town centres that have fallen behind. The Clay Cross Towns Fund programme has a clear focus on redistributing growth and levelling up, and this is a key driver for the Community Hub project. This effect should therefore be included in the analysis. The Towns Fund guidance indicates distributional analysis can be used to present the economic value of this effect.

## North East Derbyshire District Council

### *Sharley Park Economic Case*

- 2.53. Consequently, local authority level distributional weights have been applied to the benefits. The approach used to calculate these is that set out in the HM Treasury Green Book, based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income). In the case of North East Derbyshire, a distributional weight After Housing Costs of 1.1 has been applied.
- 2.54. The distributional benefits associated with each option are presented in Table 23.

**Table 23: Distributional analysis**

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Present value (Cumulative, £000)</b>	£3,448	£4,968	£5,156	£5,005	£5,193

### Non-quantified benefits

- 2.55. Building upon the analysis of quantifiable effects, consideration of the wider economic, social, and environmental benefits associated with each option has been undertaken. The following benefits have been considered as part of the contribution to local growth and development:
- **Regeneration – the proposals will contribute to the transformational regeneration of Clay Cross as part of the Town Deal programme, creating confidence in its future and encouraging private sector investment.**
  - **Image – the proposals will enhance the image of Clay Cross and help to change perceptions of the town through the development of a new, high quality public building and the creation of new ways of delivering services to residents.**
  - **Engagement with the natural environment – the proposals will result in a Community Hub building which takes advantage of its location alongside Sharley Park, and encourages people to be active both within the building and outside it, encouraging engagement with the natural environment which is known to reduce stress and improved wellbeing.**
  - **Greater engagement with health services – the Community Hub will include a clinic offering outreach health services addressing key local priorities. The scale and focus of this facility has not yet been confirmed, and therefore no attempt has been made to quantify the benefits at this stage. However, evidence from other places where health services have been located in places with high levels of footfall (e.g. shopping centres) has shown that it can increase the number of people coming forward for screening services and health checks, leading to early detection of potential problems.**

# North East Derbyshire District Council

## Sharley Park Economic Case

- **Wider environmental benefits – although a monetised estimate of the value of carbon savings is included in the benefits assessment, re-development of the existing leisure centre will have wider environmental benefits including reductions in other emissions and improvements in air quality, which are not captured in the monetified benefit.**

2.56. A score out of ten is allocated to each option, based on the contribution it will make to each non-quantified benefit.

**Table 24: Non-quantified benefits**

Criterion	Option 4	Option 5	Option 6	Option 7	Option 8
1 Regeneration	6	8	8	8	8
2 Image	6	8	8	8	8
3 Engagement w/ natural environment	8	8	8	8	8
4 Engagement with health services	0	8	8	8	8
5 Wider environmental benefits	6	6	6	8	8
Overall score	26	38	38	40	40
Percentage score	52%	76%	76%	80%	80%

### Summary of assessed benefits

2.57. Table 25 presents the summary of assessed benefits.

**Table 25: Summary of assessed benefits (net of reference case)**

Monetised Benefit (PV, £000)	Option 4	Option 5	Option 6	Option 7	Option 8
Crime cost savings	£138	£276	£276	£276	£276
Labour supply benefits	£425	£854	£854	£854	£854
Residents into employment benefits	£25	£42	£42	£42	£42
Wellbeing from sports participation	£21,685	£30,399	£32,031	£30,399	£32,031
Health benefits	£11,489	£16,518	£16,767	£16,518	£16,767
Wellbeing from local advice	£0	£1,320	£1,320	£1,320	£1,320

## North East Derbyshire District Council Sharley Park Economic Case

Monetised Benefit (PV, £000)	Option 4	Option 5	Option 6	Option 7	Option 8
Crime cost savings	£138	£276	£276	£276	£276
Carbon savings	£414	£273	£273	£640	£640
Distributional benefits	£3,448	£4,968	£5,156	£5,005	£5,193
Wider benefits percentage score	52%	76%	76%	80%	80%

### Value for money assessment

#### Appraisal summary

- 2.58. The key results of the Economic Case based on quantified benefits are summarised in the Appraisal Summary Table (Table 26). As can be seen below, when the full capital costs of the re-developed Community Hub are considered (including borrowing) Options 5, 6 and 8 all have an initial BCR of 2.2:1, and option 7 has an initial BCR of 2.1:1. These figures demonstrate that Options 5, 6, 7 and 8 all represent 'high' value for money, with Option 6 having a slightly higher Net Present Social Value.

Table 26: Appraisal Summary Table (£m) – including borrowing

£m	Option 4	Option 5	Option 6	Option 7	Option 8
[A] PV initial benefits	34.485	49.681	51.563	50.049	51.931
[B] PV adjusted benefits	3.448	4.968	5.156	5.005	5.193
[C] PV net marginal public sector costs	20.071	22.473	22.966	23.521	24.014
[D] PV Towns Fund-only costs	6.921	6.921	6.921	6.921	6.921
[E] PV project costs	20.071	22.473	22.966	23.521	24.014
NPSV [A-C]	17.863	32.176	33.753	31.532	31.561
Initial BCR (xx:1) [A/C]	1.7:1	2.2:1	2.2:1	2.1:1	2.2:1
Adjusted BCR (xx:1) [A+B/C]	1.8:1	2.4:1	2.5:1	2.2:1	2.4:1

## North East Derbyshire District Council

### Sharley Park Economic Case

- 2.59. Table 27 presents the same information but uses the costs net of borrowing (i.e. assuming all borrowing is repaid using the income generated by the new facility). This reduces the net public sector costs considerably. Using this approach, all options deliver very high value for money. Option 6 has the highest initial BCR (7.2:1), Option 5 is the next highest (6.4:1), Option 8 marginally lower at 6.3:1, Option 7 at 5.7:1 and Option 4 the lowest at 4.1:1 (although still offering very high value for money). Option 6 has the highest Net Present Social Value.

Table 27: Appraisal Summary Table (£m) – grant and revenue costs only

£m	Option 4	Option 5	Option 6	Option 7	Option 8
[A] PV initial benefits	34.485	49.681	51.563	50.049	51.931
[B] PV adjusted benefits	3.448	4.968	5.156	5.005	5.193
[C] PV net marginal public sector costs	8.341	7.779	7.135	8.835	8.301
[D] PV Towns Fund-only costs	6.921	6.921	6.921	6.921	6.921
[E] PV project costs	8.341	7.779	7.135	8.835	8.301
NPSV [A-C]	29.592	46.870	49.584	46.219	48.822
Initial BCR (xx:1) [A/C]	4.1:1	6.4:1	7.2:1	5.7:1	6.3:1
Adjusted BCR (xx:1) [A+B/C]	4.5:1	7.0:1	7.9:1	6.2:1	6.9:1

- 2.60. The main finding from the Appraisal Summary Tables is that Options 5, 6, 7 and 8 all provide very similar levels of value for money when assessed against total capital costs, with Option 6 providing slightly higher value for money when costs net of borrowing are considered. This finding is assessed based on the prudent BCR, NPV (or NPSV), and value for money metrics in line with government guidance. A definition of each of these values is provided below:

- Net Present Value:** As set out in the Towns Fund Business Case guidance, the Net Present Value (NPV), or Net Present Social Value (NPSV), is defined as the present value of the benefits less the present value of the costs. These values are presented in monetary terms discounted to the present year. It provides a measure of the overall impact of an option. **Based on the full capital costs (including borrowing) Option 6 has a NPSV of nearly £34 million, with Option 5 having a very slightly lower NPSV. Based on grant and revenue costs only, Option 6 has the highest NPSV, with Option 8 slightly lower.**

- **BCR:** As set out in the Towns Fund Business Case guidance, the Benefit-Cost Ratio (BCR) is defined as the ratio of the present value of benefits to the present value of costs. It provides a measure of the benefits relative to costs. The comparison of BCRs is recommended as preferred method of initially ranking options within the Green Book, before considering important unquantifiable benefits, unquantifiable uncertainties, and known risks. Within our assessment, in line with Green Book guidance, the prudent BCR (i.e. initial BCR) is calculated through the ratio of present value of initial benefits with the present value of marginal public sector costs. **When including all capital costs, Options 5, 6 and 8 have an initial BCR of 2.2:1, whilst Option 7's is 2.1:1. When borrowing is excluded, Option 6 has the highest BCR, followed by Option 8, 5 and 7.**
- **Value for money metric:** Value for money is a balanced judgement based on the BCR over the entire life of a proposal. Standard value for money categories have been set out within previous Department for Transport (DfT) guidance. This guidance states that a BCR between 0 and 1 implies 'poor' value for money, between 1 and 1.5 implies 'low' value for money, between 1.5 and 2 implies 'medium' value for money, between 2 and 4 implies 'high' value for money, and above 4 implies 'very high' value for money. **The initial BCRs for Options 5, 6, 7 and 8 (including borrowing) all represent high value for money. When borrowing is excluded because of repayment through income, all five intervention options offer very high value for money.**

### Sensitivity

- 2.61. Sensitivity analysis has been undertaken to test the robustness of the value for money estimates based on the costs including borrowing, and their susceptibility to change in any of the key conditions underlying the programme.
- 2.62. The first form of sensitivity analysis is scenario testing. This approach considers the potential implications of changes to key outputs or costs for the delivery of economic benefits and value for money. The scenarios include some more 'technical' changes – for example, adjusting optimism bias or other assumptions.
- 2.63. The following scenarios have been run on the BCRs including borrowing:
- **Scenario 1: 20% lower usage of the leisure / community services than anticipated**
  - **Scenario 2: Optimism bias for costs remains at the unmitigated rate of 24%;**
  - **Scenario 3: Costs are increased by 10% to reflect high rates of inflation affecting construction projects**
  - **Scenario 4: No benefits from the reduction in carbon emissions are included in the BCR**
  - **Scenario 5: Investment in low carbon technologies leads to a 20% reduction in utilities costs**

## North East Derbyshire District Council

### Sharley Park Economic Case

- 2.64. Table 1.28 sets out the results from this scenario testing. Options 5, 6, 7 and 8 remain robust to these changes, with initial BCRs at or close to 2.0:1, and always above 1.5:1. Excluding the benefits from reductions in carbon emissions has no impact on the BCRs of any of the options, as does including assumed costs savings from lower utilities bills under the low carbon options. The BCRs in this scenario testing represent medium to high value for money, demonstrating robustness within the assessment.

**Table 28: Scenario testing**

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Core scenario</b>	1.7:1	2.2:1	2.2:1	2.1:1	2.2:1
<b>Scenario test 1</b>	1.4:1	1.8:1	1.8:1	1.7:1	1.8:1
<b>Scenario test 2</b>	1.7:1	2.1:1	2.2:1	2.1:1	2.1:1
<b>Scenario test 3</b>	1.6:1	2.0:1	2.0:1	1.9:1	2.0:1
<b>Scenario test 4</b>	1.7:1	2.2:1	2.2:1	2.1:1	2.1:1
<b>Scenario test 5</b>	1.7:1	2.2:1	2.2:1	2.1:1	2.2:1

### Switching values

- 2.65. The second form of sensitivity analysis is the switching values method. This approach identifies the point at which the programme moves from offering 'acceptable' value to money (an initial BCR of over 1.0) to 'poor' value for money (an initial BCR of under 1.0), as defined in the DCLG Appraisal Guide. The switching values for both costs (including borrowing) and benefits are assessed.
- 2.66. Table 29 presents the results from the switching values analysis. As can be seen, significant changes to either the benefits or the costs must occur for Options 5, 6, 7 or 8 to not represent value for money. This analysis has taken place on the initial benefits, not accounting for the distributional analysis.

**Table 29: Switching values**

	Option 4	Option 5	Option 6	Option 7	Option 8
<b>Percent change in net additional benefits</b>	-37%	-52%	-52%	-50%	-51%
<b>Percent change in net costs</b>	+60%	+107%	+110%	+100%	+103%

### Economic Case Summary

- 2.67. From the analysis set out above, Options 5, 6, 7 and 8 have all been identified as offering high value for money when assessed using both the full costs including borrowing, and the grant and revenue costs only. They are also robust to sensitivity analysis and perform strongly in the wider benefits analysis. All these options would represent good value for money for the public sector. Given current availability of funding, Option 5 is the preferred option; however, if additional resource was to become available Option 6 and Option 8 would offer high value for money and an NPSV in excess of £30m, with Option 8 also offering additional greater non-monetised environmental benefits.

### 3. Financial Case

#### Introduction

- 3.1. To progress the project, NEDDC has commissioned work to RIBA Stage 2, including commissioned external resources to support development of the Towns Fund business case, revise the SOPG report and RIBA Stage 1 plans, and develop its procurement strategy for the project.
- 3.2. In January 2022, the council committed to finance the capital necessary to develop the Community Activity Hub over and above the £6m allocated to the project through the Towns Fund and additional funding support from Sport England and Football Foundation.
- 3.3. To maintain physical activity levels and memberships throughout the construction period, the existing facilities (other than the Sports Hall) can remain open during construction.
- 3.4. In the Economic Case, option 5 has been selected as the preferred option. There are other options which deliver a greater BCR however, they are not deliverable at this stage due to finance available. All business cases for these options have been fully explored in both revenue and capital modelling and represent high value for money. Should funding become available to include Tag Active and/or low carbon technologies then these options will be pursued to deliver a greater BCR and positive impact in the community.

