



**REGENERATION AND PUBLIC  
PROTECTION CABINET MEMBER MEETING  
8 March 2019**

**ITEM 5**

Report sponsor: Greg Jennings, Director for  
Development & Growth  
Report author: Matt Wilson, Regeneration  
Manager

**Osmaston Regeneration Partnership LLP: Local Growth Fund  
grant proposal**

**Purpose**

- 1.1 To approve the use of existing LGF funds to provide grant funding to support Osmaston Regeneration Partnership LLP to achieve planning consent for new homes on the former Main Works site in Osmaston.

**Recommendation**

- 2.1 To approve a grant of circa £174,000 to the Osmaston Regeneration Partnership LLP (a joint venture between Derby City Council and Keepmoat Homes Ltd) using Local Growth Fund allocated to the Access Osmaston project.
- 2.2 To note that the grant is being awarded under European Commission Regulation (EU) No 1407/2013, which allows a maximum de minimis grant of €200,000 to be awarded to single recipient over a three-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the date of the de minimis funding offer. At the date of this Report, the sterling equivalent is approximately £174,000 and the exact amount will be calculated on the date of formal written offer to Osmaston Regeneration Partnership LLP.

**Reason**

- 3.1 The Osmaston Regeneration Area is a Strategic Housing site within the Derby City Local Plan – Part 1 with a target of delivering 600 new homes by 2028, with 95 so far having been delivered. The re-development of the Main Works is itself a strategic priority for the Council and the plan to create 411 new homes across this site and the former car park site on Nightingale Road provides a significant contribution to the Local Plan target.
- 3.2 To comply with the Council's Contract and Financial Procedure rules.

**Supporting information**

- 4.1 The Council entered a joint venture partnership with Keepmoat Homes in 2013 with the objective of delivering a significant housing development on the Rolls-Royce owned former Main Works site in Osmaston. As the appointed development partner, Keepmoat Homes Ltd on behalf of the Osmaston Regeneration Partnership LLP have invested heavily in scheme feasibility, pre-application and consultation, pre-site investigation surveys and all design work required for planning application.
- 4.2 In return the Council's contributions have thus far paid for the Planning Fee, £59,060 using the Council's LGF allocation for Access Osmaston funding, supporting a mutual project output of new housing. At current exchange rates (subject to fluctuations), the De Minimis quota permits the Osmaston Regeneration Partnership to benefit from a further £117,651 minus any transaction fees.
- 4.3 As a contribution towards these costs, the proposal in this report is to contribute a further £78,880 contribution to the site / ground investigation cost. Both of these costs were essential milestones in bringing the scheme forward. These costs are eligible for Local Growth Fund support as they directly contribute to the delivery of new homes which is a key output for D2N2.
- 4.4 In addition to the planning fee and site investigation costs, the State Aid "de minimis" ceiling limit of €200,000 would allow the Council to provide a further £38,771 grant funding to help pay for other fees incurred including design and the Valuation Office Agency, should we decide to do so.

## **Public/stakeholder engagement**

- 5.1 This project has, since its inception with Osmaston Vision, involved considerable stakeholder engagement including local community groups, residents, Sinfen Ward Councillors and other partners such as Derby Homes. Specifically, there has been a statutory consultation as part of the planning application process, following submission of the planning application in November 2017.

## **Other options**

- 6.1 The Council could choose not to proceed with a grant towards the design and planning costs, meaning Keepmoat Homes would have to pay for 100% of these. There are no contractual obligations in our Development Agreement with Keepmoat relating to this, however as a key partner in the Osmaston Regeneration Partnership, it is considered reasonable for the Council to contribute a small amount of funding support in this way. The funding is Local Growth Fund money therefore will not have any impact on the Council's finances or Medium Term Financial Plan.

## **Financial and value for money issues**

- 7.1 This money is Local Growth grant funding and Council funding. The grant award will supports the housing output target within the Access Osmaston part of the 'Infinity Park Derby' project.

## Legal implications

- 8.1 The grant is being awarded under European Commission Regulation (EU) No 1407/2013, which allows a maximum de minimis grant of €200,000 to be awarded to single recipient over a three-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the date of the de minimis funding offer. At the date of this Report, the sterling equivalent is approximately £174,000 and the exact amount will be calculated on the date of formal written offer to Osmaston Regeneration Partnership LLP.
- 8.2 The grant will be awarded on the Council's standard terms of grant and will be subject to review by Legal Services.

## Other significant implications

- 9.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan, Acting Director of Legal, Procurement and Democratic Services and Monitoring Officer.	25-01-19
Finance	Nic Goodacre, Group Accountant, Corporate Finance	18-02-19
Service Director(s)	Greg Jennings, Director for Regeneration & Growth	23-01-19
Report sponsor	Catherine Williams, Acting Head of Regeneration & Major Projects	23-01-19
Other(s)		

Background papers:	None
List of appendices:	None