

## BUSINESS CASE – CAPITAL INVESTMENT

This Business Case provides justification for undertaking a project. The completed form will be reviewed by the Capital Scrutiny Group who will make a recommendation to Cabinet or CET whether the bid should be approved and included within the Capital Plan.

**PLEASE COMPLETE SECTIONS 1-14 ONLY AND SEND TO [CAPITALBIDS@DENBIGHSHIRE.GOV.UK](mailto:CAPITALBIDS@DENBIGHSHIRE.GOV.UK).**  
*\*PLEASE TURN OFF TRACK CHANGES AND REMOVE ANY COMMENTS BEFORE SENDING\**  
 THE CAPITAL TEAM WILL REQUEST SUPPORTING STATEMENTS FOR SECTIONS 15-18 TO BE SENT TO THE BUSINESS CASE AUTHOR FOR INSERTION TO THE BUSINESS CASE.  
 PLEASE SEND THE FINAL BUSINESS CASE (WITH APPENDIX A COMPLETED) TO [CAPITALBIDS@DENBIGHSHIRE.GOV.UK](mailto:CAPITALBIDS@DENBIGHSHIRE.GOV.UK)

For details of Capital Scrutiny Group Meeting dates and deadlines for the submission of this form, please contact [capitalbids@denbighshire.gov.uk](mailto:capitalbids@denbighshire.gov.uk)

<b>Project Name:</b>	LUF 3: Vale of Clwyd: Project 2: Former North Wales Hospital
<b>Project Manager:</b>	This is a Third-Party project and project management will be delivered by Jones Bros Ltd (Ruthin) under the terms of a Third-Party Funding Agreement. Senior Responsible Officer – Emlyn Jones DCC Programme Manager – Kim Waller
<b>Work stream/Programme (if applicable):</b>	Vale of Clwyd Levelling Up Fund Programme (VoC LUF)
<b>Verto project reference</b>	PR000069

### 1. PROJECT TYPE

<b>Head of Service i.e. Project Sponsor</b>	Emlyn Jones	<b>Lead member:</b>	Cllr Jason McLellan
<b>Service:</b>	Head of Planning, Public Protection and Countryside Service	<b>LM Portfolio:</b>	Economic Growth and Tackling Deprivation
<b>Form completed by:</b>	Gareth Roberts/Jordan Collins	<b>Date:</b>	10/06/2024
<b>Finance Capital Team contact:</b>	Sharon Billingham	<b>Service Accountant (for revenue implications if applicable)</b>	N/A

Please categorise your project type. Mark **one** box only.

<b>SMALL</b> <£250k	<input type="checkbox"/>
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<b>MEDIUM</b> >£251 - £999k	<input type="checkbox"/>
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<b>LARGE</b> >£1m	<input checked="" type="checkbox"/>
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<b>DECISION SOUGHT FROM CAPITAL SCRUTINY GROUP:</b>	To provide formal endorsement of the previous Cabinet decision to allocate funding from the Vale of Clwyd Levelling Up Fund grant to Project 2 Inner Denbigh . The request is for £3,000,000 of the £19,973,282 LUF Grant Funding for Vale of Clwyd, subject to the receipt of final formal approval from UK Government
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## 2. EXECUTIVE SUMMARY

Highlights the key points in the Business Case to include: -

- what the project will achieve / important benefits
- estimated costs
- how the project will be funded

*\* Please note that we are in receipt of a draft MoU from UK Government, we are now awaiting final sign-off following the general election \**

This Business Case seeks formal endorsement to release £3,000,000 of the £19,973,282 Vale of Clwyd Levelling Up Fund grant to deliver project 2 – Inner Denbigh.

### Introduction to Levelling Up Fund

The purpose of the Levelling Up Fund is to invest in infrastructure that improves everyday life, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.

DCC received formal approval for Levelling Up Funding for the Vale of Clwyd constituency as a part of the Round 3 approvals in May 2024.

The Vale of Clwyd Fund application (VoC LUF) is a package bid with 3 projects:

**Project 1: Rhyl Area:** Physical regeneration activities focused on a town experiencing significant deprivation to tackle falling tourism numbers, diminishing high streets and under investment.