#### Headline Revenue Impact

- 3.5. A summary of the business plan options for the Community Activity Hub is set out below. Full detail of all assumptions, KIPs and indicative programming is included in the 10 year revenue model. The business plan has been scrutinised, checked and challenged by NEDDC prior to it being accepted.
- 3.6. A summary of the business plan options for the Community Activity Hub is set out below. The business plan has been scrutinised, checked and challenged by NEDDC prior to it being agreed at the Council's meeting in January 2022.
- 3.7. The two options are essentially the same facility mix, but one includes the provision of TAG Active and the other does not. The concept of TAG Active directly responds to the feedback from young people about what they would like to see in the new Active Community Hub. It would be an additional benefit alongside the new membership options and increased overall provision.
- 3.8. Inclusion of the TAG Active facility has a positive impact on both throughput and revenue generation; it would contribute to more people, and specifically young people becoming more active and engaging with the Hub, and ensure increased operational sustainability.

North East Derbyshire District Council  
**Sharley Park Financial Case**

**Sharley Park Community Activity Hub**

**Table 30: Option 1: Facility Mix as below inc. TAG Active**

<b>Sharley Park Option 1</b>		<b>Size m<sup>2</sup></b>
Main Swimming Pool	25m x 6 lane pool	
Teaching Pool inc movable floor	13 x 8.5 m	
Fitness Suite	100 stations	
Studios	1 plus Group Cycle	
Sports Hall	4 courts	
Multi-purpose Room	2	60
Café	100 covers	
3G Pitch	11v11	
TAG Active		
Soft Play		
Citizens Advice Bureau		
Clinic Facilities		
Complimentary Commercial Space		
Capital Cost		<b>22,608,790</b>
<b>Total GIFA</b>		<b>4,661</b>

# North East Derbyshire District Council

## Sharley Park Financial Case

Table 31: Option 1: Summary 10 year Revenue Model

	Option 1											10 Year Total	Average Ten Years
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34			
<b>Leisure Activities</b>	1,910,204	2,030,990	2,112,097	2,186,765	2,224,730	2,261,479	2,296,450	2,333,732	2,370,764	2,408,421	<b>22,135,632</b>	<b>2,213,563</b>	
<b>Secondary Spend</b>	267,785	281,205	286,495	291,859	297,298	302,813	308,405	314,075	319,825	325,654	<b>2,995,414</b>	<b>299,541</b>	
<b>Total Income</b>	<b>2,177,988</b>	<b>2,312,195</b>	<b>2,398,592</b>	<b>2,478,624</b>	<b>2,522,028</b>	<b>2,564,292</b>	<b>2,604,855</b>	<b>2,647,807</b>	<b>2,690,589</b>	<b>2,734,075</b>	<b>25,131,045</b>	<b>2,513,105</b>	
<b>Staffing</b>	1,062,561	1,084,245	1,111,352	1,138,458	1,165,564	1,192,670	1,219,776	1,246,882	1,273,988	1,301,095	<b>11,796,591</b>	<b>1,179,659</b>	
<b>Premises</b>	522,853	552,767	597,190	621,968	627,103	634,693	642,284	648,401	654,518	660,635	<b>6,162,411</b>	<b>616,241</b>	
<b>Admin Marketing and Supplies and Services</b>	17,326	17,680	17,856	18,033	18,210	18,387	18,564	18,740	18,917	19,094	<b>182,807</b>	<b>18,281</b>	
<b>Overhead/ Support Costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>1,730,000</b>	<b>1,787,951</b>	<b>1,861,980</b>	<b>1,916,395</b>	<b>1,951,196</b>	<b>1,988,483</b>	<b>2,025,801</b>	<b>2,061,677</b>	<b>2,097,584</b>	<b>2,133,524</b>	<b>19,554,592</b>	<b>1,955,459</b>	
<b>Operational Surplus(Loss)</b>	<b>447,989</b>	<b>524,244</b>	<b>536,612</b>	<b>562,229</b>	<b>570,832</b>	<b>575,809</b>	<b>579,054</b>	<b>586,130</b>	<b>593,004</b>	<b>600,551</b>	<b>5,576,453</b>	<b>557,645</b>	
<b>H&amp;F Equipment Leasing</b>	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	<b>808,909</b>	<b>80,891</b>	
<b>Capital Repayment Cost</b>	613,536	613,536	613,536	613,536	613,536	613,536	613,536	613,536	613,536	613,536	<b>6,135,360</b>	<b>613,536</b>	
<b>Sub Total</b>	<b>694,427</b>	<b>6,944,269</b>	<b>694,427</b>										
<b>Gross Surplus / (Loss)</b>	<b>(246,438)</b>	<b>(170,183)</b>	<b>(157,815)</b>	<b>(132,198)</b>	<b>(123,595)</b>	<b>(118,618)</b>	<b>(115,373)</b>	<b>(108,297)</b>	<b>(101,423)</b>	<b>(93,876)</b>	<b>(1,367,816)</b>	<b>(136,782)</b>	

# North East Derbyshire District Council

## Sharley Park Financial Case

### Performance Indicators

Table 32: Option 1: Performance Indicators

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	SENB
Operating Recovery Rate	126%	129%	129%	129%	129%	129%	129%	128%	128%	128%	110%
Spend per Visit	£3.64	£3.87	£4.01	£3.84	£3.68	£3.54	£3.38	£3.44	£3.50	£3.55	4.35
Subsidy/Profit per Visit	-£0.75	-£0.88	-£0.90	-£0.87	-£0.83	-£0.79	-£0.75	-£0.76	-£0.77	-£0.78	-0.29
Staffing/Income %	48.8%	46.9%	46.3%	45.9%	46.2%	46.5%	46.8%	47.1%	47.3%	47.6%	57%
Staffing/Expenditure %	61.4%	60.6%	59.7%	59.4%	59.7%	60.0%	60.2%	60.5%	60.7%	61.0%	N/A
Utility cost/m <sup>2</sup>	36	37	37	38	38	38	39	39	40	40	37
Fitness Income per station	6,547	7,700	8,392	9,020	9,276	9,508	9,745	9,989	10,239	10,495	9,692
Fitness Members per Station	19	19	19	23	25	27	28	28	28	28	35
Swimming Income/m <sup>2</sup>	955	960	969	979	989	998	1,008	1,017	1,027	1,037	1105
Throughput	598,068	598,068	598,068	645,582	685,608	725,279	769,718	769,718	769,718	769,718	N/A

N.B All figures exclude VAT

- 3.9. It is clear from the above summary that operation of the new Community Activity Hub sees a reducing subsidy requirement to Year 10. At this point the facility operation will still require subsidy from NEDDC at approx. £240k per annum, approx. £100k reduction in existing subsidy.
- 3.10. Sharley Park Community Activity Hub Option 1 revenue model has been developed using the following detail and assumptions:

## Assumptions

3.11. The assumptions underpinning the 10 year revenue model are:

### Option 1 Assumptions:

1. Capital cost of £21,858,790 PLUS £750,000 for Tag Active - £22,608,790
2. NNDR included at £220,000 with (40% income from Sharley Park) - Net figure of £111,864
3. Finance costs are calculated at £42k/£1m borrowed (PWL B Rates Interest plus MRP)
4. Assumed capital contribution of £8,000,000
5. Income figures based on Dronfield Sports Centre 2018/19 actuals with uplift/reduction where appropriate
6. Swimming lesson prices as current offer
7. Health and Fitness prices as current offer with small uplift in Y4
8. Secondary spend cafe based on £0.33 per head - £0.25 national benchmark with increase based on soft play and TAG offer
9. No initial increase in membership prices until Y4 (2.5%)
10. Staffing costs based on current Dronfield figures with additional staff where appropriate e.g. cafe
11. Pension based rate at 6%
12. Based on 100 stations in fitness suite @ 20 members per station in Y1
13. The facility will continue to be operated by NEDDC
14. Inflated NNDR included based on Dronfield figures
15. Fitness equipment based on a purchase arrangements, this could be reduced if rental figure is provided
16. Based on estimated GIFA of 4,661
17. No operator profit built in
18. 4 court sports hall, plus TAG Active

North East Derbyshire District Council  
**Sharley Park Financial Case**

**Table 33: Option 2: Same facility mix as Option 1, excluding TAG Active**

<b>Sharley Park Option 2</b>		<b>Size m<sup>2</sup></b>
Main Swimming Pool	25m x 6 lane pool	
Teaching Pool inc movable floor	13 x 8.5 m	
Fitness Suite	100 stations	
Studios	1 plus group cycle	
Sports Hall	4 courts	
Multi-purpose Room	2	60
Café	100 covers	
3G Pitch	11v11	
Soft Play		
Citizens Advice Bureau		
Clinic Facilities		
Complimentary Commercial Space		
Capital Cost		<b>21,500,000</b>
<b>Total GIFA</b>		<b>4,661</b>

# North East Derbyshire District Council

## Sharley Park Financial Case

Table 34: Option 2: Summary 10 year Revenue Model

	Option 2											10 Year Total	Average Ten Years
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34			
<b>Leisure Activities</b>	1,649,637	1,769,114	1,847,602	1,919,652	1,954,998	1,989,129	2,021,481	2,056,143	2,090,557	2,125,595	<b>19,423,909</b>	<b>1,942,391</b>	
<b>Secondary Spend</b>	248,402	261,330	266,239	271,216	276,263	281,381	286,570	291,831	297,166	302,575	<b>2,782,975</b>	<b>278,297</b>	
<b>Total Income</b>	<b>1,898,040</b>	<b>2,030,444</b>	<b>2,113,841</b>	<b>2,190,869</b>	<b>2,231,262</b>	<b>2,270,510</b>	<b>2,308,051</b>	<b>2,347,975</b>	<b>2,387,723</b>	<b>2,428,170</b>	<b>22,206,883</b>	<b>2,220,688</b>	
<b>Staffing</b>	979,651	999,644	1,024,635	1,049,626	1,074,617	1,099,608	1,124,599	1,149,590	1,174,581	1,199,572	<b>10,876,122</b>	<b>1,087,612</b>	
<b>Premises</b>	463,683	491,409	533,238	556,424	560,965	567,837	574,708	580,182	585,655	591,129	<b>5,505,229</b>	<b>550,523</b>	
<b>Admin and Marketing</b>	16,444	16,780	16,947	17,115	17,283	17,451	17,619	17,786	17,954	18,122	<b>173,501</b>	<b>17,350</b>	
<b>Supplies and Services</b>	118,480	124,250	126,411	128,599	130,815	133,059	135,332	137,633	139,965	142,325	<b>1,316,868</b>	<b>131,687</b>	
<b>Overhead/ Support Costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>1,578,258</b>	<b>1,632,082</b>	<b>1,701,231</b>	<b>1,751,763</b>	<b>1,783,679</b>	<b>1,817,954</b>	<b>1,852,258</b>	<b>1,885,192</b>	<b>1,918,155</b>	<b>1,951,148</b>	<b>17,871,720</b>	<b>1,787,172</b>	
<b>Operational Surplus(Loss)</b>	<b>319,782</b>	<b>398,362</b>	<b>412,610</b>	<b>439,105</b>	<b>447,582</b>	<b>452,555</b>	<b>455,793</b>	<b>462,783</b>	<b>469,568</b>	<b>477,022</b>	<b>4,335,164</b>	<b>433,516</b>	
<b>H&amp;F Leasing Equipment</b>	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	80,891	<b>808,909</b>	<b>80,891</b>	
<b>Capital Cost Repayment</b>	567,000	567,000	567,000	567,000	567,000	567,000	567,000	567,000	567,000	567,000	<b>5,670,000</b>	<b>567,000</b>	
<b>Sub Total</b>	<b>647,891</b>	<b>6,478,909</b>	<b>647,891</b>										
<b>Gross Surplus / (Loss)</b>	<b>(328,109)</b>	<b>(249,529)</b>	<b>(235,281)</b>	<b>(208,786)</b>	<b>(200,309)</b>	<b>(195,335)</b>	<b>(192,098)</b>	<b>(185,108)</b>	<b>(178,323)</b>	<b>(170,869)</b>	<b>(2,143,745)</b>	<b>(214,375)</b>	

# North East Derbyshire District Council

## Sharley Park Financial Case

Table 35: Option 2: Performance Indicators

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	SENB
Operating Recovery Rate	120%	124%	124%	125%	125%	125%	125%	125%	124%	124%	110%
Spend per Visit	£3.35	£3.58	£3.73	£3.57	£3.42	£3.29	£3.15	£3.21	£3.26	£3.32	4.35
Subsidy/Profit per Visit	-£0.56	-£0.70	-£0.73	-£0.71	-£0.69	-£0.66	-£0.62	-£0.63	-£0.64	-£0.65	-0.29
Staffing/Income %	51.6%	49.2%	48.5%	47.9%	48.2%	48.4%	48.7%	49.0%	49.2%	49.4%	57%
Staffing/Expenditure %	62.1%	61.2%	60.2%	59.9%	60.2%	60.5%	60.7%	61.0%	61.2%	61.5%	N/A
Utility cost/m <sup>2</sup>	36	37	37	38	38	38	39	39	40	40	37
Fitness Income per station	6,547	7,700	8,392	9,020	9,276	9,508	9,745	9,989	10,239	10,495	9,692
Fitness Members per Station	19	19	19	23	25	27	28	28	28	28	35
Swimming Income/m <sup>2</sup>	955	960	969	979	989	998	1,008	1,017	1,027	1,037	1105
Throughput	567,388	567,388	567,388	614,288	653,062	690,781	732,460	732,460	732,460	732,460	N/A

N.B All figures exclude VAT

### Resources

- 3.12. The resource forecast is based upon F&G cost consultancy work (February 2021). This informed the overall budget for the project and although areas have varied slightly through the RIBA 2 process, the overall cost of the project remains forecast to be £21.8m.

