

North East Derbyshire District Council

Clay Cross Town Deal Board (CCTDB)

24th September 2021

Key Risks and Issues

Report of the Director for Growth

Classification: This report is public

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PURPOSE / SUMMARY

To draw the Board's attention to several key risks and issues emerging during the business case preparation phase in order to provide an indication of the current position and prospects of finalising the Business Case Summary for submission to MHCLG by March 2022.

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, must be successfully concluded within 12 months of the Heads of Terms agreement. Accordingly finalising business cases for Clay Cross projects was envisaged to progress at pace and be concluded by the end of this calendar year. This would enable local assurance to be completed and the submission of the Summary Document to be submitted to MHCLG by March 2022.

- 1.2 As part of the system to monitor and manage risk, several issues and risks have emerged that have the potential to detrimentally impact this timescale. These are being raised with CCTDB as part of its risk oversight function.

2. Details of Proposal or Information

- 2.1 Work continues across all projects but the team is having to spend significantly more time on several key tasks, such as updating and finalising Scoping Plans, undertaking baseline surveys and engaging with partners and stakeholders to inform business cases. This helps improve the robustness of approach but is beginning to impact on progress – the status of an increasing number of tasks is moving to amber. Consequently concluding some of the business cases may extend into early 2022.
- 2.2 The completion of business cases was intended to be marginally phased but reprofiling/ re-prioritising the completions timeline will need to be considered. This would benefit the assurance process in that it too would be appropriately staggered thereby minimising pressure at the back end of the programme and ensuring completion ahead of the March 2022 deadline.
Progress against the attached Summary Programme (Appendix 1) will continue to be monitored, and the risk of any other significant delays reported to future Board meetings.
- 2.3 Discussions within the Creative Hub Working Group have highlighted uncertainty around future management arrangements for Hub - the creative stakeholders on the Working Group are not currently interested in assuming management responsibility for the building. Potential options such as another organisation or NEDDC operating the facility will need to be explored but it is vital that implementation arrangements are evidenced as part of the ‘management case’ section of the Business Case.
- 2.4 As part of the work evidencing market demand for leisure uses on the Bridge Street site, discussions with potential operators have identified a lack of investment interest primarily because of the proximity of Clay Cross to Chesterfield. Although there could be interest in ‘pop up’ leisure activities and experiences in the town, the Town Centre Regeneration Working Group considers these would be better suited to the new Square and associated with a new market offer. Consequently the Working Group will contemplate appropriate development options and/or phases for the Bridge Street site.
- 2.5 Additionally in the Town Centre, the availability of the updated transport model is delayed, meaning that baseline evidence demonstrating the need for a clear set of connectivity/ movement interventions is not available. While the team will continue to work closely with DCC to identify alternative sources of evidence, this position risks undermining the credibility of the business case for Clay Cross Connections projects.

- 2.6 Consequently ‘Connections’ may need to progress as a programme business case (with NEDDC as the accountable body) and include appropriate arrangements for the defrayment of funding as proposals are worked up for individual projects.
- 2.7 MHCLG revised guidance signals that Town Deal Funding Agreements will be issued on a ‘year-on-year’ basis and not for the length of a project. This creates a risk for projects delivered over different/ multiple years, raising the potential for future years’ funding gaps as well as the probable need to underwrite financial liability when entering into construction contracts.

3 Reasons for Recommendation

- 3.1 Several risks and issues have been identified that could impact on the successful conclusion of the required business case preparation and assurance work and these are being raised to ensure the proposed approaches to managing these are acceptable to the CCTDB as part of its risk oversight function.

4 Alternative Options and Reasons for Rejection

- 4.1 There is no other option.

DOCUMENT INFORMATION

Appendix No	Title
Appendix 1	Summary Programme Gantt Chart