**Project 2: Inner Denbighshire:** Physical regeneration aimed at bringing heritage buildings back into use.

**Project 3: Prestatyn:** Improve the perception of place through improved public realm and an enhanced nature walk path

There are a total of 7 project activities included to be delivered under these 3 project headings.

There is only 1 activity within Project 2: Inner Denbigh and that is the Former North Wales Hospital (FNWH)

The Former North Wales Hospital project is the regeneration of the derelict 53 acre North Wales hospital site at Denbigh for a residential mixed use scheme with 334 homes including restoration of a Grade 2\* listed building and extensive green open spaces.

The Project will be undertaken over a 12 year period in 3 phases commencing in 2024. Phase 1 of this scheme funded through LUF VoC is for the demolitions and site remediation inclusive of

primary site infrastructure including main access road, drainage, landscaping, upgrading utilities, establish bio habitat infrastructure e.g., bat roosts, drainage ponds and construction skills centre in full operation.

**The Project**

The overall project will consist of conversion, restoration, part demolition and adaptation of main range listed buildings to residential use, demolition of Nurses Home, Mortuary, Isolation ward, Aled ward and former gasworks buildings and development of land within the hospital grounds for mixed use as enabling development, including residential units and business/commercial units, provision of biodiversity areas and open space, access, drainage and associated works. Additional works include:

- Restoration and conversion of a Grade 2\* Heritage asset of local, regional and national importance
- Bring a 53 acre derelict site back into economic use
- Provide new homes
- Provide new Commercial space
- Provide Employment
- Training and apprenticeships
- Improve and enhance Biodiversity
- Reduce Carbon Emissions

**Economic benefits (12 year project life 2024-2036)**

Jobs created	70
Land remediated	53
	acres
New homes	334
New amenities – shop, café, workspace, community buildings	11,900
	sq ft
Apprenticeships on site	30 pa
Construction jobs	147 pa
GVA permanent jobs – project life	£35m

**Project Outcomes and Impact (per Logic Model)**

New Jobs created
Environmentally sustainable development
New homes
Business growth
Upskilling and apprenticeships
Increased construction industry capacity
Net additional GVA

The Project will be undertaken over a 12 year period in 3 phases commencing in 2024.

**Phase 1** is for the demolitions and site remediation inclusive of primary site infrastructure including main access road, drainage, landscaping, upgrading utilities, establish bio habitat infrastructure e.g., bat roosts, drainage ponds and construction skills centre in full operation

- 2025 - 2035 **Phase 2** new build housing and business space and secondary site infrastructure. Build out rate averages 30 units pa. The phasing of the new houses is shown below.
- November 2028-Jan 2032 **Phase 3** restoration of the main range Listed Building 2035 onwards. Handover of common areas of site and green spaces/bio diversity areas to resident management company and local authority countryside management team.

**Estimated costs**

The total estimated project cost for phase 1 is £13,438,828, which will be funded through a combination of funding from LUF (£3m), Ambition North Wales (£7m) and the private sector (£3.5m approx). This includes a contribution to the overall programme management costs. Original scheme estimates were produced for the submission of the application to UK Government in 2022. It is expected that there will be cost increases against those original cost estimates, however, the nature of the scheme will enable costs to be reduced via a value engineering approach and increased contribution from private sector.

Significant changes to the scheme (particularly where changes impact on outputs) will require funder approval. There are processes in place to formalise changes to ensure that the scheme can be delivered within the budget allowed.

Spend for phase1 (excluding profit) is shown below and it should be noted that the £3m LUF and £7m Growth Deal will be used in Phase 1

Phase 1- Demolition and primary site infrastructure £13.4m

Project Ref. No,	Project Name:	Estimated Cost
2	Inner Denbighshire Former North Wales Hospital	£3,000,000

The total Project cost across the 3 Phases is £107m which is funded £7m by ANW grant (6.5%) and £100m by Jones Bros Ltd (93.5%). Note the net grant from ANW will be £6.94m after a £60k administration charge is deducted. The funding package and grant intervention rate is summarised below :

Due to the value of this project, CSG are required to make recommendation to Cabinet, for Cabinet Approval so that the Third-Party Agreement can be issued to Jones Brother Ltd.