# North East Derbyshire District Council

## Sharley Park Financial Case

3.13. The resources involved in delivery of the Sharley Park Community Activity Hub can be summarised as:

**Table 36: Delivery Resources**

	Total (£)	Feb 21 Area (m <sup>2</sup> )	£ /m <sup>2</sup> GIA	Area(ft <sup>2</sup> )	£ /ft <sup>2</sup> GIA
<b>Leisure Centre</b>					
Wet Side	£4,948,681.00	1,444	£3,427.06	15,537	£ 318.39
Dry Side	£904,150.00	390	£2,318.33	4,196	£ 215.38
Health and Fitness	£2,373,550.84	967	£2,454.55	10,405	£ 228.04
Leisure Commercial	£1,008,744.92	390	£2,586.53	4,196	£ 240.30
Leisure Support	£212,915.00	97	£2,195.00	1,044	£ 203.92
Fixtures Fittings & Equipment	£425,000.00				
Circulation	£669,634.87	288	£2,325.00	3,099	£ 216.00
Plant Rooms	£366,903.42	236	£1,555.00	2,539	£ 144.46
Allowance for PV's to Sports Hall Roof only					
Adjustment of NIA to GIA to include internal walls, risers etc	£548,122.39	198	£2,765.52	2,133	£ 256.93
<b>Total Leisure Centre</b>	<b>£11,457,702.43</b>	<b>4,010</b>	<b>£2,857.17</b>	<b>43,149</b>	<b>£ 265.44</b>
<b>Local Council Facilities</b>					
Council Contact Centre					
Citizens Advice Bureau	£320,595.00	145	£2,211.00	1,560	£ 205.41
<b>Total Local Council Facilities</b>	<b>£320,595.00</b>	<b>145</b>	<b>£2,211.00</b>	<b>1,560</b>	<b>£ 205.41</b>
<b>Clinic Facilities</b>					
Clinic	£760,320.00	264	£2,880.00	2,841	£ 267.56
<b>Total Clinic Facilities</b>	<b>£760,320.00</b>	<b>264</b>	<b>£2,880.00</b>	<b>2,841</b>	<b>£ 267.56</b>
<b>Complimentary Commercial Space</b>					
Flexible, multi-purpose space well positioned within the building allowing sub-division to suit particular purposes/facilities	£902,650.00	350	£2,579.00	3,766	£ 239.60
<b>Total Complimentary Commercial Space</b>	<b>£902,650.00</b>	<b>350</b>	<b>£2,579.00</b>	<b>3,766</b>	<b>£ 239.60</b>

# North East Derbyshire District Council

## Sharley Park Financial Case

	Total (£)	Feb 21 Area (m <sup>2</sup> )	£ /m <sup>2</sup> GIA	Area(ft <sup>2</sup> )	£ /ft <sup>2</sup> GIA
<b>Football Facilities</b>					
Changing rooms for officials and players	£215,110.00	98	£2,195.00	1,054	£203.92
<b>Total Football Facilities</b>	<b>£215,110.00</b>	<b>98</b>	<b>£2,195.00</b>	<b>1,054</b>	<b>£203.92</b>
<b>Shared Facilities</b>					
Shared meeting room facilities, WC's, staircase, passenger lifts	£689,210.00	286	£2,409.83	3,077	£223.88
General allowance for Client FF&E to other areas	£350,000.00				
<b>Total Shared Facilities</b>	<b>£1,039,210.00</b>	<b>286</b>	<b>£3,633.60</b>		<b>£337.57</b>
<b>Total Build Costs</b>	<b>£14,695,587.43</b>	<b>5,153</b>	<b>£2,851.76</b>		<b>£264.94</b>
<b>Site Works</b>					
Car Parking	£318,500.00	(50% car park is there already)			
External Works (Drainage / Services / Landscaping)	£600,000.00				
Cut and Fill works	£200,000.00				
3G Pitches	£850,000.00				
Play Park	£50,000.00				
Community Gardens	-	(No cost - area allocated to community)			
Outdoor Spectator Seating Area	-	(part of landscaping - not formal seating)			
<b>Total Site Works</b>	<b>£2,018,500.00</b>				
Professional Fees	£1,671,408.74	10%			
Design Development & Construction Contingency	£1,671,408.74	10%			
Inflation (from base date to tender return and mid-point of construction )	£1,251,885.15	7.49%			
<b>Total Construction Costs</b>	<b>£21,308,790.07</b>	<b>5,153</b>			
Demolition of existing facilities and site clearance	£350,000.00				
Measured Mile	£200,000.00				
<b>Total Project Cost</b>	<b>£21,858,790.07</b>				

N.B All figures exclude VAT

## North East Derbyshire District Council

### *Sharley Park Financial Case*

- 3.14. NEDDC is seeking £8m of external funding to support its overall investment. Sport England (£1.5), Towns Fund (£6m) and the Football Foundation (£0.5) being identified as potential funders; the latter is specifically related to the outdoor pitch. Discussions have already been held with both Sport England and the Football Foundation about funding support; the latter has indicated they will fund circa 66% of the pitch capital cost.
- 3.15. The work to date, community engagement and Insight all highlight that cost and affordability are key barriers to participation within the community. The summary of overall capital and revenue implications of the models developed for the new Community Activity Hub is illustrated below:

**Table 37: Financial Implications**

<b>Financial Implications</b>	<b>Option 1(Inc. Tag Active) £000s</b>	<b>Option 2 (Excl. Tag Active) £000s</b>
<b>Capital Cost</b>	22,608,790	21,500
<b>External Funding ask</b>	8,000,000	8,000,000
<b>Capital Borrowing to be Prudentially Borrowed (funded) by NEDDC</b>	14,608,790	13,500
<b>Net Revenue Surplus Year 3</b>	536,612	412,610
<b>Gross Subsidy Year 3 (assuming all below the line costs are included)</b>	157,815	235,281

**N.B £300k already spent to RIBA 2 excluded from above figures**

- 3.16. The revenue model also sets out benchmarks for the facility operation; these are generally in line with the other NEDDC managed facilities across both North East Derbyshire and Bolsover; differences are due to the specific nature of the new Hub and the people who most need to benefit by accessing its services and opportunities.
- 3.17. Throughput estimates reflect the fact that the Hub will be located in an area of high deprivation, where physical activity may not be a priority. The facility programme supports participation by older and younger people, and also families. It reflects as much flexibility as possible to encourage use by inactive individuals and families. The income levels reflect the fact that some people will simply access the Hub for social reasons.
- 3.18. NEDDC is seeking £8m of external funding to support its overall investment. Sport England (£1.5), Towns Fund (£6m) and the Football Foundation (£0.5) being identified as potential funders; the latter is specifically related to the outdoor pitch. Discussions have already been held with both SE and the FF about funding support; the latter has indicated they will fund circa 66% of the pitch capital cost.

## Summary of Capital Finance

Table 38: Summary of capital finance

Funding Source	Amount	Year of Drawdown
Towns Fund	£6m plus amount for renewable technologies	22/23
Sport England	£1.5m	23/24
NEDDC	£14,608,790	22/23
Football Foundation	£0.5m	23/24

3.19. The SOPG work, community engagement and Insight all highlight that cost and affordability are key barriers to participation within the community. The summary of overall capital and revenue implications of the models developed for the new Community Activity Hub is illustrated below:

### Project Risks

3.20. Planning Risk – Informal planning advice has been received which does not indicate any risks above and beyond normal risks in the area (Ground condition, coal mining, etc). Separate pre-application consultation has taken place with Sport England on the park and in particular the 3G pitch.

3.21. Partner Decisions – ‘In principle’ agreement with co-locating partners has been obtained subject to financial implications and formal decision.

3.22. Financial Risks include:

**SPLC2 - Fail to get approval for prospective match funding.** Capital cost increase due to volatile market

**SPLC3 - Fail to get approval for prospective tenants** External funding does not materialise

**SPLC4 - VAT implications of partial exemption** Co-locating partners pull out

**SPLC 7 - Forecast project costs used for decision making are exceeded when procurement has taken place**

**SPLC10 - Failure to achieve operational business case forecast once complete.**

3.23. A detailed Risk Register is included at Appendix 1.

## 4. Commercial Case

- 4.1. The corporate aim for North East Derbyshire District Council (NEDDC) is “supporting our communities to be healthier, safer, cleaner and greener”. Key priorities for this aim include “contributing to improving health and well-being” and “Increasing participation in sport and leisure activities”.
- 4.2. NEDDC operates their leisure facilities in-house.
- 4.3. Built in the early 1970’s, Sharley Park Leisure Centre is a stand-alone building, located in a green space adjacent to the existing hospital, north of the town centre and main activity area in Clay Cross. It is a large, predominantly steel framed brick/profile clad building. The building is located in the corner of the open space, with the car park to the front and the main customer entrance to the rear of the building.
- 4.4. Whilst considered to be structurally sound, condition surveys highlight that Sharley Park Leisure Centre site, is increasingly showing signs of age and deterioration, despite investment in plant and facilities in 2008 and 2012, which cannot be ignored. This presents the opportunity to refurbish or redevelop the facilities. Undertaking such work would also contribute to, and enhance, the regeneration of the surrounding area of Clay Cross which has been ongoing for several years.
- 4.5. Recent condition surveys have identified the following areas of concern and investment:
- **Maintenance/refurbishment costs in the region of £0.32m over the next 1 to 5 years;**
  - **Re-roofing at a cost of £0.2m (identified as highly likely given the age, type and predicted life expectancy of the existing flat roofing system);**
  - **Poor building insulation;**
  - **Poor energy efficiency with little or no heat recovery from the centre’s air handling system; and**
  - **Non-compliance with Part ‘M’ of building regulations for disability access (introduced in 1995), despite investment to improve accessibility for those with a disability.**

- 4.6. Headline demographic statistics for Clay Cross (South and North) related to future provision of leisure facilities and participation in physical activity include:
- **There are 2,740 families living in Clay Cross;**
  - **Over 70% of existing households in Clay Cross (North and South) experience at least one form of deprivation (the four types being housing, education, health and employment);**
  - **There is a higher average density of population than across North East Derbyshire district as a whole 29.3% of the existing population do not own a car;**
  - **There are higher numbers of those aged less than 15;**
  - **There are higher numbers of those aged 25-64;**
  - **There are higher numbers of those living with a life-limiting illness;**
  - **There are more people with generally bad health;**
  - **Nearly a third of all residents are economically inactive;**
  - **There are high numbers of single parents;**
  - **Many residents do not travel far – either within, or out of the District;**
  - **There are high levels of childhood obesity (significant increase in levels between reception and year 6;**
  - **High levels of adult obesity; and**
  - **Lower levels of participation in regular physical activity; nearly a quarter of the overall population (24.2%) in the District is inactive (Year 2 Active Lives Survey), and this is rising.**

## North East Derbyshire District Council

### *Sharley Park Commercial Case*

- 4.7. There are some significant lifestyle challenges for many of those living in Clay Cross. At the moment, the existing Sharley Park Leisure Centre, its facilities and programmes are not meeting the needs of some local residents for a number of reasons, some of which are related to factors above. Whilst participation in sport and physical activity alone cannot solve all the challenges of Clay Cross residents, taking part in more regular physical activity will contribute to improved health and reduced obesity, as well as increased resilience and a better overall ability to 'cope' with day to day life.
- 4.8. 24.2% of the overall population of North East Derbyshire is inactive. Applying this to the population of Clay Cross means that around 5,653 are inactive. Consultation feedback has been received by 400 of these people and provides valuable insight into local needs and elements for change to facilitate and encourage more people to become active.
- 4.9. Identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre in the future are:

**Table 39: Identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre**

Identified Priorities For Services/Programmes/ Initiatives	
Community information point	Provision for teenagers
Health checks	Learn something new groups
Sports physiotherapy clinic	Pilates
Sports injury clinic	Start and finish for walking groups
Weight management	Start and finish for bike/cycle rides
Smoking cessation (least favoured)	Creche

- 4.10. Implementing the above will ensure the new leisure facility delivers to a much wider audience and is more likely to engage the inactive in physical activity which in turn will deliver mental and physical health benefits. A new leisure facility, offering physical activity, as well as broader social, health and well-being services will be at the heart of the local community; it will offer more opportunity for change in lifestyle and behaviour at individual and community level, and contribute significantly to the overall regeneration of Clay Cross.
- 4.11. There is clear and committed support for this concept from identified strategic partners:
- **Derbyshire Public Health;**
  - **NHS Hardwick CCG;**
  - **Clay Cross Community Police;**

North East Derbyshire District Council  
**Sharley Park Commercial Case**

- **Local schools; and**
- **Active Derbyshire.**

4.12. Identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre in the future are:

**Table 40: Identified priorities for services/programmes and initiatives to be provided at Sharley Park Leisure Centre**

Identified Priorities For Services/Programmes/ Initiatives	
Community information point	Provision for teenagers
Health checks	Learn something new groups
Sports physiotherapy clinic	Pilates
Sports injury clinic	Start and finish for walking groups
Weight management	Start and finish for bike/cycle rides
Smoking cessation (least favoured)	Creche

4.13. Implementing the above will ensure the new leisure facility delivers to a much wider audience and is more likely to engage the inactive in physical activity which in turn will deliver mental and physical health benefits. A new leisure facility, offering physical activity, as well as broader social, health and well-being services will be at the heart of the local community; it will offer more opportunity for change in lifestyle and behaviour at individual and community level, and contribute significantly to the overall regeneration of Clay Cross.

4.14. There is clear and committed support for this concept from identified strategic partners:

- **Derbyshire Public Health;**
- **NHS Hardwick CCG;**
- **Clay Cross Community Police;**
- **Local schools; and**
- **Active Derbyshire.**

## North East Derbyshire District Council

### *Sharley Park Commercial Case*

4.15. The consultation process developed for this Sharley Park Leisure Centre study comprised a combination of:

**Table 41: Consultation**

Method	Number Completed
Member Questionnaire	420
Non-Member Questionnaire	387
Face To Face Interviews	16
Focus Groups (Number Of People ATTENDING EACH)	Youth Forum Business Development Police Parish Councillors – Clay Cross Disability Group
Telephone/Email Interviews	<b>General Public – 7</b> <b>Clubs – 4</b> <b>Schools – 4</b> <b>Councillors – 4</b> <b>Public Health</b>

4.16. It is clear from the circa 850 user and non-member responses received that there is great interest in improving Sharley Park Leisure Centre, and in developing provision that better meets identified needs for physical activity, health and well-being through high-quality facilities, services and activities.

