

**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

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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**

<b>Appendix No</b>	<b>Title</b>
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