

## **OVERVIEW AND PERFORMANCE SCRUTINY FORUM**

**Thursday, 18th March, 2021**

Present:-

Councillor L Collins (Chair)

Councillors	Blakemore	Councillors	Kellman
	Borrell		Snowdon
	Catt		Kelly
	Dyke		Coy
	Flood		Brittain
	Fordham		T Gilby
	Hollingworth		

Councillor Dean Collins, Cabinet Member for Economic Growth +

Neil Johnson, Service Director – Economic Growth +

Charlotte Kearsey, Democratic and Scrutiny Officer

Lynda Sharp, Economic Development Manager +

+ Attended for Minute No. 23

### **26 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

### **27 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Caulfield.

### **28 FORWARD PLAN**

The Forum considered the Forward Plan.

### **RESOLVED –**

That the Forward Plan be noted.

### **29 SCRUTINY MONITORING**

The Forum considered the Scrutiny recommendations implementation monitoring schedule.

**RESOLVED –**

That the Scrutiny monitoring schedule be noted.

**30     WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM**

The Work Programme for the Overview and Performance Scrutiny Forum was considered.

It was noted that work was taking place to prepare the 2021/22 work programming process.

**RESOLVED –**

That the Work Programme be approved.

**31     OVERVIEW AND SCRUTINY DEVELOPMENTS**

There was no update.

**32     MINUTES**

The Minutes of the Overview and Performance Scrutiny Forum held on 21 January, 2021 were presented.

**RESOLVED –**

That the Minutes be approved as a correct record and signed by the Chair

**33     LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC**

**RESOLVED –**

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

## 34 **CABINET MEMBER FOR ECONOMIC GROWTH - ELDER WAY AND NORTHERN GATEWAY DEVELOPMENTS**

The Cabinet Member for Economic Growth, Service Director – Economic Growth and Economic Development Manager attended to present an update report about the Elder Way and Northern Gateway Developments, further to the report presented to Overview and Performance Scrutiny Forum on 17 September, 2020.

The Northern Gateway scheme was approved by Cabinet in July 2016. The scheme aimed to improve the northern gateway to the Town Centre through the provision of three main elements:

- Provision of a new Multi Storey Car Park (MSCP) to replace the former Saltergate car park that had fallen into disrepair;
- The construction of the Northern Gateway Enterprise Centre on Holywell Cross;
- The delivery of a new public realm scheme, centred on Elder Way and part of Knivesmithsgate.

Another related element was being delivered by the private sector. Jomast Developments Ltd had purchased the former Cooperative Department Store on Elder Way and a full refurbishment of the building had been completed. Premier Inn had taken over the upper floors of the building and had been operating since April 2019. Eight leisure/retail units at ground floor with a basement suitable for uses such as a gym were being actively marketed.

Northern Gateway scheme was funded by;

- Sheffield City Region Infrastructure Fund grant of £5,830,000;
- D2 Rates Retention Grant of £600,000;
- D2N2 grant of £300,000;
- Chesterfield Borough Council has contributed £6,500,000 to the scheme, predominantly in the construction of the new Saltergate MSCP.

When complete, the scheme was expected to deliver in the region of 500 new jobs. The redevelopment of Elder Way had been funded by Jomast Developments Limited, at a cost of approximately £13m.

The construction of the new Saltergate MSCP commenced in September 2018 and was completed in July 2019. In September 2020, it was reported to Scrutiny that the project was completed on time and on budget. The only additional activity which had taken place within the period since September 2020, was that the construction retention period had ended from a contractual perspective and all snagging works had been completed.

The Northern Gateway Enterprise Centre was being developed on part of Holywell Cross car park. When complete, it would provide a high quality base for up to 32 start-up and small and medium sized businesses. The Centre had been designed, on behalf of Chesterfield Borough Council (CBC), by local architects Whittam Cox. The new Centre sought to build on the success of the Council's existing portfolio of Innovation Centres at Tapton and Dunston. The building had been designed to have sustainability principles at its heart, minimising its impact on the environment and achieving considerable efficiencies in energy use.

CBC had appointed contractors, Robert Woodhead Ltd to build the Enterprise Centre. Work on site commenced at the end of April 2020 and work had progressed since the scrutiny update in September 2020. The building was now at full height and weather-tight with a complete roof and the external brickwork pillars were being constructed. Internally the ground floor was almost complete with internal partitions and plasterboarding in place for the mechanical and electrical (M&E) installation. Externally the drainage had been installed. Many of the associated planning conditions had been discharged and the RIBA Workplan Stage 4 design was complete. The Centre was due to be completed in summer 2021.

Robert Woodhead Ltd were working to very strict health and safety criteria in line with national Covid-19 guidance on the operation of construction sites. The impact of Covid-19 had already required an adjustment to the completion date from Spring to Summer 2021. Any additional changes to health and safety requirements or other Covid-19 related restrictions could result in further delays. CBC's Project Manager was in regular contact with the contractor and dedicated Health and Safety advice had been procured to support the development to move forward safely.