4.17. Priority facilities for future provision are:

**Table 42: Priority facilities for future provision at Sharley Park Leisure Centre**

Identified Facility Priority		
Café	Kids' Gym	Water Slides
Spa (sauna, steam, jacuzzi)	Climbing Wall	Improved Outdoor Facilities
Social Areas	Gymnastics Facility (purpose-built)	Improved toilets, changing rooms and reception
Soft Play	Diving Boards	

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## North East Derbyshire District Council

### *Sharley Park Commercial Case*

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- 4.18. The extent of identified facility improvement priorities and other issues such as the age, condition, existing design and layout of Sharley Park Leisure Centre point to the fact that a new build centre is the way forward. This will better enable all improvements and new provision to be addressed, facilitate a better designed and energy efficient building, and deliver a significantly enhanced experience for all users.
- 4.19. Headline demographic statistics for Clay Cross (South and North) related to future provision of leisure facilities and participation in physical activity include:
- **There are 2,740 families living in Clay Cross;**
  - **Over 70% of existing households in Clay Cross (North and South) experience at least one form of deprivation (the four types being housing, education, health and employment);**
  - **There is a higher average density of population than across North East Derbyshire district as a whole 29.3% of the existing population do not own a car;**
  - **There are higher numbers of those aged less than 15;**
  - **There are higher numbers of those aged 25-64;**
  - **There are higher numbers of those living with a life-limiting illness;**
  - **There are more people with generally bad health;**
  - **Nearly a third of all residents are economically inactive;**
  - **There are high numbers of single parents;**
  - **Many residents do not travel far – either within, or out of the District;**
  - **There are high levels of childhood obesity (significant increase in levels between reception and year 6;**
  - **High levels of adult obesity; and**
  - **Lower levels of participation in regular physical activity; nearly a quarter of the overall population (24.2%) in the District is inactive (Year 2 Active Lives Survey), and this is rising.**

## North East Derbyshire District Council

### *Sharley Park Commercial Case*

- 4.20. There are some significant lifestyle challenges for many of those living in Clay Cross. At the moment, the existing Sharley Park Leisure Centre, its facilities and programmes are not meeting the needs of some local residents for a number of reasons, some of which are related to factors above. Whilst participation in sport and physical activity alone cannot solve all the challenges of Clay Cross residents, taking part in more regular physical activity will contribute to improved health and reduced obesity, as well as increased resilience and a better overall ability to 'cope' with day to day life.
- 4.21. 24.2% of the overall population of North East Derbyshire is inactive. Applying this to the population of Clay Cross means that around 5,653 are inactive. Consultation feedback has been received by 400 of these people and provides valuable insight into local needs and elements for change to facilitate and encourage more people to become active.
- 4.22. The consultation process developed for this Sharley Park Leisure Centre study comprised a combination of:

**Table 43: Consultation**

Method	Number Completed
Member Questionnaire	420
Non-Member Questionnaire	387
Face To Face Interviews	16
Focus Groups (Number Of People ATTENDING EACH)	Youth Forum Business Development Police Parish Councillors – Clay Cross Disability Group
Telephone/Email Interviews	General Public – 7 Clubs – 4 Schools – 4 Councillors – 4 Public Health

- 4.23. It is clear from the circa 850 user and non-member responses received that there is great interest in improving Sharley Park Leisure Centre, and in developing provision that better meets identified needs for physical activity, health and well-being through high-quality facilities, services and activities.

# North East Derbyshire District Council

## *Sharley Park Commercial Case*

4.24. Priority facilities for future provision are:

**Table 44: Priority facilities for future provision at Sharley Park Leisure Centre**

Identified Facility Priority		
Café	Kids' Gym	Water Slides
Spa (sauna, steam, jacuzzi)	Climbing Wall	Improved Outdoor Facilities
Social Areas	Gymnastics Facility (purpose-built)	Improved toilets, changing rooms and reception
Soft Play	Diving Boards	

4.25. The extent of identified facility improvement priorities and other issues such as the age, condition, existing design and layout of Sharley Park Leisure Centre point to the fact that a new build centre is the way forward. This will better enable all improvements and new provision to be addressed, facilitate a better designed and energy efficient building, and deliver a significantly enhanced experience for all users.

4.26. The layout of the existing leisure centre does not minimise user circulation, nor optimise opportunities for secondary spend; there are long connecting corridors, fitness facilities are not located in the same area of the leisure centre, the pool changing rooms do not facilitate the management of issues such as safe-guarding, and the operational staff structure has to reflect the supervision needs of the facility.

4.27. In order to achieve an appropriate and sustainable refurbishment /re-development of Sharley Park Leisure Centre, NEDDC first wish to understand the needs of the local community through insight driven research and consultation.

4.28. The key objectives of this study are therefore to:

- **To provide insight on the requirements of existing users, non-members and the inactive;**
- **To identify the target groups and the key issues and challenges that stop people being active;**
- **To produce a plan using a behavioural change approach that will ensure that NEDDC can explore ways of getting the currently inactive to be active at the new facility;**
- **To identify any co-location opportunities;**
- **To identify any non-sporting activities that could be accommodated at the new facility so that it becomes a community hub;**

- To indicate what the facility mix will be and what activities are required to meet community needs and create a place where families can be active together;
- To provide insight on the catchment of the proposed facility and the number of potential users of the new facilities, particularly those activities that provide the most income e.g. health and fitness members;
- An indication of how far residents are likely to be prepared to travel to use the facility;
- To explore the further provision of outreach work conducted amongst the community from the facility and the potential for partnerships in health provision – examples of this might be providing services such as smoking cessation sessions, providing community rooms for slimming clubs and providing discounts for members to become more active, providing physiotherapy or bespoke exercise programmes for those discharged from hospital after an illness, surgery or accident; and
- The results from this research will be used by NEDDC to inform equality impact assessments which will measure the impact of the changes on 'protected' and vulnerable groups.

- 4.29. Where possible the results of the consultation have been analysed on the basis of the catchment area for Sharley Park, illustrating what this looks like in relation to the behavioural changes of the Transtheoretical (stages of change) Model.
- 4.30. The corporate aim for North East Derbyshire District Council (NEDDC) is “supporting our communities to be healthier, safer, cleaner and greener”. Key priorities for this aim include “contributing to improving health and well-being” and “Increasing participation in sport and leisure activities”.
- 4.31. NEDDC operates their leisure facilities in-house.
- 4.32. Built in the early 1970's, Sharley Park Leisure Centre is a stand-alone building, located in a green space adjacent to the existing hospital, north of the town centre and main activity area in Clay Cross. It is a large, predominantly steel framed brick/profile clad building. The building is located in the corner of the open space, with the car park to the front and the main customer entrance to the rear of the building.
- 4.33. Whilst considered to be structurally sound, condition surveys highlight that Sharley Park Leisure Centre site, is increasingly showing signs of age and deterioration, despite investment in plant and facilities in 2008 and 2012, which cannot be ignored. This presents the opportunity to refurbish or redevelop the facilities. Undertaking such work would also contribute to, and enhance, the regeneration of the surrounding area of Clay Cross which has been ongoing for several years.

4.34. Recent condition surveys have identified the following areas of concern and investment:

- **Maintenance/refurbishment costs in the region of £0.32m over the next 1 to 5 years;**
- **Re-roofing at a cost of £0.2m (identified as highly likely given the age, type and predicted life expectancy of the existing flat roofing system);**
- **Poor building insulation;**
- **Poor energy efficiency with little or no heat recovery from the centre's air handling system; and**
- **Non-compliance with Part 'M' of building regulations for disability access (introduced in 1995), despite investment to improve accessibility for those with a disability.**

4.35. The layout of the existing leisure centre does not minimise user circulation, nor optimise opportunities for secondary spend; there are long connecting corridors, fitness facilities are not located in the same area of the leisure centre, the pool changing rooms do not facilitate the management of issues such as safe-guarding, and the operational staff structure has to reflect the supervision needs of the facility.

4.36. In order to achieve an appropriate and sustainable refurbishment /re-development of Sharley Park Leisure Centre, NEDDC first wish to understand the needs of the local community through insight driven research and consultation.

4.37. The key objectives of this study are therefore to:

- **To provide insight on the requirements of existing users, non-members and the inactive;**
- **To identify the target groups and the key issues and challenges that stop people being active;**
- **To produce a plan using a behavioural change approach that will ensure that NEDDC can explore ways of getting the currently inactive to be active at the new facility;**
- **To identify any co-location opportunities;**
- **To identify any non-sporting activities that could be accommodated at the new facility so that it becomes a community hub;**

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## North East Derbyshire District Council

### *Sharley Park Commercial Case*

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- To indicate what the facility mix will be and what activities are required to meet community needs and create a place where families can be active together;
- To provide insight on the catchment of the proposed facility and the number of potential users of the new facilities, particularly those activities that provide the most income e.g. health and fitness members;
- An indication of how far residents are likely to be prepared to travel to use the facility;
- To explore the further provision of outreach work conducted amongst the community from the facility and the potential for partnerships in health provision – examples of this might be providing services such as smoking cessation sessions, providing community rooms for slimming clubs and providing discounts for members to become more active, providing physiotherapy or bespoke exercise programmes for those discharged from hospital after an illness, surgery or accident; and
- The results from this research will be used by NEDDC to inform equality impact assessments which will measure the impact of the changes on 'protected' and vulnerable groups.

4.38. Where possible the results of the consultation have been analysed on the basis of the catchment area for Sharley Park, illustrating what this looks like in relation to the behavioural changes of the Transtheoretical (stages of change) Model.

4.39. NEDDC is committed to investment in a new Community Activity Hub in Sharley Park. (See Cabinet decision:

[Cabinet January 2022: https://democracy.ne-derbyshire.gov.uk/ieListDocuments.aspx?CId=1137&MId=2147&Ver=4](https://democracy.ne-derbyshire.gov.uk/ieListDocuments.aspx?CId=1137&MId=2147&Ver=4)

[Council January 2022: https://democracy.ne-derbyshire.gov.uk/ieListDocuments.aspx?CId=1156&MId=2187&Ver=4](https://democracy.ne-derbyshire.gov.uk/ieListDocuments.aspx?CId=1156&MId=2187&Ver=4)

4.40. The decision was taken to pursue a two-stage procurement process, on the back of the Procurement Strategy developed.

#### **Cabinet January 2022:**

#### **Resolved:**

- (1) Cabinet agreed that the proposed redevelopment scheme be delivered at or better than the projected cost and financial forecast, as specified in the report.
- (2) That the redevelopment be progressed to completion, subject to the budget business case net cost forecast remaining less than £0.338m (2019/20 Sharley Park net cost).

- (3) That the Director of Transformation be authorised to take such action as is necessary to progress the scheme through to completion, providing that these decisions do not increase the Council's contribution of up to £13.5m towards the project and subject to the forecast net cost remaining below £0.338m (2019/20 Sharley Park net cost). (4) That the Director of Transformation be authorised, in consultation with Portfolio Holder for Leisure, Transformation and Climate Change, to enter into all necessary associated agreements in order to deliver the project.
- (4) That Council be recommended to fund through borrowing a contribution of £15.6m towards the project, subject to the forecast net cost remaining below £0.338m (2019/20 Sharley Park net cost)

**REASONS FOR DECISION:** To continue to make progress towards delivering a multimillion pound flagship community facility in Clay Cross Town Centre.