**3. BUSINESS OPTIONS**

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something.

You must include an environmentally enhanced (net carbon zero/ecologically positive compatible) option. If your project is a business development project, then this may not be relevant.

Option 1:	Do nothing – maintain the existing situation
<b>Please provide brief details:</b>	
<p>Funding has been secured through the UK Government’s Levelling Up Fund for this project. Therefore, the ‘do nothing’ option is not applicable in this context as a decision has already been made to Do something.</p> <p>This project has been developed over many years since DCC served the first enforcement notice on the previous owner in 2012 which led to the subsequent CPO. Securing the grant funding to help bridge the project development funding viability gap is the final piece of the jigsaw.</p> <p>The ‘do nothing’ option is not applicable in this context as a decision has already been made to do something.</p>	

**Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:**

<b>Costs</b>	Costs more		<b>Time</b>	Takes longer to deliver	
	Costs the same			Takes the same to deliver	
	Costs less	<b>X</b>		Is quicker to deliver	<b>X</b>
<b>Quality</b>	Improves the quality		<b>Benefits</b>	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	<b>X</b>		Worsens benefits	<b>X</b>

**What is the main reason this option has not been selected?**

Not applicable as funding has already been accepted on the basis of 'Do Something'.

**Option 2: Environmentally enhanced option**

**Please provide brief details:**

Further feasibility studies are required in order to inform the detailed design. This will consider environmentally enhanced options as well as give due consideration to biodiversity. Environmentally enhanced options will be included. 30% of the site will be allocated for biodiversity and will be managed by DCC.

Option 3 is the preferred option, final detailed design has not yet been agreed. However, as part of this biodiversity and ecological enhancements will feature in the scope. See option 3 for further details.

**Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:**

<b>Costs</b>	Costs more		<b>Time</b>	Takes longer to deliver	
	Costs the same			Takes the same to deliver	
	Costs less			Is quicker to deliver	
<b>Quality</b>	Improves the quality		<b>Benefits</b>	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	

**What is the main reason this option has not been selected?**

As the detailed designs are further developed, environmental enhancements will be considered within the constraints of the funding allocation and timescales

**Option 3: Preferred Option**

**Please provide brief details:**

The ambition of the project is to deliver a scheme of physical regeneration improvements to the site of the Former North Wales Hospital and to save a grade 2\* listed building of significant importance.

The proposal represents a huge economic development opportunity to Denbigh and Denbighshire.

The proposal will include planting / greening, taking into account the expected change to climate that is expected in future years and will consider other opportunities to reduce carbon and improve biodiversity. 30% of the site will be allocated to biodiversity and will be publicly accessible.

All dwellings will be constructed to current Building Regulation requirements which reflect carbon reduction priorities. The developer is also exploring ways of introducing renewable energy on site.

**Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:**

<b>Costs</b>	Costs more		<b>Time</b>	Takes longer to deliver	
	Costs the same	<b>X</b>		Takes the same to deliver	<b>X</b>
	Costs less			Is quicker to deliver	
<b>Quality</b>	Improves the quality	<b>X</b>	<b>Benefits</b>	Improves benefits	<b>X</b>
	Is the same quality			No impact on benefits	
	Is a lower quality			Worsens benefits	

**What is the main reason this option has been selected?**

This option has been agreed with UK Government as one of the projects within the Vale of Clwyd Levelling Up Fund Grant so is already included as a core component within the scope of the project and has been considered within the original budget estimates. Proposals will need to be deliverable within the LUF timescales of March 2026.



## 4. EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project. Remember to capture co-benefits (the added benefits we get from this action/project as well as the direct benefits it will realise).

Since gaining possession of the site, Jones Bros have obtained an outline planning application subject to conditions and S106 to restore the main range listed building into 34 apartments and 300 new houses. There is also 11,900sqft commercial space. This is an enabling development, and the main objective is to restore the grade 2\* main range listed building.

Other benefits include :

- Tackling Denbighshire deprivation.
- Regeneration of a derelict and contaminated 53 acre site - there are underground subways and derelict buildings with asbestos. Years of people trespassing and vandalism has made the buildings structurally unsound and a major health and safety risk.
- 300 new homes and 34 apartments will help the local housing need.
- New jobs will be made during construction phase of the £107m development. Being a local company, Jones Bros will utilise the local supply chain during construction and host a meet the buyer event which will invite local trades people to the site to meet the management team. Jones Bros will recruit local apprenticeships and visit local colleges and schools to ensure people are aware of the opportunities available at Jones Bros Ltd and at the Former North Wales Hospital development. The commercial space after the completion of the development will also create work for the local people.
- 30% of the site is allocated to open space and biodiversity. Two new bat houses will be constructed within the site.
- Transferring the completed estate to residential and community ownership will mean that local people will have a connection to its heritage and future use.
- Supporting this project which has had a 30 year history of failure is a unique opportunity for the Ambition Board to increase its profile and make a visible difference to the North Wales economy.

See breakdown below for detail of phase 1 works (item no.9)

## 5. EXPECTED DIS-BENEFITS

Outcomes perceived as negative by one or more stakeholders

Due to the scale and duration of the project some concerns about traffic issues may be raised. DCC Highways have not raised this as a concern. Detailed discussions have taken place with the applicants about the requirement for some off-site highway improvements to better link the site to the town of Denbigh. It has been suggested that these can be tied into any planning or highways agreement with relevant trigger points for the works to be completed.

## 6. CARBON IMPACT

*Denbighshire has committed to reducing its carbon emissions from buildings and fleet by 60% by 2030, for the Council to be net carbon zero by 2030 (buildings, fleet, waste, business travel, staff commuting, street lighting) and for the Council to reduce its supply chain emissions by 35% by 2030.*

*Please consult with Council's Principal Energy Manager ([robert.jones@denbighshire.gov.uk](mailto:robert.jones@denbighshire.gov.uk)) and the Council's Climate & Ecological Change Programme team ([climatechange@denbighshire.gov.uk](mailto:climatechange@denbighshire.gov.uk)) to complete this section.*

Please provide brief details of the carbon impact of this project, and detail specific actions that will be taken to reduce carbon emissions. If carbon emissions are expected to increase as a result of this project, please provide details of proposed actions to compensate for this increase in other areas of the Service's activity and/or via tree planting/land management for the benefit of carbon sequestration.

DCC statement: The proposals here will not have an effect on the reported carbon emissions from corporate properties.

## 7. TIMESCALE

Over which the project will run (summary of the Project Plan) and the period over which the benefits will be realised

Date	Milestone
Q2 2024	FNWH Project Delivery Board approvals and legal documents completed
Q1 2024	Phase 1 Pre construction and design
Q2 2024 - Q4 2025	Phase 1 construction of bat barns, asbestos removals, phased demolitions, site remediation and primary infrastructure and landscaping
2025 – 2035	Phase 2 secondary site infrastructure and new build houses construction and commercial development
2026	New build house sales commence
2028	Phase 3 Listed Building construction works
2032	Listed Building apartments sales commence
2035	Freehold estate transferred to resident estate management company



## 8. CAPITAL COSTS – BUSINESS DEVELOPMENT PROJECTS

**COMPLETE ALL THREE TABLES BELOW FOR BUSINESS DEVELOPMENT PROJECTS  
 LEAVE BLANK/DELETE SECTION FOR CONSTRUCTION PROJECTS**

*The capital cost of a project is an important consideration in terms of whether or not it should proceed. Note that even some Business Development Projects may have a requirement for capital costs, for example to fund the acquisition of new ICT hardware or undertaking alterations to buildings.*

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department
- Any costs that relate to construction should have been provided by Design & Development or Building Services

Please provide details of any expenditure incurred already on the project:	
Enter details of cost element below:	Total £
Feasibility (surveys, market research, etc.)	
Client side project management	
OTHER (please enter)	
OTHER (please enter)	
<b>TOTAL</b>	

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2023/24 £	2024/25 £	Future Years £	All Years Total £
Feasibility (surveys, market research, etc.)				
Client side project management				
ICT infrastructure and hardware				
Building alterations				
Design Team Fees (architects, QS, etc.)				
Furniture				
Other professional support (legal, etc.)				
Marketing/Consultation				
External Project Support (gateway review, etc.)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
<b>TOTAL</b>				

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2023/24 £	2024/25 £	Future Years £	TOTAL £
<b>TOTAL</b>					

**NOTE:** For funding status, please only use the following categories:

- **Approved** – written approval for the funding exists
- **Applied** – no written approval exists but an application has been made
- **Approached** – initial approach to or by funding body has been made but no application submitted
- **None** – no contact or approach has been made to or by the funding body

## 9. CAPITAL COSTS – CONSTRUCTION PROJECTS

**LEAVE BLANK/DELETE SECTION IF BUSINESS DEVELOPMENT PROJECTS SECTION HAS BEEN COMPLETED**

**COMPLETE ALL THREE TABLES BELOW FOR CONSTRUCTION PROJECTS ONLY**

*The capital cost of a project is an important consideration in terms of whether or not it should proceed.*

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department.
- Any costs that relate to construction should have been provided by Design & Development or Building Services.

Please provide details of any expenditure incurred already on the project:	
Enter details of cost element below:	Total £
Feasibility (surveys, market research, etc.)	0
Client side project management	0
OTHER (please enter)	0
OTHER (please enter)	0
<b>TOTAL</b>	<b>0</b>

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2024/25 £	2025/26 £	Future Years £	All Years Total £
Prelims inc security, site compound	1,994,241.00			1,994,241
Bat Barn 1	172,066.00			172,066
Bat Barn 2	161,779.00			161,779
Earthworks		736,785.00		736,785
Works to Listed Buildings		2,020,774.00		2,020,774
Foul drainage		111,909.00		111,909
Demolition		4,683,846.00		4,683,846
Landscaping and fencing		171,600.00		171,600
Works to Chapel		198,000.00		198,000
Pre-planning costs	700,000.00			700,000
Development Costs	900,000.00			900,000
Site setup		200,000.00		200,000
Professional fees – Design fees	217,362.50	217,362.50		434,725
Feasibility (surveys, market research, etc.)				
Client side project management				
Land/property acquisition				
Land preparation/remediation				
Demolition and/or site security				
Construction, refurbishment or maintenance				
BREEAM rating of “Excellent”				
Security measures (CCTV, door entry, etc.)				
Fire prevention measures (sprinklers, etc.)				
External landscaping and other works				
Highways work				
ICT infrastructure and hardware				

Fixtures & fittings				
Furniture				
Planning/Building Regulation Costs				
Design Team Fees (architects, QS, etc.)				
Legal Costs and Fees				
Marketing/Consultation				
External Project Support (e.g. gateway review)				
Contingency	457,137.50	457,137.50		914,275
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
<b>TOTAL</b>	<b>4,602,586.00</b>	<b>8,797,414.00</b>		<b>13,400,000</b>

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2024/25 £	2025/26 £	Future Years £	TOTAL £
UK Government Levelling Up Fund (£3,000,000)	Applied	1,500,000	1,500,000	0	3,000,000
Growth Deal Funding	Approved	3,500,000	3,500,000	0	7,000,000
Private sector Funding	Approved	1,700,000	1,700,000		3,400,000
<b>TOTAL</b>		<b>6,700,000</b>	<b>6,700,000</b>		<b>13,400,000</b>

**NOTE: For funding status, please only use the following categories:**

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- **Applied** – no written approval exists but an application has been made
- **Approached** – initial approach to or by funding body has been made but no application submitted
- **None** – no contact or approach has been made to or by the funding body

## 10. REVENUE COST IMPACT

### TO BE COMPLETED FOR ALL PROJECTS

In considering whether a project should be developed due regard should be made to the potential impact on revenue budgets. **Please consult with your revenue finance officer for this section and ensure they sign at the end of the section to confirm they have reviewed the figures provided.**

If the activity will result in a requirement for additional revenue funding, please provide details below:			
What is the impact of this project in terms of the <u>annual</u> revenue requirement for:	Existing Revenue Budget £	Post-project Revenue Budget £	Increase/ (Decrease) £
staff costs (salaries and associated)			
energy costs (heating, lighting, ICT, etc.)			
property maintenance and servicing costs			

<b>other property related costs (rental, insurance, etc.)</b>			
<b>ongoing ICT costs (licences, etc.)</b>			
<b>mileage of Denbighshire fleet vehicles</b>			
<b>mileage for business travel by Denbighshire employees using their personal vehicles</b>			
<b>OTHER (please enter)</b>			
<b>OTHER (please enter)</b>			
<b>OVERALL REVENUE REQUIREMENT</b>			

Please provide brief details of the revenue impact of this project:

- Where revenue savings are forecast, you should detail what is proposed for the saving (e.g. reduction of an existing revenue budget, re-allocation of revenue to alternative services area, etc.)
- Where revenue increases are forecast, you should provide details of how the revenue shortfall will be addressed. In this instance you should also append a three-year surplus/deficit forecast.
- Details of any one-off revenue cost requirements that may be required post-project implementation (e.g. recruitment, redundancies, etc.). DO NOT include any costs detailed in the capital section of this Business Case

Signature of service accountant to confirm the above figures:

<b>Signed:</b>	<b>Date:</b>
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## 11. PROJECT MANAGEMENT

Please provide details of proposed project management – Establishment of Project Board etc.

This is the only project activity sitting within Project 2 of the Vale of Clwyd LUF programme. The project will be monitored by a Programme Board and will have a project specific project board to manage the delivery of Project 2:Inner Denbigh. The LUF programme team will provide support to the project manager/team to ensure compliance with the terms and conditions of the grant.

The Programme and projects therein will be monitored via quarterly Programme Highlight reporting, quarterly monitoring returns to UK Government, six monthly reports to Performance Scrutiny and reports to CET and SLT via the project register.

All project activities will be developed and delivered in line with the Council’s project management approach following Prince2 Principles. Each project activity will have project teams

as a minimum and project team meetings will be scheduled in to meet at relevant intervals of the project.

It has been agreed with the project sponsor that there will be a Project Board for project 1ab, as this is a large project. The PM will also have regular meetings with the Project Sponsor and Project Team, and will produce regular highlight reports, and maintain a daily log of all major milestones and decisions. In addition to this, the PM will attend regular meetings with the full PM team on the VoC LUF Programme.

Monitoring formats are in place to manage project progress and inform Project Board meeting. VERTO will be updated and highlight reports produced to provide a corporate overview and assurance regarding the delivery of the project.

## **12. STATUTORY REQUIREMENTS / HEALTH & SAFETY**

*This section should identify how the activity will help Denbighshire meet any of its statutory requirements. Please include any Health & Safety Issues that the activity will address in this section. Please leave blank if not applicable.*

The design brief will ensure that all H&S legislation and responsibilities relating to public realm and Highways management (if appropriate) are addressed through the proposals.



### 13. MAJOR RISKS TO THE PROJECT

A summary of the key risks associated with the project together with the likely impact and plans should they occur is provided below:

Title	Inherent Risk	Mitigating Action	Residual Risk
Planning consent not granted.		Jones Bros Ltd and DCC working closely to agree necessary requirements in order to satisfy Members and present to planning committee. Key details will relate to ecology, highway improvements and phasing of works to listed building.	
Environmental licences (NRW) and consents not granted.		Jones Bros Ltd have appointed a new ecologist to navigate process. Ecologist / Jones Bros Ltd liaise with NRW / DCC to ensure support. Consultant to advise what information is required to obtain necessary consents / NRW license.	
Relationship between DCC and Jones Bros breaks down		Relationship between both parties is good and both remain committed to delivering the project. Monthly meetings continue to take place to maintain progress.	
Increased costs due to inflation prevent progress on site.		Allowances have been incorporated into the Viability Assessment. The S106 agreement will ensure that minimum expectations are delivered.	

Title	Inherent Risk	Mitigating Action	Residual Risk
Risk of further structural damage to any part of the main range listed buildings		Appropriate phasing of the works on site will be considered as part of the planning agreement (S106) and will hopefully minimise the risk. i.e. Works on the listed building start as soon as possible.	
Ensure value for money for all public funding			
Risk of contaminated land / materials being more than anticipated		Appoint specialist contractors to investigate site and provide appropriate surveys. Amend construction practices / design to minimise adverse effects.	

Likelihood	A - Almost Certain					
	B - Highly Likely					
	C - Probable					
	D - Possible					
	E - Rare					
		5 - Very Low	4 - Low	3 - Medium	2 - High	1 - Very High
		Impact				

## 14. SUPPORTING INFORMATION

*Please list any supporting documents that accompany this Business Case*

*Documents required to be presented with Business Cases:*

*For bids >£1m: Wellbeing Impact Assessment*

*For grant funded schemes: Grant application or offer letter*

*For external contributions: written confirmation from contributor*

*For CERA: confirmation from Management accounts*

*For Prudential Borrowing: quote from Capital Team*

Available on request from [levellingup@denbighshire.gov.uk](mailto:levellingup@denbighshire.gov.uk)

WBIA

ANW grant offer

Cabinet reports

WIA for VoC LUF Bid with further WIA to be undertaken for each sub-project.

**WHEN SECTIONS 1-14 HAVE BEEN COMPLETED PLEASE SEND TO  
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## 15. CARBON MANAGEMENT IMPACT

**For completion by the Climate & Ecological Change Programme team and / or the Council's Principal Energy Manager.** The Business Case requires you to make a forecast for the anticipated carbon emissions impact of the project.

Annual Forecasts:	Annual (current)	Carbon (kgCO2e)	Annual (Post Project)	Carbon (kgCO2e)	Carbon Variance	Comments
Money spent on external goods and services (UNIT= £)						
Energy consumption in buildings: (UNIT = kWh)						
Energy consumption in Street Lighting: (UNIT = kWh)						
Fuel consumption of Denbighshire Fleet vehicles: (UNIT = litres/ kWh)						
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)						
Mileage of Staff Commute: (UNIT = miles travelled)						
Tonnes of waste produced: (UNIT = tonnes)						
One off Forecasts:			Project cost (£)	Carbon (kgCO2e)		Comments
Money spent on external goods and services (UNIT= £)						
<b>TOTAL CARBON EMISSIONS</b>						

Annual Forecasts:	Current	Carbon Absorption (kgCO2e)	Post Project	Carbon Absorption (kgCO2e)	Carbon Absorption Variance	Comments
Hectare of Grassland (UNIT=ha)						
Hectares of Forestland (UNIT=ha)						
<b>TOTAL CARBON ABSORPTION</b>						

Please highlight the appropriate cell depending on whether on balance this project helps, hinders or is neutral to the Council's goal to become net carbon zero by 2030 (reducing carbon emissions and increasing carbon absorption).

<b>Net Carbon Zero Council Summary</b>	HELPS	HINDERS	NEUTRAL
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**Climate Change Lead Officer statement:**

<b>Supplied by:</b>	<b>Date:</b>
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## 16. BIODIVERSITY IMPACT

**For completion by Denbighshire's Biodiversity Lead Officer** – Joel Walley  
([joel.walley@denbighshire.gov.uk](mailto:joel.walley@denbighshire.gov.uk)).

The Council has a statutory duty to ensure compliance and enforcement of the Habitats Regulations (as amended in 2017). Furthermore, the Environment (Wales) Act, 2016 requires the Council to maintain and enhance biodiversity, and promote the resilience of ecosystems. At this pre-feasibility stage, please determine the anticipated impact of the project on biodiversity, and proposed measures to ensure the project results in an overall biodiversity enhancement.

Please mark a cross in the appropriate box.

<b>Will this project impact on a habitat that supports living organisms (plant or animal), or involve physical works to property or Land?</b>	<b>Yes</b>		<b>No</b>	
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If you have answered yes to the above question, please complete all the following biodiversity sections. If answered no, please leave blank

<b>IMPACTS ON BIODIVERSITY</b>	<b>Yes</b>		<b>No</b>	
<b>Has an ecological appraisal or survey of the site or proposals taken place?</b>				
<b>Cofnod eMapper Link:</b>				
<b>Please provide brief summary of survey findings, or provide a copy of the ecological report for review:</b>				



Please provide brief details of how the project will avoid harm to biodiversity.

Please provide brief details of how the project will mitigate and compensate for any harm to biodiversity.

Please provide brief details of how the project will enhance biodiversity and restore ecosystem resilience.

Please highlight the appropriate cell depending on whether on balance this project helps, hinders or is neutral to the Council's goal to become ecologically positive by 2030 (increasing the species richness of land).

<b>Ecologically Positive Council Summary</b>	HELPS	HINDERS	NEUTRAL
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**Ecology Officer summary:**

**Name:**                      **Date:**

## 17. COUNTY LANDLORD STATEMENT

Please provide a statement from the County Landlord and where applicable the recommendation of the Asset Management Group..

Business Case is supported for:

**Project 2: Inner Denbighshire:** Physical regeneration aimed at bringing heritage buildings back into use.

The project has been developed over many years since DCC served the first enforcement notice on the previous owner in 2012 which led to the subsequent CPO. Securing the grant funding to help bridge the project development funding viability gap is the final piece of the jigsaw to bring employment and homes to local people.

Corporate Plan  
 Phase 1 will be funded through a combination of grant funding and private sector investment and will bring (but not limited to); significant economic benefits, the restoration of a Grade II\* listed heritage asset, provide new homes and commercial space and provide employment opportunities.

The project will promote a Denbighshire of quality housing, a prosperous Denbighshire, and a learning and growing Denbighshire.

Project Oversight

This is the only project activity sitting within Project 2 of the Vale of Clwyd LUF programme. The project will be monitored by a Programme Board and will have a project specific project board to manage the delivery of Project 2: Inner Denbigh. The LUF programme team will provide support to the project manager/team to ensure compliance with the terms and conditions of the grant.

Costs and on-going revenue liability

Original scheme estimates were produced for the submission of the application to UK Government in 2022. It is expected that there will be cost increases against those original cost estimates, however, the nature of the scheme will enable costs to be reduced via a value engineering approach and increased contribution from private sector.

The total estimated project cost for phase 1 is £13,438,828, which will be funded through a combination of funding from LUF (£3m), Ambition North Wales (£7m) and the private sector (£3.5m approx.).

**Supplied by:** Robin Evans **Date:** 19 July 2024

## 18. CHIEF FINANCE OFFICER STATEMENT

*Please provide a statement from the Chief Finance Officer.*

Supportive of utilising grant funding in this way for regeneration purposes as it aligns with our capital principles of improving our assets through maximising grant funding. Works will need to be designed to minimise any ongoing revenue maintenance of open spaces / public realm works etc. Also, note due to incredibly challenging timescales the retention payments will fall outside of the current deadline for claiming grants. Project Managers are pushing UK Gov to be more realistic in terms of timescales for this project and will work to seek additional funding to cover the overall potential shortfall in funding £243k (across projects in Rhyl and Prestatyn)

**Supplied by:** Liz Thomas **Date:** 22 July 2024

## APPENDIX A – PROCEDURE CHECKLIST

		COMPLETED DATE
<b>Draft Business case sent to <a href="mailto:capitalbids@denbighshire.gov.uk">capitalbids@denbighshire.gov.uk</a> for distribution to relevant officers</b>	<b>N.B. A minimum of five working days must be allowed for these officers to respond</b>	11 July 2024
<b>TO BE COMPLETED BY CAPITAL TEAM:</b>		
VAT accountant <a href="mailto:rhys.i.jones@denbighshire.gov.uk">rhys.i.jones@denbighshire.gov.uk</a> to check for vat implications	N.B. The Chief Finance Officer must be copied in to the email to these officers to demonstrate they have been advised/consulted	
Finance Capital Team contact as detailed on page 1		
Service accountant if revenue implications applicable		
Chief Finance Officer statement obtained		22/07/2024
County Landlord statement obtained		Received by capitalbids 26 July 2024
Carbon management impact statement obtained		
Biodiversity impact statement obtained		
<b>Final completed Business Case sent to <a href="mailto:capitalbids@denbighshire.gov.uk">capitalbids@denbighshire.gov.uk</a></b>		18 July 2024