



Derby City Council

**GOVERNANCE AND LICENSING CABINET
MEMBER MEETING
13 June 2018**

ITEM 3

Report of the Interim Strategic Director of Corporate Resources

Rolls Royce Raynesway Estate Expansion and Regeneration – Electrical Supply Upgrade

SUMMARY

- 1.1 Rolls Royce is a world leader in submarine propulsion systems and support services. The Raynesway operation provides design, manufacture, safety and in-service support services.
- 1.2 Over the last 5 years Rolls Royce has invested in its Raynesway estate including the acquisition of circa 6 acres of land at Raynesway. Future significant investment is planned which will both bring and retain many jobs (including those in its associated supply chain). This reinforces Rolls Royce commitment to its association with Derby.
- 1.3 The expansion of Raynesway estate is required for the construction of the Dreadnought class submarines propulsion system, for the Ministry of Defence. This contract is critical to the continued operations of Rolls Royce submarines.
- 1.4 Critical to the planned future investment and expansion of the Raynesway estate is an electrical upgrade from 3.7MVA to 9MVA. Without this increase it will not be possible to operate the facilities at anywhere near capacity, which would result in Rolls Royce not being able to fulfil its contractual obligations. It is essential that the new cable infrastructure is therefore completed by 31 December 2018.
- 1.5 Council officers have worked closely with Rolls Royce and Western Power Distribution since April 2016, to support them in finding a viable cable route to the nearest primary sub-station with capacity, which is at Spondon. A number of routes have been considered and discounted for various reasons including difficulty engaging with private land owners.
- 1.6 This report proposes a cable route which is thought to be the only remaining viable option. The route is mostly in Council ownership, but also with short lengths in Rolls Royce and Western Power Distribution ownership. The total proposed route is around 4,457m in length, of which approximately 3,409m lies within the City Council's ownership.
- 1.7 The indicative cable route is shown by the plan at Appendix 2. This route is subject to possible very minor changes.
- 1.8 The proposed route is also subject to Western Power Distribution obtaining a number of external consents including the Environment Agency, Highways England as well as an agricultural tenant of the City Council.

- 1.9 Four parcels of land along the route and within the City Council's ownership are classified as Public Open Space. These are shown via a red dotted line on the attached plan at Appendix 3.
- 1.10 It has therefore been necessary to publicly advertise the disposal of these areas of land for the purposes of an easement. Following their recent advertisements in the local press as required by Statutory guidelines, no objections have been received.
- 1.11 The Estates team have obtained external professional advice from Fisher German Chartered Surveyors in relation to the value of the easement which equated to £120,514.94. This figure, subject to the relevant approvals by the Council has subsequently been agreed by Rolls Royce.

RECOMMENDATION

- 2.1 To agree the proposed cable route shown at Appendix 2, in order that legal teams can be instructed and that Western Power Distribution can commence the tendering process including detailed survey works to confirm technical viability.
- 2.2 To agree the basis of value for compensation upon a percentage of land value over the extent of the easement for each differing land use at an agreed figure of £120,514.94.

REASONS FOR RECOMMENDATION

- 3.1 To demonstrate the Council's commitment to its largest local employer and the positive impact it will have in terms of employment and regeneration by ensuring that the investment is retained in Derby.

SUPPORTING INFORMATION

- 4.1 A multi-disciplinary Council team has been involved in discussions and regular project team meetings with Rolls Royce and Western Power Distribution since April 2016. The Council's Estates team has led discussions with support from Parks team, Our City Our River and Sustainable Transport Projects. Derby City Council's Highways team have been consulted separately concerning stretches of the proposed cable route which would run in public highway.
- 4.2 The most sensitive section of the route is through Alvaston Park. Every effort has been made to avoid this section including drilling under the River Derwent adjacent to Raynesway Bridge, however all attempts to engage with a private Jersey incorporated land owner (on the opposite river bank) have been unsuccessful. The Friends of Alvaston Park and ward members have both been consulted on the proposed route.
- 4.3 Rolls Royce will be entering into a formal undertaking to cover the Council's legal and professional fees together with the associated costs of advertising the Public Open Space notices. The Council will also receive a compensatory sum for the grant of the easement rights.

- 4.4 Messrs Browne Jacobson solicitors have been appointed to represent the Council. This procurement has been made through the Council's Legal team.

OTHER OPTIONS CONSIDERED

- 5.1 Do nothing and leave Rolls Royce to find a possible alternative route. Following discussions with them, such an option would undoubtedly be incredibly difficult to source within the very tight deadline for commencement of production from the new facility, which in all likelihood would lead to the cancellation of the contract and a massive loss of employment and a regeneration opportunity for the City.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Toni Nash, Head of Finance (Corporate) John Green, Estates Manager Jayne Sowerby-Warrington, Head of Strategic Asset Manager & Estates Hilary Nelmes – Parks Development Officer
For more information contact: Background papers: List of appendices:	John Green 01332 642274 john.green@derby.gov.uk None Appendix 1 - Implications Appendix 2 – Site Plan Showing Extent of the Required Easement Appendix 3 – Site Plan Showing Extent of the Cable Route Through Public Open Space

IMPLICATIONS

Financial and Value for Money

- 1.1 As a result of the grant of the Council's consent to the Easement, a compensatory figure in the sum of £120,514.94 will be received by the City Council by way of a one off capital receipt.
- 1.2 In addition, Rolls Royce will cover all legal and professional fees the City Council will incur as a result of this easement.

Legal

- 2.1 There are no legal implications at this time.

Personnel

- 3.1 N/A

IT

- 4.1 There are no IT implications at this time.

Equalities Impact

- 5.1 There are no equalities impact implications at this time.

Health and Safety

- 6.1 All necessary safety measures will be put in place by Western Power Distribution and their appointed contractors during the course of the construction works to ensure the safety of members of the public.
- 6.2 Following the completion of works, Western Power Distribution will be obligated to ensure that they leave the land in the same condition as prior to the commencement of their works and therefore safe from any Health & Safety hazards.

Environmental Sustainability

- 7.1 There are no environmental sustainability implications at this time.

Property and Asset Management

- 8.1 The Property and Asset Management implications are contained within the Report.

Risk Management and Safeguarding

- 9.1 There are no risk management and safeguarding issues arising out of this proposal.

Corporate objectives and priorities for change

- 10.1 The grant of the Easement to Western Power Distribution will support the following objectives:

Derby Plan 2030: A Safe, Strong and Ambitious City

- Ambitious – the opportunity to create new jobs in a new sphere of innovative industry.

Council Plan 2016 -2019:

- Making the most of our assets