## Risks

### SPLC 7

**Forecast project costs used for decision making are exceeded when procurement has taken place**

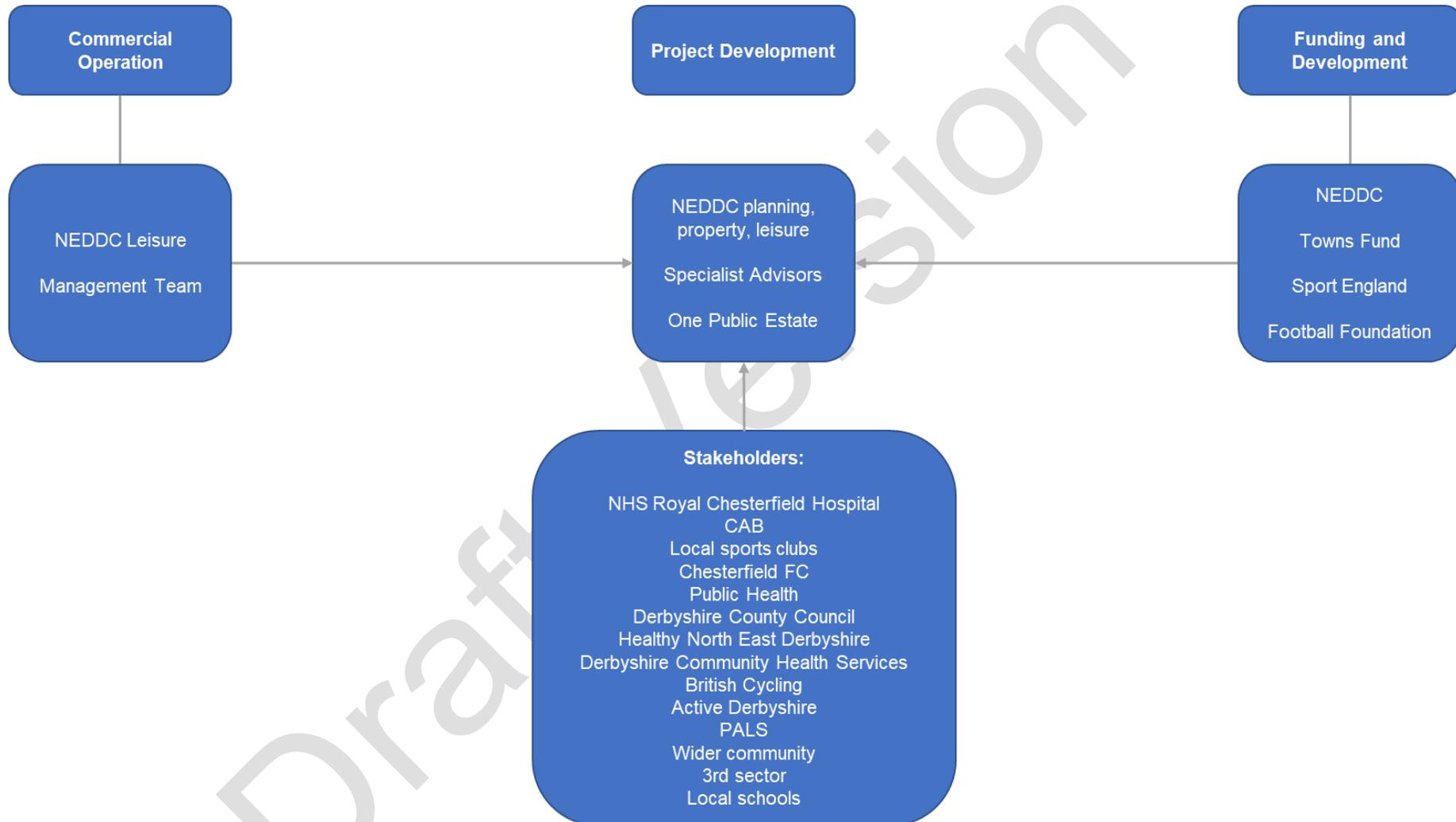
4.41. A detailed Risk Register is included at Appendix 1.

## 5. Management Case

- 5.1. A project management plan was developed for the Sharley Park Community Activity Hub as the concept emerged and the key stakeholders committed to the project.
- 5.2. The purpose of the Project Management Plan is to set out the management and governance arrangements for parties involved in the project through delivery.
- 5.3. The plan seeks to ensure that:
- **There is clarity about the main people involved in the project and how they will interact with one another**
  - **Key people involved are aware of their roles and responsibilities and the context in which the project is being progressed**
  - **Relevant groups, processes, management procedures and mechanisms are in place to ensure the timely and effective clearance of tasks and decision making.**
- 5.4. The plan is a “live document” acknowledging that it will change over time as the project evolves and progresses and is updated regularly.
- 5.5. The initial Project Management Plan for the project was prepared in 2019; it has been an invaluable guide since that time and updated several times since it was originally written. Early adoption of clear project management structures and protocols has helped everyone involved to develop a productive and efficient working relationship that they are now familiar with and that has a proven track record of success.

**Project Organisation and Governance**

5.6. The diagram below illustrates how the project is being organised.



### Project Governance

- 5.7. The applicant for the Town Deal funding is North East Derbyshire District Council (NEDDC).
- 5.8. Any grant funding received will be awarded to the local authority and the NEDDC will be ultimately responsible for ensuring spending meets with any conditions or obligations, in addition to the role of accountable body for the wider Clay Cross Towns Fund.

### Core Team

- 5.9. A Core Team has been established by NEDDC with delegated authority to manage the project on a day-to-day basis. The Core Team has been in operation for a number of years already to progress the project to this point and it will be in operation throughout the delivery of the project.
- 5.10. The Core Team is the 'engine room' of the project where all tasks are discussed, considered, reviewed, actioned and cleared. It is the main forum for the allocation of tasks and delivery of outputs. It is responsible for undertaking most of the work necessary to deliver relevant components of the project and required to generate and sustain intensity and momentum.
- 5.11. The Core Team has and will continue to meet virtually approximately monthly. Meeting dates are issued at the start of each phase for the duration of each phase. The Core Team may meet more frequently from time to time as required during periods of particularly intensive work or as required to resolve issues.
- 5.12. The Core Team comprises:
- **Matt Broughton, Project Lead**
  - **NEDDC Cabinet Members (as appropriate)**
  - **Andy James, Sport England**
  - **Julia Goddard, Alliance Leisure**
  - **Mark Gowdridge, GT 3 Architects**
  - **Rachel Fowler, Strategic Leisure Limited**
  - **Stakeholder partners (Funders and Tenants)**
- 5.13. This team was formed in 2018/19 as the project concept emerged and key stakeholder commitment and through this structure, lead the project to meet the objectives of all stakeholders.
- 5.14. Membership may vary from time to time as different advisors are required at different points to address particular issues arising.

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## North East Derbyshire District Council

### ***Sharley Park Management Case***

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- 5.15. The Core Team will link to all other relevant groups and organisations via the Project Lead.
- 5.16. Any Sub-Groups set up to carry out and complete specific work-streams will report back to the Core Team.
- 5.17. Stakeholders are invited to a two-monthly meeting to ensure they are up to date with project progress. They are consulted individually on an ongoing basis as required through project development and progression through the RIBA stages.
- 5.18. Further consultation will be undertaken through the planning applications stage.
- 5.19. The wider community and particularly those who responded to the 2018 consultation have been kept up to date with project progress through meetings and social media communications. They know their views have been fed into the project development process. They will be consulted further through the planning application stage.

#### **Key Project Roles**

**Project Sponsor: Lee Hickin (NEDDC Managing Director)** – Lee takes the lead supporting role within NEDDC and is responsible for ensuring Member briefing and financial accountability.

**Project Lead: Matt Broughton (NEDDC Director of Transformation)** – Matt is responsible for leading the overall project development from the NEDDC perspective, working alongside the Professional Team, and co-ordinating relevant NEDDC resources to support overall progress.

**Design Team: Alliance Leisure**, Julia Goddard is leading the Design Team, and co-ordinating the work of the architects and wider technical team.

**Project Manager: Hadron, Peter Curtis**, is delivering the project management role, working closely with Alliance, GT3 and wider design team.

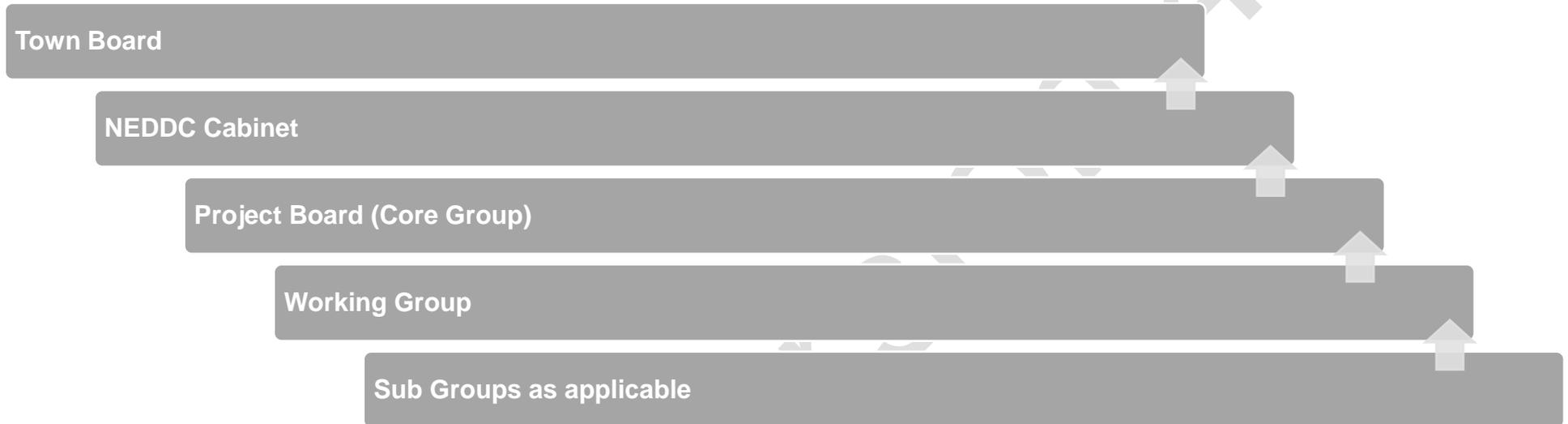
**Architect: GT3, Mark Gowdrige** is providing all design and architectural input and lead to the project.

**Sport and Leisure Consultants: Strategic Leisure - Rachel Fowler and George Sutcliffe** undertook the original insight work and research to inform the project need. They are continuing to provide business planning support and liaison with Sport England to secure external funding through the SOPG approach.

**Sport England – Andy James** providing advice and guidance to the design process through the wealth of design guides and benchmarking information available to Sport England. In addition, challenging NEDDC and the design more generally to ensure the community sport and physical activity needs are addressed in the design.



### Project Reporting Structure



### Assurance

5.20. Please see above which provides information on how the project will be managed.

### Scope Management

5.21. The project has a clear vision and set of objectives which are set out in the Strategic Case. They express the overarching aim of the project and a set of more specific outcomes which underpin the entire project and inform its development and any decision making.

### Programme/Schedule Management

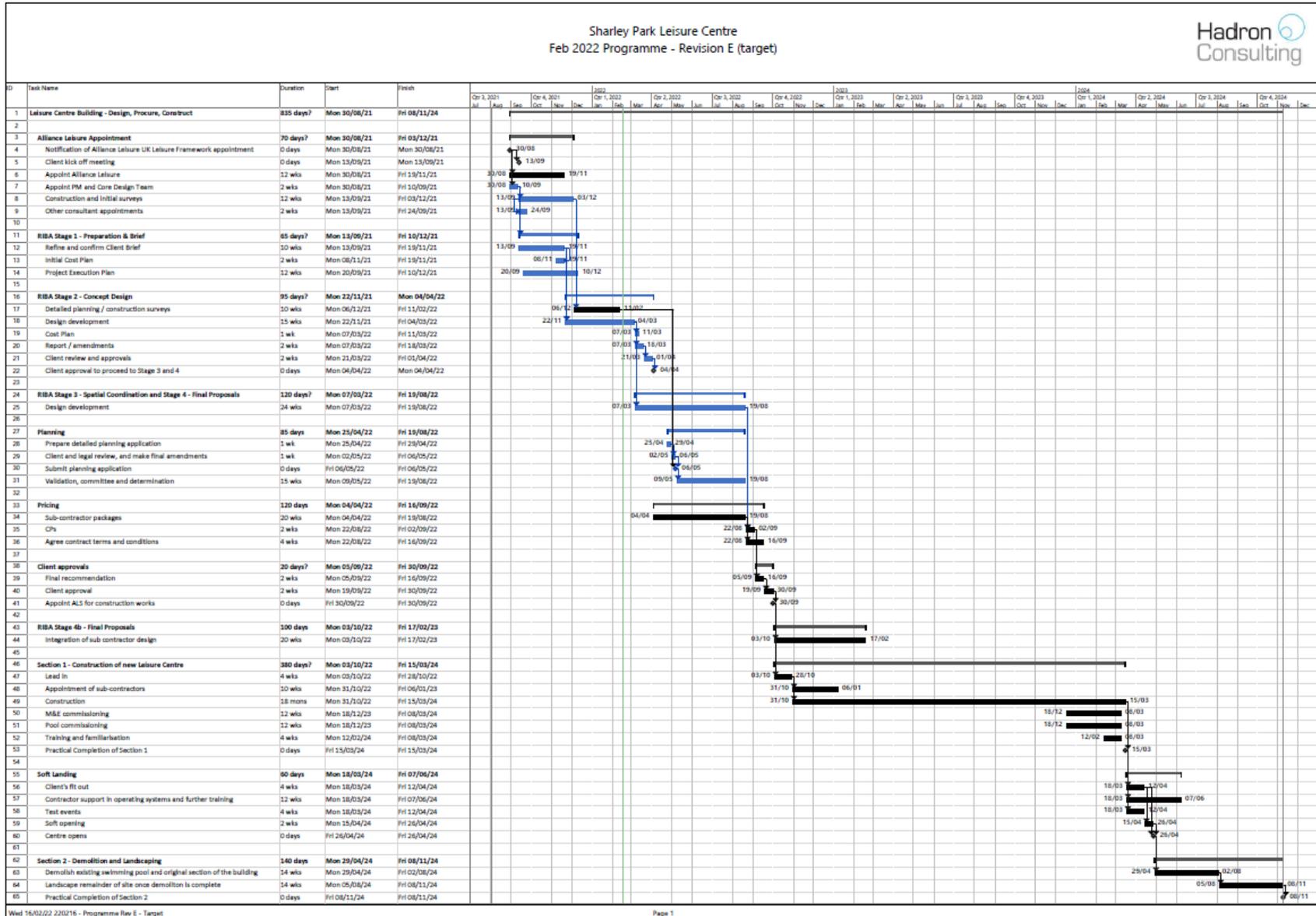
5.22. The proposed programme for delivery of the Hub is set out below:

# North East Derbyshire District Council

## Sharley Park Management Case



Sharley Park Leisure Centre  
Feb 2022 Programme - Revision E (target)



**Milestones and Critical Path**

- 5.23. The key milestones are set out in the programme above, together with the critical path.
- 5.24. These are important to inform the timescales for the Town Deal funding and spend requirements, plus also the need to bring together that and any other external funding e.g. Sport England.