When complete, the Council would work to ensure that lettings are achieved in the Enterprise Centre as soon as possible. The plans for the

Centre were developed pre COVID -19 and based on the performance of the current portfolio of Innovation Centres in the Council's ownership. During 2019, Tapton and Dunston had achieved record occupancy figures with Dunston Innovation Centre 100% let for most of 2019. There was a clear, identified need to provide additional commercial space of this type. The pandemic had impacted on occupancy rates at Tapton and Dunston which had fallen since September. This was partly as a result of offering "easy in, easy out" terms which some businesses had utilised to reduce property related overheads. However, more positively, a number of tenants had "graduated on" which was a key principle of the Enterprise Centres' business model to ensure that support was provided to businesses of the future. New enquiries for space continued to be received and occupancy was expected to build again. The design of the space in the new Enterprise Centre would also reflect the changing nature of the way organisations do business, with the provision of equipment to facilitate new technologies that have become popular and effective since the Covid-19 pandemic.

Forward marketing of the Enterprise Centre would be key, to promote the Centre to future tenants. A marketing strategy had been developed and was being actioned. The Council's website had been updated and now included a fly through video to give potential business occupiers a flavour of what the new enterprise centre will have to offer. Hoardings had been erected around the construction site which had been designed to promote the site and drive enquiries from end users. In addition, they promote site safety, the environmental benefits of the Centre and skills messaging.

The key risk for the Enterprise Centre would be to continue to ensure that the construction progresses as planned within the timelines and budget. The project team was working to ensure that this would be the case. The Council had appointed dedicated Quantity Surveyors to scrutinise and verify project costs which were paid retrospectively on a monthly basis up to the agreed fixed cost amount.

The Elder Way public realm scheme would create a more attractive street for shoppers, visitors and current or prospective businesses. The improvements would connect developments at the top of Elder Way, with the Town Centre. The Elder Way scheme in the former Cooperative department store, delivered by Jomast Ltd, would also benefit from an improved street scene. CBC had appointed Whittam Cox and Plan-It, landscape architects, to develop a public realm scheme for the area. Consultation on the proposals had been completed with key stakeholders

including local businesses, public transport providers, taxi companies and Derbyshire County Council Highways Teams. A dialogue with key local stakeholders remained open as the works were in progress. CBC had set-up a dedicated page on the council's website where updates on the work were periodically posted. The scheme design was now complete to RIBA Stage 4 with the Highway Authority, Section 278 Construction Approval was granted on 31 July, 2020. CBC had procured contractor Danaher and Walsh to deliver the public realm scheme, following a detailed procurement process. Danaher and Walsh commenced works on site on January 2021 and work was scheduled to be completed in May 2021.

Jomast had completed the redevelopment of the former Co-operative department store. Premier Inn took over the upper floors of the building and have been operating since April 2019. Progress on letting the commercial space on the ground floor continued to be impacted by Covid-19. CBC meet with the team from Jomast on a quarterly basis to review the marketing strategy for the Scheme. It was clear that Covid-19 had a significant impact on interest in lettings. For example, in September 2020, it was reported that one unit was under-offer. Legal teams had advanced on this unit to the point of completion. Unfortunately, when the Government introduced Tier 3 Covid-19 restrictions the end-user pulled out of negotiations. Throughout the lockdown period, there had been some nominal interest shown in the units and viewings had been undertaken. In January 21, CBC also met with Jomast Developments to review the current position and to determine how flexible they were able to be, to help secure lettings and to reduce the risks to tenants. It had been agreed that Jomast would bring the Council into discussions earlier, so that the interest being shown could be reviewed and it could be established whether CBC were able to offer support in different ways to help translate interest into formal lettings.

The Council entered into a rental guarantee arrangement with Jomast Developments in the Spring of 2017. It was only through the Council entering into the agreement that Jomast Developments were prepared to progress the conversion works of the former Co-op department store. It was highly unlikely that interested parties would commit to leasing units until there was certainty around when they might be able to open. The Northern Gateway public realm works that are currently underway would greatly help in converting current interest and attracting new interest.

The different elements of the scheme were varied and as such had to overcome different barriers. All elements were governed by the

requirements of Sheffield City Region, as key funders, and need to ensure effective communication and consultation on an ongoing basis.

Responses were provided to questions submitted prior to the meeting. Members also asked questions in the meeting, such as, whether it would be possible to have a pop-up shop option which could be used as an option for cultural or arts displays from the borough. The Economic Development Manager advised that Jomast had been asked to consider a similar suggestion for an empty unit to be used as an artists' studio. The Service Director – Economic Growth also noted that this option could also be considered in the Revitalising the Heart of Chesterfield Project.

Members enquired whether there were any concerns that the Northern Gateway Enterprise Centre would attract tenants from the other Enterprise Centres. The Service Director – Economic Growth advised that there may be some movement because of the footfall attraction at the Northern Gateway site, however, the team had been careful to offer different benefits to the different Centres, such as free parking, which were very attractive to some tenants.

Members noted that the disabled parking was on the fringes of the Town Centre which does not work for everyone and a small train to transport people around town was suggested. The Service Director – Economic Growth advised that accessibility considerations were at the heart of all public realm schemes and the option of an electric or hydrogen bus from Chesterfield Station.

## **RESOLVED –**

1. That the progress report be noted.
2. That information regarding the ethos around accessibility and safe spaces be included in a future update.
3. That an annual update regarding costings and tenancy figures be brought to the Overview and Performance Scrutiny Forum.
4. That an update regarding the developer handover of the projects and costings be included in the 2021 Scrutiny Work Programming.

**RESOLVED –**

That after consideration of an item containing exempt information the public be readmitted to the meeting

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**DEPUTY LEADER - CLIMATE CHANGE ACTION PLAN**

**RESOLVED –**

That consideration of this item be deferred and included in the 2021 Scrutiny Work Programming.