

North East Derbyshire District Council

Clay Cross Town Deal Board (CCTDB)

14 January 2022

Key Risks and Issues

Report of the Director for Growth

Classification: This report is public

Report By: Maria Curran, Interim Project Manager

Contact Officer: Maria Curran

PURPOSE / SUMMARY

To draw the Board's attention to 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. 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. Technical workshops and Working Group discussions have enabled design options for several projects to be refined. The strategic approach to the Connections project (including the principle of opening the Bridge Street link) has been established but further work to better understand and mitigate the impact on public transport is needed. An early concept design for Sharley Park Leisure Centre, which delivers all the key elements of the scheme within the budget envelope, has been prepared and the business plan is being concluded.
- 2.2 However the Bridge Street site is proving more challenging as both leisure and private retirement living options have not attracted investment interest. An opportunity is being explored to align the future development of the site with the strategic objectives of the skills & training and low carbon workstreams. This will require the Working Groups to collaborate in scoping options, with the Town Centre Working Group taking the lead in bringing forward recommendation(s) to Board for the site. To maintain the current programme for the business case, this needs to be completed by mid-February.
- 2.3 The timing of housing delivery in the town centre has been raised as a concern by more than one Working Group. Potential delays with the Low Carbon Homes Market Street project are expected with rising costs for materials and construction a concern. The Broadleys site is also awaiting information from the Council's JV partner. Accordingly the Board is asked to provide clarity on programme expectations for the delivery of housing including low carbon homes.
- 2.4 The Rail Feasibility Study continues to be delayed as the Working Group discusses procurement of a supplier. Originally anticipated as an 'early win' project, the group does not see it as such, voicing confidence over cost as a greater priority than speed. Funding to undertake the study is dependent on the approval of the Strategic Assessment, which in turn cannot be finalised until a tender proposal and fee has been approved. To maintain the current programme for the business case, a procurement route recommendation from the Working Group is required at the start of February. Consequently the Board is recommended to charge the Working Group to provide a recommendation in that timeframe or

if that is not considered possible, the Board is asked to confirm an alternative deadline, noting the programme and funding implications.

- 2.5 Productive discussions are taking place with DCC about the Skills and Enterprise Hub including agreement for greater collaborative working across projects. It should be noted that the use of the DACES building and other proposed activities are not on DCC's capital programme nor planned as part of service enhancements. Therefore an understanding of anticipated costs and funding budgets is needed.
- 2.6 Similarly design progress is being made on the Creative Hub following a Working Group site visit and subsequent options analysis and discussion. However future management arrangements, including identifying an operator are crucial for the business case. The separate early release funding report provides more detail but the Board is asked to charge the Working Group with scoping options by mid-February in order to maintain the current programme.
- 2.7 The business case team has spent significantly more time in meetings/discussions and undertaking extra tasks, meaning the tendered resourcing allowance is virtually depleted. This puts achieving RIBA Stage 2 Concepts for various projects at risk; further engagement with landowners and the investment market is unlikely to be sustained; and finishing business cases will need to be prioritised resulting in changes to working arrangements and general availability.
This represents a substantial risk to the programme and priorities and resourcing of the team will need to be agreed urgently.
- 2.8 At the time of writing, an update to the timescales for submitting the project summary documents is being prepared for BEIS as these will extend beyond March 2022 deadline (12 months of the Heads of Terms agreement). Changes to the Clay Cross agreed annual financial profile are anticipated and it has been advised that these will increasingly be viewed with a critical eye. Consequently every effort is needed to minimise delays to concluding the project development and business case preparation and assurance stages so that delays to submitting summary documents are minimised.

3 Reason for Recommendation

- 3.1 While good progress is being achieved on projects, a number of issues are at risk of impacting the conclusion of business cases and the submission of summary documents. The CCTB's attention is drawn to these issues and to ensure the mitigation is acceptable to the Board 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	Project Progress Summaries