**Risk and Opportunities Management**

**Risks, Constraints and Interdependencies**

- 5.25. Whilst contributing to the wider regeneration of Clay Cross Town Centre, this project is not dependent on any other project identified in the TIP and could be delivered in advance of any other project without negative impact on the wider TIP. This project is significantly progressed with a NEDDC Cabinet and Council decisions in place and ‘in principal’ agreement from partners and tenants.
- 5.26. NEDDC has developed its procurement strategy for the Community Activity Hub. The following is recommended as the most appropriate procurement approach for delivering the project:

Approach	Reasons
A two-stage or single-stage Develop and Construct procurement route has been adopted through the use of a Development Partner.	<ul style="list-style-type: none"> <li>● <b>Programme.</b></li> <li>● <b>Risk transfer where appropriate.</b></li> <li>● <b>Considerations:</b> <ul style="list-style-type: none"> <li>➤ Early contractor involvement.</li> <li>➤ Market conditions.</li> </ul> </li> </ul>
The UK Leisure Framework is being used to progress the project to RIBA Stage 4a, using a procured professional team of architects, project managers, quantity surveyors, m and e consultants, etc	<ul style="list-style-type: none"> <li>● <b>The Council can influence a team that are experienced and knowledgeable about wet and dry leisure projects.</b></li> <li>● <b>Fees can be benchmarked to demonstrate value for money.</b></li> <li>● <b>Possible to deal with smaller ‘non-core team’ appointments as a variation to the framework appointment or as a direct appointment by the Council.</b></li> </ul>
Design being developed to Stage 4a in conjunction with the contractor and for the completion of the tender.	<ul style="list-style-type: none"> <li>● <b>Ensure a high quality product is obtained.</b></li> <li>● <b>To enable a fixed price to be obtained for the works on completion of the tender.</b></li> </ul>

North East Derbyshire District Council  
**Sharley Park Management Case**

Approach	Reasons
A fixed lump sum price is obtained for the works.	<ul style="list-style-type: none"> <li>● <b>Obtain cost certainty before starting on site.</b></li> <li>● <b>Risk transfer where appropriate.</b></li> </ul>
Contractor procurement agreed following consultant team appointment. ISG has been appointed following a mini competition first stage tender process carried out through the UK Leisure framework.	<ul style="list-style-type: none"> <li>● <b>Thorough market testing will be completed before a decision is made.</b></li> </ul>

5.27. Please see the risk register at Appendix 1.

**Project Management**

5.28. Please see previous sections which detail how risk, project management, procurement and governance are managed. In addition to these we have set out below further information relating to Change Control and health and safety.

**Change control**

5.29. As would be expected with a project of this scale change control procedure is already in operation and is monitored and reported on monthly at the Core Team meetings. This change management system ensures that all changes to the project are well documented, signed off by the appropriate parties and accounted for financially. As the project moves through to RIDA stage 3, beyond concept, the change process will follow normal change control procedures included in contracts between an employer and contractor or subcontractor.

5.30. When making such a change, the person responsible should:

- **identify the reason or reasons for change**
- **investigate the impact of items such as costs, timescales and locations**
- **strive to mitigate risks and maximise opportunities in relation to the overall objectives of the project and,**
- **review and accept or reject the change.**

### Health and Safety

- 5.31. As for any project of this scale a Principal Designer (CDM) will advise the Core Team on the key health and safety issues relating to the project and will ensure that the project complies with all legal requirements. This has to be considered from the conceptual phase through to project completion. Alongside this NEDDC has a H&S team who can offer support to this process but most likely advice on the future sale operation of the new facility.

### Stakeholder engagement

- 5.32. For simplicity, stakeholders that are or may become involved with the project have been arranged into two groups; statutory and non-statutory.

- 5.33. Statutory consultees will include those necessary to achieve planning permission i.e.:

- **NEDDC**
- **Derbyshire County Council**
- **Sport England**
- **Non Statutory but critical stakeholders with whom engagement will continue include those partners identified above, plus the wider local network within the community.**
- **NHS Royal Chesterfield Hospital Trust (Tenant)**
- **CAB (Tenant)**
- **Local sports clubs**
- **Chesterfield FC**
- **Derbyshire County Council**
- **Healthy North East Derbyshire Partnership**
- **Derbyshire Community Health Services**
- **British Cycling**
- **Active Derbyshire**
- **Wider community**
- **3rd sector**
- **Local schools**
- **Towns Fund Board**
- **NEDDC Councillors**

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North East Derbyshire District Council  
***Sharley Park Management Case***

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- 5.34. Significant consultation has already been undertaken to inform and influence this project as set out in the Strategic Case above. This has focussed on identifying community views and needs and has been continued as the project for the Community Activity Hub develops.
- 5.35. As well as the Project Board (Core group) there is a stakeholder working group which meets regularly and is updated with overall project progress. This group also feeds into decision-making.

**Benefits, Monitoring and Evaluation**

- 5.36. Please see Strategic Case above, attached Project Plan and Business Plan which provides details on this.

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North East Derbyshire District Council  
***Sharley Park Management Case***

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**Disclaimer**

Forecasts and recommendation in any proposal, report or letter are made in good faith and on the basis of the information before the Company at the time. Their achievement must depend, among other things, on effective co-operation of the Client and the Client's staff. In any consequence, no statement in any proposal, report or letter is to be deemed to be in any circumstances a representation, undertaking, warranty or contractual condition.

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# SPLC RISK REGISTERS

RISK REGISTER – updated February 22

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
<p><b>SPLC1</b> <b>Fail to gain Cabinet and/or Council approval</b></p> <p>Note: Cabinet and Council approval for the 'base scheme' secured Jan22.</p> <p>Outstanding Cabinet decision on: Tag Active Low carbon heat sources</p>	<ul style="list-style-type: none"> <li>• Project fails to proceed</li> <li>• Reputational damage with partners and community.</li> <li>• Existing financial and maintenance liabilities remain unaddressed</li> <li>• Replacement project for Towns fund to be considered</li> <li>• Costs and work to date largely lost.</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigation.</li> <li>• Prepare robust business case to inform decision making at every stage.</li> <li>• Good Officer/Cabinet communication to fully understand risks and implications.</li> <li>• Allow appropriate time to undertake wider member consultation.</li> <li>• Obtain external professional advice to inform decision making.</li> </ul> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Business case reviewed by F&amp;G (Cost Consultants), GT3 Architects and revenue forecasts reviewed by Strategic Leisure Ltd and compared to Sport England benchmarking data.</li> <li>• Frequent Portfolio Holder and Informal Cabinet updates</li> <li>• Wider consultation with members through Conservative Group</li> </ul>	<p>Arrange visits to see Tag Active for Cabinet members.</p> <p>Review low carbon options early in the design process.</p>

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					Consult/inform Audit Committee prior to full Council decision.				
<b>SPLC1</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	1x4	<b>4</b>	Risk Owner / Lead Officer	SAMT / Political Leadership
<b>SPLC2</b> <b>Fail to get approval for prospective match funding.</b>		<ul style="list-style-type: none"> <li>• Business case and ongoing subsidy increased through potential additional borrowing, putting project at risk.</li> <li>• Released the project from commitments to deliver outputs and outcomes.</li> <li>• Released the project from proscribed design elements, especially applicable to Sport England.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Timely decision making.</li> <li>• Good communication and relationship with funders to ‘take them along’ with us.</li> <li>• Awareness of strategic changes or closure of funding streams</li> <li>• Actions</li> <li>• Frequent ‘catch up’ discussions to keep them updated on progress and open communication channels with funders</li> <li>• SOPG submitted to Sport England outlining the case for investment.</li> <li>• Correspondence sent to FA and Football Foundation outlining NEDDC’s commitment to the match funding</li> </ul>			Following Cabinet decision: <ul style="list-style-type: none"> <li>• EOI submission for Sport England developed (RIBA stage 3)</li> <li>• Business case for investment being developed for Towns Fund (March22)</li> <li>• Continue to work with funders on the Core Group overseeing delivery of the project.</li> </ul>	
<b>SPLC2</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	Risk Owner / Lead Officer	HOS

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>SPLC3</b> <b>Fail to get approval for prospective tenants.</b>		<ul style="list-style-type: none"> <li>• Business case and ongoing subsidy impacted through loss of rent however, construction costs potentially reduced.</li> <li>• Each tenant that doesn't co-locate reduces the 'Community hub' and moves closer to replacement leisure centre which isn't attractive to funders</li> <li>• Reduced overall capital cost due to the space requirement being reduced.</li> <li>• Reputational damage with funders and community.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Timely decision making.</li> <li>• Good communication and engagement with tenants to 'take them along' with us.</li> </ul> <p>• Actions</p> <ul style="list-style-type: none"> <li>• Frequent 'catch up' discussions to keep them updated on progress and open communication channels with funders</li> <li>• Rent proposals submitted to prospective tenants to allow them to fully consider costs and space requirement in advance of design.</li> </ul>			<p>Once a design has been agreed, issue HOTS in order to obtain a firm commitment.</p> <p>Work commenced on an 'agreement to lease' and lease for Sharley Park.</p> <p>District Valuer commissioned to determine 'market rent' for CRH clinic.</p>	
<b>SPLC3</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	HOS
<b>SPLC4</b> <b>VAT implications of partial exemption</b>		<ul style="list-style-type: none"> <li>• Inability to reclaim VAT due to exceeding partial exemption calculation</li> <li>• 20% (Approx £4m) increase in the cost of the project directly impacting on affordability and subsidy</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Seek professional advice to obtain a definitive position and seek advice on mitigation</li> <li>• Reduce the scope of the project to reduce the build cost however, this must be balanced with income generation potential.</li> </ul> <p>Action</p>			<p>Creation of a new co. to mitigate the VAT risk and deal with VAT through a lease.</p> <p>Further legal and VAT advice to be sought.</p> <p>Supporting Chelmsford in their case against HMRC. Outcome anticipated June 22.</p>	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<ul style="list-style-type: none"> <li>VAT consultancy Commissioned and report received.</li> <li>Options report has been considered by Cabinet</li> <li>Further exploratory work underway regarding a special purpose vehicle</li> </ul>				
<b>SPLC4</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	Risk Owner / Lead Officer	S151 & HOS
<b>SPLC5</b> <b>Covid 19 (other risks the wider leisure industry)</b>		<ul style="list-style-type: none"> <li>Business cases are based upon 'pre-covid' leisure operation recovery.</li> <li>Construction delayed and inflationary increases impact on forecasts</li> <li>Supply chain disruption impact on cost certainty and suppliers 'pricing in' risk.</li> </ul>			<ul style="list-style-type: none"> <li>Mitigation</li> <li>Good marketing plan operational measures to recover business/memberships prior to re-development.</li> <li>Close monitoring of leading leisure bodies reports, commentary and forecasts (UK Active, Sport England, etc.)</li> <li>Action</li> <li>Marketing Plan developed to best address the recovery of business to pre-covid levels.</li> <li>New membership launched to be more competitive in the market.</li> </ul>			<p>Continue implementation of Marketing Plan and monitor progress and industry trends.</p> <p>The trends in the leisure centres on both memberships and income is encouraging.</p> <p>Memberships and income February 22 indicate a return to pre-covid levels.</p>	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>SPLC5</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	Risk Owner / Lead Officer	HOS
<b>SPLC 6</b> <b>OJEU scale procurement and associated challenges</b>		<ul style="list-style-type: none"> <li>• Long lead times to undertake OJEU compliant procurement</li> <li>• Abortive costs significant should costs returned be 'unaffordable'</li> <li>• Risk of challenge for suppliers if the process isn't followed strictly</li> <li>• Consultative approach to procurement in an OJEU process requires extensive professional fees for legal support, etc.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Seek procurement advice early in the process</li> <li>• Undertake a 'Procure Strategy' to determine the best route to market considering both compliance and value for money.</li> <li>• Utilise where possible and existing (Appropriate) framework which is already OJUE compliant.</li> </ul> <ul style="list-style-type: none"> <li>• Action</li> <li>• Procurement Strategy Complete</li> <li>• Preferred route to market identified (OJEU compliant)</li> <li>• Framework due diligence complete</li> <li>• Access Agreement in place for the UK Leisure Framework.</li> </ul>			No further action required other than maintaining appropriate records.	
<b>SPLC 6</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	1x4	<b>4</b>	Risk Owner / Lead Officer	S151 & HOS

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
<p><b>SPLC 7</b>  <b>Forecast project costs used for decision making are exceeded when procurement has taken place</b></p>	<ul style="list-style-type: none"> <li>• Project is unaffordable</li> <li>• Reputational damage with partners and funders</li> <li>• Existing financial and maintenance liabilities remain unaddressed</li> <li>• Replacement project for Towns fund to be considered</li> <li>• Costs and work to date largely lost.</li> <li>• 2021 construction market is significantly impacted by various supply chain issues and uncertain.</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Business cases at all stages based upon up to date professional advice.</li> <li>• Appropriate use of contingencies, inflation and provisional sums.</li> <li>• Undertake appropriate surveys (Mining, archaeology, etc) early in the decision making process to 'de-risk' or understand major risks which could impact on design and cost.</li> <li>• Early engagement with contractors (Soft market testing) within procurement rules.</li> <li>• Action</li> <li>• Business case reviewed by F&amp;G (Cost Consultants), GT3 Architects and revenue forecasts reviewed by Strategic Leisure Ltd and compared to Sport England benchmarking data.</li> <li>• A programme of survey work has been scoped, awaiting contracts</li> <li>• Framework identified which allows early engagement with contractors to better inform cost certainty.</li> <li>• Commissioned works to RIBA 2 and early contractor engagement to get a better understanding of the cost.</li> </ul>	<p>Continue to review and update business case at each stage of decision making.</p>

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>SPLC 7</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	HOS
<b>SPLC 8</b> • <b>Planning Risk</b> - Fail to gain approval for the development as designed.		<ul style="list-style-type: none"> <li>• Project becomes unviable or undeliverable</li> <li>• Reputational damage with partners and funders</li> <li>• Existing financial and maintenance liabilities remain unaddressed</li> <li>• Replacement project for Towns fund to be considered</li> <li>• Costs and work to date largely lost</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Early engagement with Planning colleagues to informally consult on the design.</li> <li>• Pre-application advice required including statutory consultees to inform the design and costs.</li> <li>• Action</li> <li>• Early involvement of Head of Service – Planning and Urban Designer through the steering group</li> </ul>			<p>Submit documents to seek pre-application advice, once the design has progressed accordingly.</p> <p>Early engagement with planning team commenced Jan22. Graham Cooper is the palling officer.</p>	
<b>SPLC 8</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	HOS
<b>SPLC9</b> <b>Organisational capacity to deliver the project</b>		<ul style="list-style-type: none"> <li>• Not enough resource or expertise available to effectively manage the project.</li> <li>• Fail to deliver forecast project outcomes</li> <li>• Risk to programme and cost</li> <li>• Competing demands from other large leisure projects.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• Prioritise internal resource accordingly</li> <li>• Use consultancy to add capacity and the relevant expertise.</li> <li>• Action</li> <li>• Procurement route identified offers operational leisure expertise in</li> </ul>			<p>Review of staffing structure to create more capacity.</p> <p>Senior Management Team reviewed and Assistant Director – Leisure created with changes to structures below to support the role.</p>	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					addition to leisure construction expertise. <ul style="list-style-type: none"> <li>Identified design team with the inclusion of the Employers Agent/Project Management role to manage the D&amp;B construction project on behalf of NEDDC.</li> </ul>			Timescales on other projects enable delivery capacity. Keep under review.	
<b>SPLC9</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	SAMT/Leadership
<b>SPLC10</b> <b>Failure to achieve operational business case forecast once complete.</b>		<ul style="list-style-type: none"> <li>Forecast subsidy higher than forecast directly impacting on general fund.</li> </ul>			<ul style="list-style-type: none"> <li>Mitigation</li> <li>Operational forecasts based upon 'worst case'.</li> <li>Use of professional advice to verify forecasts</li> <li>Utilise Sport England benchmark data to assist forecasting</li> <li>Effective planning and marketing of the new facility to maximise memberships/usage from launch.</li> <li>Latent demand study undertaken to ensure sufficient market to support the development.</li> </ul>			Continue to review operational business case throughout the decision making processes and beyond.	
<b>SPLC10</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x3	<b>9</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x3	<b>6</b>	Risk Owner / Lead Officer	HOS

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>SPLC11</b> <b>Land assembly, ownership and covenants</b>		<ul style="list-style-type: none"> <li>Ownership issue occurs which can prevent the development, create ransoms or open the Council up to challenge.</li> </ul>			<ul style="list-style-type: none"> <li>Mitigation</li> <li>Undertake a title review (Legal) to confirm the site boundary and any constraints on title.</li> <li>Action</li> <li>Title Report complete and nothing identified that would prevent the proposed development.</li> <li>Title report requested by the project manager to inform the construction contract.</li> </ul>			Title check will be requested by the contractor to inform the construction contract.	
<b>SPLC11</b>	June 21	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	1 x 4	<b>4</b>	Risk Owner / Lead Officer	HOS

## Impact

- 5 • Catastrophic** • Risks that can have a catastrophic impact on the operation of the Council or service, for example;
  - Death
  - Unable to function without Government or other agency intervention
  - Inability to fulfil obligations
  - Adverse national publicity – highly damaging, loss of public confidence
- 4 • Severe** • Risks which can have a severe impact on the operation of the Council or service, for example;
  - Extensive injury, major permanent harm
  - Significant impact on service objectives
  - Short to medium term impairment to service capability
  - Major adverse local publicity
- 3 • Moderate** • Risks which have a noticeable impact and degree of disruption on the services provision / impinge on the budget, for example;
  - Medical treatment required, semi-permanent harm up to 1 year
  - Short term disruption to service capability
  - Significant financial loss
  - Some adverse publicity, needs careful public relations
- 2 • Minor** • Risks where the impact and any associated losses will be minor, for example;
  - First Aid treatment, non-permanent harm up to 1 month
  - Minor impact on service objectives
  - Financial loss that can be accommodated at service level
  - Some public embarrassment, no damage to reputation
- 1 • Negligible** • Risks where the impact and any associated losses will be small, for example;
  - No obvious harm or injury
  - Negligible impact on service capability
  - Minimal financial loss
  - Unlikely to cause any adverse publicity, internal only

**Risk Matrix**

IMPACT	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	LIKELIHOOD					

## Likelihood

- 5 • **Common** • Is expected to occur in most circumstances
  - Perhaps annually or more frequent
- 4 • **Likely** • Will probably occur in most circumstances
  - Not persistent, perhaps once in 3 years
- 3 • **Foreseeable** • Could occur in certain circumstances
  - Perhaps once in 10 years
- 2 • **Occasional** • May occur in exceptional circumstances
  - Not expected to happen, perhaps every 25 years
- 1 • **Freak event** • Is never likely to happen or no knowledge of this happening before
  - Very unlikely, perhaps once in 50 years, internal only

## Appendix to the Economic Case – Assumptions

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### 1.1 Introduction

This appendix to the Economic Case sets out the assumptions which underlie the estimates of economic benefits.

### 1.2 Cost savings associated with lower crime / ASB

Estimates based on:

- Annual number of ASB / minor crimes in local area – 535 (data.police.uk)
- Assumed reduction in incidents under each intervention case (25% in option 4, 50% in all other options)
- Average cost per incident of ASB - £264 (NAO, updated from 2003 figure)
- 10 year persistence period
- 50% additionality applied

### 1.3 Labour Supply

Estimates based on:

- 10% of new jobs taken up by new entrants to the labour market
- 40% welfare impact (WebTAG / MHCLG FHSF guidance)
- 10 year persistence period
- GVA per job of £48,591 (ONS data - East Derbyshire)

### 1.4 Residents into employment wellbeing benefits

Estimates based on:

- 35% of net new jobs assumed to be taken up by unemployed people
- £11,180 wellbeing benefit from moving into employment (HACT, amended to 2020 prices)
- One-off benefit
- 50% additionality applied

### 1.5 Wellbeing from participating in sport

Estimates based on:

- £12.25 wellbeing benefit per participation in sporting activity (Fujiwara 2014, converted to 2020/21 prices)
- Number of participants from Throughput sheet on revenue model
- Benefits estimated over a 10 year period
- 50% additionality applied

### 1.6 Health benefits (cost savings and other health benefits)

Estimates based on:

- Number of regular users (at least once per week) derived from Throughput in revenue model

- Lifetime health benefits from participation in different sporting activities taken from Sport England's: The economic value of Sport - LOCAL Model
- 50% additionality applied

### **1.7 Wellbeing benefits from the availability of local advice**

Estimates based on:

- 860 users per annum expected to be provided with advice at the new advice centre within the Hub
- £1,977 benefits per person advised (HACT's Social Value Bank)
- Benefits estimated over a 10 year period
- 10% additionality applied (based on estimate from Citizens Advice)

### **1.8 Carbon Savings**

Estimates based on:

- Cost per tonne of carbon from current (2020) UK government guidance on the social value of carbon
- Benefits estimated over a 25 year period, in line with BEIS guidance
- 75% additionality applied

### **1.9 Distributional Analysis**

Estimates based on:

- Distributional weight After Housing Costs of 1.1 (based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income))

N O R T H   E A S T  
D E R B Y S H I R E  
D I S T R I C T   C O U N C I L  
T O W N S   F U N D  
B U S I N E S S   C A S E  
A S S U R A N C E



Project Name: Sharley Park

Date: 08.03.22

Version: Final

1. Introduction .....	3
1.1 Highlighted Issues, Risks and Deficiencies.....	3
1.2 Recommendations .....	3
2. Proportionality Assessment.....	5
2.1 Assessment Score .....	5
2.2 Validity statement .....	5
3. Strategic case .....	6
3.1 The strategic context .....	6
3.2 Strategic case assessment .....	6
3.3 Validity statement .....	7
4. Economic case.....	8
4.1 Economic Case Assessment .....	8
4.2 Validity statement .....	9
5. Financial case .....	10
5.1 Financial Case Assessment.....	10
5.2 Validity statement .....	10
6. Commercial case .....	11
6.1 Commercial Case Assessment.....	11
6.2 Validity statement .....	12
7. Management case .....	13
7.1 Management Case Assessment.....	13
7.2 Validity statement .....	14
8. Review .....	15
8.1 List of project stakeholder engaged .....	15
8.2 Programme/Project documents reviewed .....	15
9. Recommendation.....	16

## 1. Introduction

Sharley Park is a proposed Active Community Hub which will provide a place for residents to undertake physical activity and access to health/well-being services. It will replace the outdated Sharley Park Leisure Centre built in the 70s and provide modern facilities which will attract residents including the youth to become more physically active.

NEDDC is seeking £8m of external funding to support its overall investment. Sport England (£1.5m), Towns Fund (£6m) and the Football Foundation (£0.5m) being identified as potential funders. The business case expects that the number of people using the Hub will double from the existing centre, generating significant health and well-being benefits.

### 1.1 Highlighted Issues, Risks and Deficiencies

The business case has been formed by combining a series of individual files. In doing so, the structure of the report, at time of writing this report, requires amendment. There is a repetition of detail and misplacement of information in to the wrong cases. This may pose as an issue to the assessor.

No major risks or deficiencies have been identified.

### 1.2 Recommendations

On the basis that the business case document is updated in terms of its structuring; for example, placing the right information in the relevant case; and implementation of the recommendations, this case is deemed as **'ready to proceed'**.

#### Strategic Case:

- Reframing the existing table of *'outcomes, issues, interventions and how the outcome is achieved'* in to a SMART objective format and a table of outcomes and outputs refer to section 3.1)

#### Financial Case:

- Lead the section with the funding ask, funding secured to date and sources of each fund so the reader immediately understands the ask and funding position.

#### Commercial Case

- Update the commercial case to include information that belongs in the commercial case opposed to other cases; for example, the procurement strategy currently sits within the management case

#### Management Case:

- Include capabilities of the project team including (sub)contractors demonstrating their ability to execute their roles effectively and to deliver the project on scope, time and budget.

- Enhance the benefits realisation strategy to demonstrate who is responsible for overseeing the monitoring and evaluation of benefits. Some information exists in the strategic case but it is recommended to include and expand upon this in the management case

## 2. Proportionality Assessment

### 2.1 Assessment Score

A proportionality assessment was not received from the Project Team to be able to summarise an approach to the scoring methodology.

### 2.2 Validity statement

The project ranks at the higher end of the proportionality scale for value, but its overall complexity is deemed to be at the lower-mid end of the scale given it is a design and build project with no dependencies on other projects. The stakeholder picture is not complex either. As such, the strategic case was expected to include a 'medium' level of detail. The assurance exercise concluded that the level of detail within the strategic case was sufficient.

The economic benefits profile for these types of project is generally wide ranging giving rise to health, employment (pre and post completion), upskilling, crime and carbon saving benefits through improved technologies. As such, the economic case was expected to include a 'higher' level of detail. The assurance exercise concluded that the level of detail within the economic case was sufficient.

The commercial case, for design and build projects, should outline the feasibility of the project, procurement strategy and commercial risk and contractual management. Given the low-mid complexity of the project, but with a fairly significant budget, a 'medium' level of detail was expected. A key point of interest was as to how the contractor risk would be managed. The assurance exercise concluded that the level of detail within the commercial case was insufficient at the time of writing this report. Understandably, the case was work in progress.

The financial case was deemed to include a sufficient level of detail given the value and complexity of the project. A medium-high level of detail was expected given the project has a significant capital spend, revenue costs and revenue incomes.

The management case does not appear to include the required level of detail. For example, the capabilities of the team members required to deliver the project on scope, time and budget is not justified. Additionally, this project offers a large number of benefits. Whilst the KPIs and measures are found in the Strategic Case, a realisation, monitoring and evaluation strategy is not found in the management case.

### 3. Strategic case

#### 3.1 The strategic context

The strategic drivers for this investment and associated strategies, programmes and plans are to improve

- accessibility to leisure and health services
- the leisure activity offering in the town, addressing current and future demand for leisure activities
- the health of the town population

#### 3.2 Strategic case assessment

The Strategic Case should cover	RAG Status	Status Comments / Evidence	Actions
Summary of the case for change		<p>A compelling case for change has been presented. The existing leisure centre was built in the 70s and is stated to be in a poor condition. It also has limited accessibility, offerings for older children and teenagers, high area deprivation and poor social mobility, with high mental and physical health issues.</p> <p>There is a significant catchment area and demand for leisure services which is set to increase with a new housing development at Egstow.</p> <p>This project seeks to tackle the above issues and address the future demand for leisure services and presents a series of options to do so that are aligned with TIP1 objectives and other relevant local and regional strategies.</p>	No action required
Summary of the national, regional, and local policy drivers		The stakeholders section evidences project alignment to a number of policies and strategies including the NEDDC Health and Well-Being Strategy and the Joined-Up Care Derbyshire Prevention Strategy (2018).	No action required

Summary of the project vision and SMART objectives		A table of outcomes, issues, interventions and how the outcome is achieved is evidenced. Whilst not in the correct SMART format, unpicking the detail does reveal underlying objectives, being the outcome itself.	Include project objectives in the SMART format
Summary of the proposed project outcomes, outputs, and interdependencies		A table of outcomes, issues, interventions and how the outcome is achieved is evidenced. Some of the interventions appear to be the outputs and the outcome reads as 'how the outcome is achieved'.	Reframe the detail in to 'outcomes' and 'outputs'.
Summary of stakeholder views		<p>There is evidence of stakeholder engagement. The Physical Activity and Lifestyle Support group collaborates across sectors. Partners include the Derbyshire Health and Wellbeing Board, Place Alliance, One Public Estate and the North Derbyshire Strategic Health and Wellbeing Group.</p> <p>The Clay Cross Healthy Futures group has been developed with a 52 strong consortium of partners operating services in Clay Cross. The main aim of the consortium is to improve the overall Health and Wellbeing of all local residents via a co-ordinated partnership approach 'providing something for everyone'.</p> <p>A Young People's sub-group has been established for engagement.</p>	No action required

### 3.3 Validity statement

Based on this analysis, the validity of the Strategic Case for the scheme is deemed to be compliant. However, it is advised to reframe the '*outcomes, issues, interventions and how the outcome is achieved*' table in to SMART objectives, outputs, and outcomes only.

## 4. Economic case

### 4.1 Economic Case Assessment

The Economic Case should cover	RAG Status	Status Comments / Evidence	Actions
Options /scenarios considered in appraisal		Several options considered and appraised through cost and benefit analysis. A preferred is arrived at with rationale.	No action required
Summary of economic benefits considered, both local and national		<p>Various economic benefits are presented in the business case. These have been analysed in depth, factoring in bespoke benefit time periods per benefit when monetising.</p> <p>Several sources of data have been used to determine assumptions behind the monetising calculations. Sources include HACT, Simetrica, Sport England Economic Value of Sport.</p> <p>The nature of project provides mostly local benefits only which have been considered. A national benefit which has been considered is on carbon savings.</p> <p>Non quantifiable benefits have been identified and each option assessed against how well it scores against the non-quantifiable benefit.</p>	Consider including references and/or calculations that back up the final benefit figures as an appendix.
Summary of economic costs, including optimism bias		<p>Economic costs for all options presented with unit rates for some cost items and no unit rates for others.</p> <p>Costs include borrowing and ongoing revenue costs, thus a conservative approach was taken when calculating the VfM.</p> <p>Appears to be a variation to costs per the RIBA2 process but the overall cost remains to be forecasted to £21.8m.</p> <p>Optimism bias has been applied with respect a 'standard building project'</p>	No action required

Value for money assessment, with key results.		VfM assessment has been carried out for all options, with three options having a BCR above 2. A most preferred option is selected with rationale behind why the option was selected, despite not having the highest VfM.	No action required
Consideration of place-based impacts		Place based impacts have been considered such as regeneration, image of the local area, health benefits crime savings and labour supply benefits. Due to the nature of this isolated project, these place-based impacts seem appropriate.  The VfM via these interventions is not dependent on other interventions that may or may not be happening in the local area.  The project aligns with local initiatives such as Active Derbyshire's Sports Strategy.	Consider linking the place base impacts with the wider strategic initiatives in the area. For example, the impacts align with Active Derbyshire's Sports Strategy; however, this is not made clear in the Economic Case.
Sensitivity tests		Sensitivity tests have been performed on three scenarios: optimism bias in costs, 20% lower usage of the leisure centre and inflation of building costs.	No action required

#### 4.2 Validity statement

Based on this assurance review, the Economic Case appears to be compliant, and the level of detail proportionate for this project.

## 5. Financial case

### 5.1 Financial Case Assessment

The Financial Case should cover	RAG Status	Status Comments / Evidence	Actions
Summary of costs		F&G cost consultancy report has developed a breakdown of the costs involved for the project up to RIBA stage 1. The project total will be £21.9m with the leisure centre costing £11.5m.	No action required
Summary of revenues		Financial model is detailed enough to cover the complexities of the project and has made an attempt to forecast revenues and operating costs. Assumptions look to be relevant and backed by evidence.	No action required
Summary of how the project will be funded		Funding ask, including source of each ask, is evidenced in the latter part of the financial case.  This is generally found and is more impactful at the start of the financial case.	<ul style="list-style-type: none"> <li>Consider moving the summary – 3.14, 3.15 (table 37) to the front of the financial case so that the reader understands the ask immediately</li> </ul>
Financial risks and mitigation plans		Risks evidenced and appear appropriate. A risk register with mitigations is included in the appendix	<ul style="list-style-type: none"> <li>Recommend including the financial risks and mitigations in the financial case</li> </ul>

### 5.2 Validity statement

Based on this analysis, the validity of the Financial Case for the scheme is deemed to be compliant. It is advised to begin the financial case with the funding ask/requirement, followed by the sources of funds. Additionally, risks could include the mitigation in addition to the current risk and impact.

## 6. Commercial case

### 6.1 Commercial Case Assessment

The Commercial Case should cover;	RAG Status	Status Comments / Evidence	Actions
Commercial feasibility of projects		<p>Feasibility work has been completed, demonstrating that there is demand for the leisure centre, in turn generating revenue.</p> <p>The Management Case evidences collaboration with ISG to deliver the project; thus, a supply chain exists to deliver.</p> <p>The projects alignment with other regeneration within Clay Cross has also been considered.</p>	<p>Recommend including details on use of ISG s in the commercial case and not the management case because this demonstrates that there is a supply chain to deliver the project in turn showing the project is feasible.</p>
Contractual issues and high-level approach		<p>The Management Case states the project will be delivered via the UK Leisure Framework. The terms are assumed to alleviate any contractual issues.</p>	<p>The details of the UK Leisure Framework should be referenced in the commercial case because this forms part of the procurement and delivery strategy.</p>
Procurement strategy and key risks, including risk transfer strategy and mitigation plans		<p>A detailed procurement strategy was developed by an external consultant which explored the various procurement routes which subsequently informed selection of a preferred route. This route importantly promotes early contractor involvement who can bring their expertise in the sequencing of delivery activities etc to reduce delay and cost increases.</p>	<ul style="list-style-type: none"> <li>Clearly state whether a single or two stage develop and construct route has been chosen. If a decision is not yet made, this should be explained e.g., expected time to make decision and whether the decision impacts cost and delivery timescales</li> <li>Recommend including the relevant procurement risks from the register in the Commercial Case.</li> </ul>

		<p>A fixed price approach has been taken which transfers cost risk to the contractor.</p> <p>Contractor (ISG) has been appointed under Leisure Framework terms</p> <p>Regarding risks, a risk register has been evidenced; however, relevant risks have not been included in the commercial case section.</p>	<ul style="list-style-type: none"> <li>The procurement strategy found in the management case should be moved to the commercial case</li> </ul>
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## 6.2 Validity statement

Based on this analysis, validity of the Commercial Case for the scheme is deemed to be compliant solely on the basis that the required detail exists within the overall document. Due to structuring, the detail is not all within the commercial case. It is advised that the document is restructured so that the commercial case does not lose credibility when the necessary detail exists.

Additionally, relevant risks are advised to be included within the Commercial Case opposed to simply referencing the risk register in the appendix.

## 7. Management case

### 7.1 Management Case Assessment

The Management Case should cover	RAG Status	Status Comments / Evidence	Actions
Governance arrangements, including key roles and responsibilities	Green	Key roles and high-level responsibilities stated. Governance evidenced as far as a reporting, org structure and change control; which, is stated to be agreed in the contractor and sub-contractor contracts. .	No action required
Programme and timeline for delivering the project included	Green	Delivery timescale evidenced	No action required
Approach to project management outlined, demonstrating capability for delivering the project	Yellow	Key roles within the project structure ae stated but capabilities to deliver each role is not explored in as much depth expected for this project, proportionality wise.	Recommend explaining how each person has the capability to deliver this project on scope, time and budget. Advise including the (sub)contractor capabilities too.
Key stakeholders identified, and stakeholder engagement strategy presented	Green	Key stakeholders listed and engagement strategy is to invite stakeholders to two-monthly meetings and consult on an ongoing basis.	No action required
Key risks identified	Green	A number of risks have been identified that appear appropriate to the project scope. These are found within the appendix.	No action required
Project interdependencies identified	Green	Project is deemed independent of other projects	No action required
Summary of benefits realisation plan and monitoring and evaluation strategy developed	Yellow	The benefit measures are evidenced in the Strategic Case; however, it is not	Person responsible for monitoring and

		accompanied by 'who' out of the project team is responsible for monitoring and evaluating.	evaluating benefits should be stated.
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## 7.2 Validity statement

Based on this analysis, the validity of the Management Case for the scheme is deemed to be near compliant. It is advised that the capability of the project team to manage themselves and the contractor to deliver on scope, time and budget is justified. A significant number of benefits are stated in the strategic case, along with KPIs and measures but these are not amalgamated in to a benefits realisation strategy within the Management Case. For a project of this scale that delivers a multitude of benefits, it is advised to demonstrate to DLUHC the teams desire to monitor and evaluate benefits on an ongoing basis.

## 8. Review

### 8.1 List of project stakeholder engaged

The following stakeholders were:

Name	Organisation and role
Cassie Houlden	Associate Director, Amion Consulting
Rachel Fowler	Managing Director, Strategic Leisure
Matthew Broughton	Director – Transformation, NEDDC

### 8.2 Programme/Project documents reviewed

Document Name
SPK Risk Register V1
SPK TF Procurement Info
SPK Financial Info
Appendix 4 – Community Activity Hub Revenue Model
NEDDC – SOPG Report V11 – 19.01.22
Economic benefit calculation
Email from Cassie Houlden explaining basis of economic benefits
NEDDC – Towns Fund Report V2 01.03.22
NEDDC - Towns Fund Report - V4 - 08.03.22

## 9. Recommendation

At time of writing this report, the project business case is recommended as '**Ready to proceed**'.

Recommendations are:

The management case could be improved by demonstrating team capability to deliver the project, and a defining a robust benefits realisation strategy.

Regarding the commercial case, this is more of a structuring improvement. The details exist within the overall business case but should be within the commercial case

The strategic case requires framing the objectives in to the SMART format and providing additional policy drivers.

*<sup>1</sup>Following the due diligence process the independent expert will consult with the Section 151 Officer and projects will be classified as:*

- *Ready to proceed*
- ~~*Ready to proceed, pending limited additional information*~~
- ~~*Not ready to proceed/require significant additional information*~~

Signed:

Date:

Senior Responsible Owner – Jayne Dethick

Signed: Mark. K. Holmes – Operations Director - Mace



Date: 09<sup>th</sup> March 2022

Mace Business Case Assurance Lead

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<sup>1</sup> Town Deal Fund criteria form Project Assurance Framework



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**North East Derbyshire District Council**

**Clay Cross Town Deal Board (CCTDB)**

**18 March 2022**

**Communications Update**

**Report of the Assistant Director Economic Development, Regeneration and Housing Growth**

Classification: This report is public

Report By: Bryan Harrison

Contact Officer: Bryan Harrison

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## **PURPOSE / SUMMARY**

To provide an update on recent communications activity and to propose the appointment of a communications apprentice.

## **RECOMMENDATIONS**

1. That the Board note the recent communications activity.
2. That the Board approve the appointment of a communications apprentice and an associated annual budget of £23,000

## **REPORT DETAILS**

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

- 1.1 Wings magazine – a two-page article was included in February's edition of Wings magazine to raise local awareness of the town deal initiative. Wings is circulated widely in Wingerworth, Tupton, Ashover and to all businesses in Clay Cross town centre. There are also collection points in Sharley Park Leisure Centre and Clay Cross Parish Council offices. The article can be read here:

<https://www.yumpu.com/en/document/read/66405946/wings-issue-146-february-march-2022>

- 1.2 The publisher of Wings is also planning an 8 page Clay Cross special in a future edition and will work with the Communications and Community Working Group to agree the content.
- 1.3 At the Working Group meeting in February it was agreed that, to help improve communication and engagement with Clay Cross businesses, a Clay Cross

Business Ambassador would be appointed. At that same meeting Becky Hunter of Riber Products, based in Clay Cross, agreed to accept the role. Becky's appointment features in April's News magazine and the story asks for businesses to get in touch to share their thoughts around the town deal. Updates on the Business Ambassador's activity will be brought to future Board meetings.

- 1.4 In order to fulfil the CCTD projects potential through communications and marketing of the projects, a need was identified through the Working Group for an apprentice position to meet this demand. This proposal was shared with the board in 2021 who approved in principle but required further information about the post, how it can improve the outcomes of the project and the costs.
- 1.5 A new website ([www.claycrosstowndeal.com](http://www.claycrosstowndeal.com)) is under construction, launch expected March/April 2022. To ensure the CCTD project achieves its goals, a specific brand and logo has also been created and approved to give it the unique identity needed in marketing and communications. To compliment the website, a full suite of social media accounts for the deal have been taken ownership of, this includes a Facebook page, Twitter, LinkedIn and Instagram account.
- 1.6 The CCTD project as a whole, is a unique opportunity to make tangible, positive differences to our assets and communities for years to come. Delivering these projects successfully is key for our residents and businesses, who will vibrant, forward thinking innovative town in Clay Cross which this investment will bring.
- 1.7 The success of the town deal depends on effective communications – well thought out, planned, pro-active and targeting the right audiences at the right time and for detailed campaigns and marketing to take place such as engaging with key stakeholders in the varying projects, writing press releases, newsletter copy, undertaking interviews, video and photographs. In order to achieve these communication ambitions, and for the communications channels set out above to be maximised, there is a clear need for investment in the communications team to deliver this.
- 1.8 It is therefore proposed a Level 4 apprentice (undergraduate level, four years duration) should be appointed to manage these communications channels and work with the wider communications team and working groups to ensure effective delivery of campaigns and media releases.

## **2. Details of Proposal or Information**

- 2.1 As outlined in 1.1 – 1.8

## **3 Reason for Recommendation**

- 3.1 To support a long term programme of communication activity.

**4 Alternative Options and Reasons for Rejection**

4.1 To continue with limited communication resources. A step change is required in the volume of communications activity around the town deal and without additional resources this will not be possible.

**DOCUMENT INFORMATION**

Appendix No	Title

# Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

# Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted