

# Public Document Pack



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PUBLIC

To: Members of D2N2 Investment Board

Monday, 22 July 2019

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **10.00 am** on **Tuesday, 30 July 2019** in Committee Room 1, County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in cursive script that reads 'Janie Berry'.

**JANIE BERRY**  
Director of Legal Services

## **A G E N D A**

### **PART I - NON-EXEMPT ITEMS**

1. Appointment of the Chair
2. Apologies for Absence  
To receive apologies for absence (if any)
3. Declarations of Interest  
To receive declarations of interest (if any)
4. Minutes (Pages 1 - 10)

To confirm the non-exempt minutes of the meeting of the Infrastructure and Investment Board (IIB) held on 30 May 2019

5. Introduction to the Board and Terms of Reference (Pages 11 - 18)
6. Capital Programme Overview Presentation
7. Local Growth Fund (LGF) Programme Performance Overview (Pages 19 - 44)
8. LGF Budget Paper (Pages 45 - 48)
9. LGF Outputs (Pages 49 - 54)
10. Coalite and output reprofile (Pages 55 - 58)
11. Exclusion of the Public

To move "That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph(s)... of Part 1 of Schedule 12A to the Local Government Act 1972"

## **PART II - EXEMPT ITEMS**

12. Minutes (Pages 59 - 60)

To confirm the exempt minutes of the meeting of the Infrastructure and Investment Board (IIB) held on 30 May 2019

13. LGF Milestones Update (Pages 61 - 70)
14. Growing Places Fund (GPF) update (Pages 71 - 74)
15. Date of Next Meeting

Monday 30 September at 2pm at County Hall, Matlock

PUBLIC

Agenda Item 3

**MINUTES** of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 30 May 2019 at County Hall, Matlock.

**PRESENT**

Councillor B Lewis (Derbyshire County Council)

Councillors W J Clarke (Gedling Borough Council), T King (Derbyshire County Council), W Major (Erewash Borough Council) (substitute member), C Poulter (Derby City Council), M Relf (Ashfield District Council), S Webster (Nottingham City Council) and E Fagan (D2N2 LEP).

Also in Attendance – M Ashworth (Derbyshire County Council), J Battye (Derbyshire County Council), S Birkinshaw (Erewash Borough Council), C Cooper-Smith (Ashfield District Council), A Croot (Thomas Lister Ltd), A Cropley (West Nottinghamshire College), J Davies (Gedling Borough Council), C Evans (Rushcliffe Borough Council), J Gilman (Derby City Council), A Graham (Rushcliffe Borough Council), S Holland (Homes England), L Knott (West Nottinghamshire College), M Phythian (Cities & Local Growth Unit), S Rose (D2N2 LEP), M Roylance (South Derbyshire District Council), J Scribbins (Litton/Riverside Business Park), J Seymour (Derbyshire County Council), E Stewart (Highways England), M Twelves (Litton/Riverside Business Park), S Wainwright (Derbyshire County Council), P Wilson (Derbyshire Dales District Council) and D Wright (CLGU).

Apologies for absence were submitted on behalf of Councillors C Hart and J Zadrozny and P Gadsby.

**22/19**      **DECLARATIONS OF INTEREST** Declarations of personal interest were received from:

Councillor B Lewis and Councillor T King as members of Derbyshire County Council in relation to minute reference 26/19 – D2N2 Milestones Update - Ashbourne Airfield, Woodville Swadlincote Regeneration Route and A61 Corridor.

Councillor C Poulter as a member of Derby City Council in relation to minute reference 26/19 – D2N2 Milestones Update - Becketwell, New Assembly Rooms and Castleward.

**23/19**      **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Board held on 21 March 2019.

**24/19**      **D2N2 PROGRAMME PERFORMANCE UPDATE** All the projects across the programme had been reviewed and risks associated with delivering the agreed financial and output targets identified. Annex A of the report detailed the

projects deemed to be High Risk, Annex B provided an update on progress of all approved or pre-compliance projects and included a RAG rating.

The current programme forecast for 2019/20 was £46.39 Million and that currently was the target for this year’s spend against the LGF programme target of £17.42 Million. With this forecast, the Local Growth Fund was predicted to utilise the remaining underspend left in the programme which stood at £28.97m following the overspend registered in the 2018/19 Financial Year.

All projects in the programme had been requested to revise their quarterly profiling and this would be presented at a later meeting.

Following the LEPs Annual Performance Review, D2N2 were scored ‘Requires Improvement’ for delivery, as a result of this given the increased focus on performance, it had been agreed and milestones set with government to track performance of the programme and ensure that the targets for 2019/20 was delivered. The new targets include the underspend from previous year’s.

The Financial Milestones agreed for this year were as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M	£10M	£10M	£12M	£40M

The LEP and Accountable Body were currently working with partners to deliver updated and accurate profiles for the coming years spend and a quarterly breakdown of the latest forecast spend projections had been requested by the 10<sup>th</sup> May 2019.

The annual forecast of project spend currently stands at £46.39m. As of this date, D2N2 had released £8,102,534 as part of the Quarter 1 payments to projects.

The output targets for the year were as follows:

	Total 2019/20
Jobs created	300
Learners	500

D2N2 would continue to monitor the projected spend and outputs of projects quarterly against actuals to ensure that the LEP reached its end of year targets, and would highlight any risks to achieving the performance targets to both the Investment Board and main Board.

In terms of projects with an Amber risk for this meeting they were the following four projects:

- Vison Centre Mansfield due to output delays.
- A46 Rushcliffe Phase 3 due to delays in bringing forward phase 4 as a result of finalising S106 agreements
- A52 Wyvern due to cost overruns, delays in the programme and output delivery changes
- Former Coalite due to delays in output delivery

Work continued with all the projects and the monitoring of the risks associated with delivery affecting the programme.

As the last two years of the LGF programme approached the programme was being reviewed to ensure that the projects that were yet to reach full approval remained on track to deliver within the timeframe.

Currently there were 9 projects yet to bring forward a Final Business Case to the IIB. All remaining projects that were not due to deliver an FBC to the IIB in the first financial quarter of the year were requested to provide an update and reassurance of their ability to meet the timescales required to deliver a full business case once each project was ready and then deliver before the end of the LGF programme in March 2021.

In terms of assessment of the impact of the programme, progress against outputs and milestones continued to be monitored but an impact evaluation was also being commissioned to assess progress to date and how lessons learnt were captured for future programmes such as the UK Shared Prosperity Fund.

Members made comments and asked questions which were duly answered.

**RESOLVED** to note the progress on the D2N2 LGF programme.

**25/19**      **QUARTER 4 OUTPUTS MONITORING** Members were informed that the table in appendix 1 to the report showed the outputs performance for quarter 4 2018-19. The figures for this quarter showed that the outputs achieved were behind the forecasted outputs to be achieved in Quarter 4. The slippage from the actuals against the forecast targets would have an impact on the overall performance of the programme and will need to be closely monitored going forward.

The overall summary of outputs was follows:

	Jobs	Homes	Learners
Q4 18/19	56%	11%	191%
Cumulative to date	79%	38%	41%

Some projects had been identified as slipping against their initial targets as set out in their final business case submission and will therefore need to reassess their delivery timescales and bring change requests to the Investment Board.

Punctuality of monitoring returns from project sponsors was causing difficulty in providing data on time to the Government. It was important that the deadlines were met to enable D2N2 to complete the Central Government monitoring return and also provide them with an update at their quarterly performance meetings with BEIS colleagues. All projects have been asked to provide forecasts for each quarter.

It was agreed that it was essential to ensure that all data returns were submitted in an accurate and timely manner, as the LEP's performance was judged by Government on this information. Those failing to return their data output should form part of the report.

**RESOLVED** to note the report

**26/19**      **D2N2 MILESTONES UPDATE** Sajeeda Rose provided a report that highlighted the current position on the milestones of the unapproved projects in the Local Growth Fund Programme. Further information was provided by Derby City Council and Derbyshire County Council on the following projects:-

Derby City Council

Becketwell

The outline business plan has been approved and would be submitted tomorrow. This included the spend profile and draw down. The planning application has been delayed until June 2019 due to the public consultation exercise. It was expected that the full business case would be completed by March 2020.

New Assembly Rooms

The outline business case would concur with submission of outline planning in June 2019. The full business plan would be submitted when the planning application has been determined. Stakeholder consultation and pre planning meetings have raised no major obstacles. The building was currently being cleared and asbestos would be treated in the next few weeks, to accelerate project spend.

Castleward

It was intended to submit a report to the City Council's Cabinet meeting in July 2019 relating to gap and Section 106 funding. Spending has been agreed on the full design. Slippage on the project was not expected.

Derbyshire County Council

Ashbourne Airfield

The planning permission for the roundabout was granted, with conditions, on 20 May 2019. This permission was fundamental to the tripartite agreement. Confirmation of the design and build work should be available in June. Work was

continuing to finalise contact arrangements. Meetings were being held every two weeks to progress this project. The project was on target.

#### Woodville Swadlincote Regeneration Route

The Planning Application for the road was submitted on 29 May 2019. Detailed design work was commencing. The CPO will be advertised in the London Gazette next week and any objections would be known by 19 July 2019. Of the 11 landowners, 2 remained in detailed negotiations and were likely to object to the CPO. A date for a public inquiry would then have to be agreed. Ms Rose stated that South Derbyshire District Council planning might be seeking a change of the employment use to housing.

#### A61 Corridor Programme

This programme has five projects within it.

#### Standard Gauge for Sustainable Travel

Detailed design work on the Whittington Moor to Sheepbridge section to be completed by July 2019. Full business case was being prepared for submission in September 2019.

#### 21<sup>st</sup> Century Transport Corridor

Progressing well and on target.

#### Avenue Southern Access

Active land negotiations were continuing and should be completed by June 2019. Detailed design completed by July 2019 and a full business plan submission for September 2019.

#### Chesterfield Station Masterplan

Timescales were very tight and a better informed idea of progress would be known in July 2019. However currently all were on track.

#### Clowne North

Issues relating to levels on this project had been detected and detailed design work was being commissioned with a view to this being available in September 2019. Further discussions would be held with the LEP officers.

Using the Midlands Highways Alliance, Derbyshire County Council have commissioned some additional project resources for Ashbourne Airfield, Woodville Swadlincote and Clowne North.

It was agreed that updates on the HS2 Strategic Sites project be reported in the exempt part of the meeting.

**RESOLVED** to note the report.

**27/19**      **BUDGET UPDATE** The current forecast showed that in 2019/20 the programme is overcommitted by £28.97m. This will be offset by the money being held by Derbyshire County Council to achieve a balanced budget.

The LEP and Accountable Body are currently reviewing the final two years grant profile to ensure a workable cashflow position. Each project had been asked to provide D2N2 with an expenditure forecast for the next 12 months to assist with the monitoring of projects.

The overall programme was currently showing an over commitment of £7.0m, which at the June 2017 IIB meeting was agreed to be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities.

**RESOLVED** that the report be noted.

**28/19**      **ANNUAL ACCOUNTS 2018-19** The Annual Accounts had been prepared and circulated as a summary of the financial decisions and transactions that had occurred during the 2018-19 period.

**RESOLVED** that the report be noted

**29/19**      **APPROVAL OF THE RIVERSIDE BUSINESS PARK PROJECT**

Members had been provided with a report that set out a request for £3.35m of Local Growth Funding to support the Riverside Business Park from Litton Properties Ltd and Mark Twelves and John Scribbins of Litton Property Group attended the meeting to provide a presentation to the IIB.

Riverside Business Park was a major business park of around 225,000ft<sup>2</sup> on a site of 13.83 acres situated around 0.5miles to the north west of Bakewell town centre on site which is bounded to the south of the River Wye and the A6. The scheme was situated on the site of the Arkwright Mill which was burnt down but subsequently re-developed in the 1800's with the site now providing a wide range of buildings which vary from original buildings to modern properties which have been developed over the past few years.

The site largely comprised of a range of low quality industrial buildings constructed in the early 20<sup>th</sup> century which had been subdivided to create individual industrial units. However the buildings were generally in a poor condition and were not of a suitable specification or condition to support the refurbishment of the properties. There were increasing vacancy levels as buildings become obsolete and incapable of beneficial occupation and there is an ongoing programme of demolitions on the site. The site had 3 main constraints, site access, the condition of the existing properties and being able to meet the needs of businesses.

The lack of delivery of new employment space within the Derbyshire Dales would give rise to both the loss of existing businesses and the inability to attract new investment to the area, which is required to support the major expansion of



communities such as Matlock and Bakewell through housing growth. Riverside Business Park provided a major opportunity for redevelopment on a brownfield site to support the demand for new employment space where few alternatives were available to achieve the potential growth in market demand.

The project comprised of a scheme divided into 3 phases together with a proposed new bridge.

The first phase comprised of the eastern area of the site which would be developed for a new hotel (Premier Inn) and two commercial units (36,427 ft<sup>2</sup>). This phase would also include the refurbishment of the Mill Race Building (11,860 ft<sup>2</sup>) which is subject to pre lets by 2 occupiers.

The second phase would comprise the central area (43,000ft<sup>2</sup>) including a refurbishment of the historic Retort House and the extension of the existing Bakewell Bakery premises.

The third phase would provide new industrial premises to the western area of the site which would provide a total of 39,780ft<sup>2</sup> of new build accommodation.

The redevelopment of the central and western sites would be supported by the construction of a new road link and bridge from the A6.

The funding for the project was sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Litton Properties Ltd	£20,382,443
LGF	£3,350,000
<b>TOTAL</b>	<b>£23,732,443</b>

Details of the planning permissions were given in the report and in terms of procurement a preferred contractor had now been appointed for the construction of the new Premier Inn hotel, two industrial units, and the refurbishment of the Mill Race Building as well as the construction of the new bridge, following a competitive tendering exercise.

The promoter had confirmed that the project was State Aid compliant following advice from Freeths. Independent State Aid advice was also procured by the LEP and the project had been deemed as State Aid compliant as the amount of funding sought by the developer is within the acceptable ceiling of 20% of the total infrastructure cost.

It was reported that that the Value for Money exercise was now completed and was confirmed as successful.

Details of the delivery programme and outputs and outcomes were detailed in the report.

In terms of spending profiles as a private sector promoter the grant would be given in at arrears at a rate of 50% of expenditure claimed, the grant expenditure is estimated as below:

2019/20	-	£2,038,553
2020/21	-	£1,311,447

In conclusion an outline business case was approved on the 29<sup>th</sup> September 2018 and a Business Case had now been submitted in line with the approval process. The Accountable Body and D2N2 had assessed the Business Case submission and approval is recommended.

The viability appraisal of the project was independently tested and approved by the District Valuer to confirm that prices are in line with market values and the level of profit for the scheme is within the correct parameters for a project of this nature.

The IIB were asked to approve the project and to release the £3,350,000 of Local Growth Funding (LGF). The promoter was required to provide evidence of the outstanding requirements for phases 2 and 3, to satisfy the final stage of the LAF to the LEP and Accountable Body. All future phases of the project including the first phase would be subject to clawback if the LGF was not spent by 2016 and the LGF funding is required to not exceed 20% of the final development costs.

Members made a number of comments and asked questions, which were duly noted or answered.

Mr Twelves and Mr Scibbins left the meeting whilst the Board considered the request.

**RESOLVED** to approve the request for £3.35m of Local Growth Funding to support the Riverside Business Park from Litton Properties Ltd on the condition that all the work is completed and they must repay anything that exceeds 20% of the total project costs.

**30/19**      **VISION UNIVERSITY UPDATE** The IIB were informed that the Vision University project had remained as an amber risk project due to the missed output targets for learners. West Nottinghamshire College had made a number of organisational and personnel changes in leadership and had met with the LEP to discuss an output profile change and the ways forward for the project.

West Nottinghamshire College had provided the IIB with an update report which had been circulated prior to the meeting. Louise Knott and Andrew Cropley from West Nottinghamshire College attended the meeting to present the Visions University Centre position statement.

The college set ambitious targets for growth attached to the university centre, however a change to market conditions as a result of the university places cap

removal, coupled with the college's slow progress in curriculum development for traditional Higher Education (HE) has meant that it has fallen short of targets originally in the bid. The withdrawal of the nursing bursary has had an impact on the college's access to nursing programme, by far the largest course in the portfolio. At March 2019 the college had met only 48% of its target for the centre.

In 2017/18 the college joined the UCAS admissions system for the first time which enabled a greater 'reach' of the college's provision but has also enabled the college to gain access to local data around applications and eventual study at higher level. This market intelligence coupled with employer demand would lead the development of higher education within the college. In developing the college's HE offer the college build on its clear strengths in vocational curriculum with a clear focus on labour market needs in terms of curriculum offer. The college sees further potential to develop higher apprenticeships level 4+ offers within Engineering, health care, leadership and management, IT and digital technologies, teacher training, as well as professionally based apprenticeship programmes. Discussion were ongoing with university partners, local district councils and sector based seminars for employers were being launched.

A more realistic view of growth potential to 2012/22 was in the table below:-

<b>Category</b>	<b>Baseline 2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Traditional HE	387	397	447	507
Higher Apps	170*	220	250	250
Access to HE	128	128	150	160
Short programmes	0	80	150	200
<b>Total</b>	<b>685</b>	<b>825</b>	<b>997</b>	<b>1,117</b>

\*projected

The key risks that had been taken in to consideration were detailed in the report.

The Board were asked to approve a request to reprofile the learner outputs for the project subject to approval of a change to the overall LEP learners target for LGF:

	17/18	18/19	19/20	20/21	21/22	Total
Original Outputs	394	561	589			1544
Proposed outputs			140	312	432	884

Members asked a number of questions, including diversity of courses, the reprofiled figures, possible competition from other colleges and universities, and use of UCAS data which were duly responded to by the college representatives. Further

questions were asked on the financial plan, delivery and required Government approval. Some nervousness was expressed surrounding the investment and robustness of the financial plan.

**RESOLVED** that D2N2 undertake an in-depth review of the request for reprofiling, together with appropriate discussions with Government.

**31/19**        **D2N2 GOVERNANCE STRUCTURES UPDATE** **RESOLVED** to note the new governance structures of the LEP and the advisory boards which support the LEP Board.

**32/19**        **DATE OF NEXT MEETING** The inaugural meeting of the Investment Board would take place 30 July 2019 at 10:00 am at County Hall, Matlock.

**33/19**        **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:

**SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING**

1. To confirm the exempt minutes of the meeting of the D2N2 IIB held on 21 March 2019.
2. To consider the update report on the A46 Corridor (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
3. To consider the update on the HS2 Strategic Site project (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).

D2N2 Investment Board Cover Sheet – 30<sup>th</sup> July 2019

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 30 <sup>th</sup> July 2019		
Subject	D2N2 Investment Board – Terms of reference		
Author	T Goshawk	Total no of sheets	6

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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<b>Summary and Recommendation(s)</b>
<p>This paper sets out the Terms of Reference for the D2N2 Investment Board</p>

## **D2N2 INVESTMENT BOARD**

**30<sup>th</sup> July 2019**

### **D2N2 Investment Board – Terms of Reference**

#### **Purpose**

To oversee on behalf of the D2N2 LEP Board (“the LEP Board”) the management of all funding pots delegated to the LEP, including the Local Growth Fund, Growing Places Fund, Enterprise Zone Business Rates Uplift reallocation or any other relevant funding streams across the administrative areas of Derby, Derbyshire, Nottingham and Nottinghamshire.

#### **The Investment Board is responsible for:**

Approving investments from D2N2s various funding streams on behalf of the D2N2 LEP Board that will invest in projects and programmes that will contribute to the delivery of the objectives of the D2N2 Strategic Economic Plan and emerging Local Industrial Strategy;

#### **The Investment Board shall:**

- take decisions on behalf of the D2N2 LEP Board for:
  - individual scheme approval
  - Release of funding, including scrutiny of individual scheme business cases.
- Monitor progress of scheme delivery and spend.
- Oversee the overall delivery of all funding programmes ensuring financial and output targets are monitored
- Recommend to the LEP Board a programme to respond to changed circumstance (scheme slippage, scheme alteration, cost increases etc).

## Membership

The membership of the board is as follows:

Voting members	Observers
<ul style="list-style-type: none"> <li>• Derby City Council</li> <li>• Derbyshire County Council</li> <li>• Nottingham City Council</li> <li>• Nottinghamshire County Council</li> <li>• Derbyshire district and borough councils</li> </ul> <p>(Two District members)</p> <ul style="list-style-type: none"> <li>• Nottinghamshire district and borough councils (Two District members)</li> <li>• 3 Private sector members of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (Chair plus 2 other private sector representatives)</li> <li>• Social Inclusion representative (one member)</li> </ul>	<ul style="list-style-type: none"> <li>• Highways England</li> <li>• Network Rail</li> <li>• Homes England</li> <li>• Department For Transport</li> <li>• Department for Business, Energy and Industrial Strategy</li> </ul>
<p>Principal Advisors to the Board (non-voting): D2N2 Chief Executive, Capital Projects Manager, Section 151 officer plus Accountable Body Lead Officers</p>	
<p>Chair and Deputy Chair – The Board will be chaired by the D2N2 Chair, with the Deputy Chair to be appointed from one of the local authority board members</p>	

The Board, as set out above, comprises twelve voting members. The Board may co-opt additional members to represent other sectors; such co-opted members will not have voting rights. Conditions of appointment are:

- i. Local Authorities (upper tier/unitary): membership rests with the position which the member holds within the authority rather than with the individual, so councillors will be replaced if they change

office. It is for each authority to determine which post holders are to act as its representatives.

- ii. District and Borough authorities within Derbyshire and Nottinghamshire: it is for the district and borough authorities to determine their own arrangements for selecting representatives, who are expected to sit for a minimum term of one year and a maximum of three years. It is also for the constituent authorities to determine how their joint interests should be represented and how those districts and boroughs not directly represented should be engaged in the decision-making process.
- iii. D2N2 LEP: representatives are expected to sit for a minimum term of one year and a maximum of three years.
- iv. Any co-opted member - would be reviewed annually by the Board with a maximum term of three years.
- v. Each member will be required to participate in decision-making in the best interests of the Board whether or not these are consistent with those of their own organisation.
- vi. No substitutes will be permitted for nominated board members as per the main D2N2 Board Member.

The Board will review its constitution after six meetings of the Board or every two years, whichever is the sooner.

### **Conflicts of Interest**

Members of the Board are required to declare, on appointment, that they will act in the best interests of the LEP area, not for their organisational or geographic interests.

The rules for declaring personal interests will be those that apply to the council to which the councillor has been elected. A register of Board Members' interests will be maintained and will be available for public inspection and will be updated at the beginning of each financial year.

All Board members are expected to govern themselves by the Nolan Principles and these can be found within the Local Assurance Framework.



## **Accountable Body**

Derbyshire County Council shall be the Accountable Body to the D2N2 LEP which will be responsible for the following:

- Ensuring that decisions are made in line with the LEP Assurance Framework.
- Ensuring that promoters confirm their projects conform with any requirements with regard to equalities, social value, environment, State Aid, procurement etc.;
- Ensuring (through the Section 151 Officer) that the funds are used appropriately;
- Maintaining the official record of Investment Board proceedings and holding copies of all relevant documents relating to any funding streams the Accountable Body is responsible for;
- Ensuring Investment Board decisions at formal meetings are recorded.
- Responsibility for the decisions of the Investment Board in approving projects (for example if subject to challenge);
- Ensuring there are arrangements for local audit of funding allocated by the Investment Board at least equivalent to those in place for Local Authority expenditure.

The Director of Finance, Derbyshire County Council (S151 officer) will ensure that all funds are administered in accordance with the Assurance Framework.

## **Audit and Scrutiny**

The Board undertakes to seek and to act upon the findings of an internal audit of its activity on at least an annual basis. The findings of each audit will be considered by a Board meeting, and any remedial action required recorded within the minutes of that meeting.

The aim of each audit will be to verify that the Board is operating effectively within the terms of its agreed Assurance Framework.

The effectiveness of the Board and its governance, delivery and monitoring processes will be overseen by the incumbent Accountable Bodies Scrutiny

committee who will provide an independent review to ensure that the Investment Board works in line with the Local Assurance Framework.

### **Approvals process for project applications:**

The Board has adopted an approvals process in respect of project applications as set out in the Local Assurance Framework

### **Support and Administration**

Derbyshire County Council will provide support arrangements for secretariat and administrative services, specified in its Service Level Agreement with the LEP.

The Board has the authority to form task and finish groups when required, which may comprise Board members and/or supporting officers.

### **Working Arrangements, Transparency and Local Engagement**

There will be at least four meetings each year and thereafter to meet the business needs. Specifically the Board will meet:

- (a) to determine the initial decision on the composition of the scheme programme;
- (b) To make individual scheme investment decisions.

The meetings will be chaired by the D2N2 Chair.

Meetings will be deemed quorate when a minimum of five voting members are in attendance. Each voting member carries a vote of equal weight. Where the voting members present are equally divided the chair will carry a casting vote. Where the elected chair is not present the Deputy-chair will exercise this function. No business requiring voting shall take place without either the chair or Deputy-chair being present.

The Investment Board will publish agendas and minutes. Materials will be hosted on the Derbyshire County Council website but each member organisation will provide a direct link to this from its own.

It is for individual member organisations to ensure that any schemes submitted to the Board for funding have been subject to the appropriate procedures to provide the public and stakeholders with the opportunity for input before decisions are made. The Board will not take responsibility for

dealing with correspondence, petitions, lobbying, consultation etc, all of which are to be handled by the promoter of the scheme in accordance with its own procedures.

FOI and EIR requests will be dealt with in accordance with the relevant legislation.

The Board will use Derbyshire County Council's complaints procedure.

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**D2N2 Investment Board (IIB) Cover Sheet – July 2019**

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 30 <sup>th</sup> July 2019		
Subject	D2N2 Programme Update		
Author	Sajeeda Rose	Total no of sheets (Excluding cover sheet)	25

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>The Board are asked to note the progress report on the D2N2 LGF programme.</p> <p>The report highlights the current position on the programme and provides an update on each of the projects.</p>

## **D2N2 INVESTMENT BOARD**

### **July 2019 D2N2 Programme Update**

#### **Programme Overview**

We have reviewed all the projects across the programme and identified any risks associated with delivering the agreed financial and output targets.

Accompanying this report are a number of tables that provide further details on all of the projects across the programme:

Annex A – Details of the Projects deemed to be High Risk

Annex B – Provides an update on progress of all approved or pre-compliance projects and includes a RAG rating.

#### **Performance Update**

The current programme forecast for 2019/20 is £46.39 Million and that currently sits as the target for this year's spend against the LGF programme target are £17.42 Million. With this forecast, the Local Growth Fund is predicted to utilise the remaining underspend left in the programme which stands at £28.97m following the overspend registered in the 2018/19 Financial Year.

Following the LEPs Annual Performance Review, D2N2 were scored 'Requires Improvement' for delivery, as a result of this given the increased focus on performance, we have agreed and set milestones with government to track performance of the programme and ensure that we deliver the targets for 2019/20. The new targets include the underspend from previous year's.

**The Financial Milestones agreed for this year are:**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M (Achieved)	£10M	£10M	£12M	£40M

The annual forecast of project spend currently stands at £46.39m. As of this date, D2N2 has released £8,102,534 as part of the Quarter 1 payments to projects.

**The output targets for the year are:**

	Total 2019/20
<b>Jobs created</b>	300
<b>Learners</b>	500

D2N2 will continue to monitor the projected spend and outputs of projects quarterly against actuals to ensure that the LEP reaches its end of year targets, and will highlight any risks to achieving the performance targets to both the Investment Board and main Board.

In terms of projects with an Amber risk for this meeting they are the following four projects:

- Vison Centre Mansfield due to output delays.
- A46 Rushcliffe Phase 3 due to delays in bringing forward phase 4 as a result of finalising S106 agreements
- A52 Wyvern due to cost overruns, delays in the programme and output delivery changes
- Former Coalite due to delays in output delivery

We continue to work with all the projects and will monitor the risks associated with delivery affecting the programme.

As we have entered the last two years of the LGF programme we are reviewing the programme to ensure that the projects that are yet to reach full approval remain on track to deliver within the timeframe.

Currently there are 9 projects yet to bring forward a Final Business Case to the IIB. All remaining projects that were not due to deliver an FBC to the IIB in the first financial quarter of the year were requested to provide an update and reassurance of their ability to meet the timescales required to deliver a full business case once each project is ready and then deliver before the end of the LGF programme in March 2021.

In terms of assessment of the impact of the programme, we continue to monitor progress against outputs and milestones but we will also be commissioning an impact evaluation to assess progress to date and how we capture lessons learnt for future programmes such as the UK Shared Prosperity Fund

**Sajeeda Rose**

**D2N2 Local Enterprise Partnership**



## Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
Gedling Access Road  Nottinghamshire County Council	The promoter has been delayed in delivering the infrastructure for this project by land purchases that needed to be undertaken through a Compulsory Purchase Order process.	D2N2 continue to engage with the project promoter with regards to the progress of the CPO process. The final land acquisition was acquired before the public inquiry and therefore all land is now in control of the promoter. The project still requires Secretary of State sign off but this is expected to be achieved in time for a business case to be delivered to the September Investment Board.	£10.8M	IIB have previously approved the pre-compliance request from the applicant.  IB are requested to wait for the business case to be submitted to the September meeting.
A61 Corridor  Derbyshire County Council	Delays in the submission of the projects business case have led to multiple phases not delivering against projected spend.	The promoter has provided previous updates to the IIB on progress and has had approval for a Pre-Compliance Agreement to support the development of the full corridor development.  The IIB formally replaced the Whittington Moor element of the programme at the February IIB with a new project at Clowne.  The project will now be monitored against the milestones provided for each element at the March meeting of the IIB.	£15.64M	IIB have received an update on the projects progress in March 2019.  The IB will continue to monitor the progress of the delivery of various elements for the project.

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
<p>Newark Southern Link Road</p> <p>Newark and Sherwood District Council</p>	<p>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.</p>	<p>The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England alongside D2N2 to look for potential solutions to the issue. The project is undergoing a financial review of the viability of the project and Homes England are assessing the ask to the site. The work is anticipated to take continue for at least 3 months.</p>	<p>£7M</p>	<p>The LEP continue to meet with the project promoter alongside other partners. A full update on the project was received by the IIB in February.</p>

## Annex B – Project Progress and Risk Rating

Below is a review of all LGF funded projects that have been either approved or with a pre-compliance agreement.

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>Infinity Park, Derby</p> <p>Infrastructure investment to unlock 4,500 jobs and 382 homes on the site.</p> <p>LGF Investment - £12.995m</p>	Derby City Council	<p>The infrastructure works to the Southern Spur road have been completed. Signage and wayfinding works both inside and outside the development are continuing to progress.</p> <p>The NAMRC will officially opened on the 13<sup>th</sup> of February and delegates from the D2N2 LEP were in attendance for this.</p>	Key risk in relation to delay in output delivery, therefore outputs have now been re-profiled.	<b>G</b>
<p>Chesterfield Higher Level Skills Centre</p> <p>Conversion of the former St Helena's centre to create a centre for higher level educational programmes. To deliver 42 jobs and 1049 learners.</p> <p>LGF Value - £3.48m</p>	University of Derby	The project is complete and courses have begun. Monitoring is taking place of the outputs.	No Major risks are in place for the current project.	<b>G</b>
Vision University Centre, Mansfield	Vision West Notts College	West Notts College are currently entering a period of transition in management team following the FE Commission's decision to place them under Special measures due to	D2N2 Chair to meet with the new principal of the college to discuss the outcomes	<b>A</b>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Construction of a new facility to deliver further education courses and programmes at West Notts College. This delivers 1544 Learners.</p> <p>LGF Value - £2.61m</p>		<p>the College's financial and management structures. D2N2 have discussed the matter with the interim principal of the college and will deliver further mitigation measures once the college has recovered its position.</p>	<p>and future delivery of outputs on the 30<sup>th</sup> of July.</p>	
<p>Bioscience Expansion, Nottingham</p> <p>Construction of a new facility in Nottingham to enable greater growth in the bioscience sector. The project will deliver 250 direct Jobs and 750 indirect.</p> <p>LGF Value - £6.5m</p>	<p>Nottingham City Council</p>	<p>Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.</p>	<p>No Major risks are in place for the current project.</p>	<b>G</b>
<p>The Spot, Derby</p> <p>Placemaking initiatives in Derby City Centre to regenerate The Spot area and promote the creation of 11 jobs.</p> <p>LGF Value - £0.71m</p>	<p>Derby City Council</p>	<p>Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.</p> <p>Full delivery of the projects associated outputs has been recorded.</p>	<p>No Major risks are in place for the current project.</p>	<b>G</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>Medicity, Boots Campus Nottingham</p> <p>Conversion of disused workspaces on the Boots EZ Campus to enable growth in MediCity businesses. This delivers 772 direct and indirect jobs.</p> <p>LGF Value - £0.74m</p>	Medicity	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place. The project is exceeding expectations of output delivery	No Major risks are in place for the current project.	<b>G</b>
<p>Ada Lovelace House, Kirkby in Ashfield</p> <p>Refurbishment of the old police station in Kirkby In Ashfield to create small business space. The project aims to create 9 Jobs.</p> <p>LGF Value - £0.14m</p>	Ashfield District Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place. The project is exceeding expectations of output delivery.	No Major risks are in place for the current project.	<b>G</b>
<p>Bulwell Market</p> <p>Placemaking works to the Bulwell Market area to encourage growth</p>	Nottingham City Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place. Issues around data collection for monitoring have	The project remains slightly behind output profiles - The project sponsor is confident that the issue around	<b>G</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>in Job numbers and market stalls. Delivering 30 new jobs.</p> <p>LGF Value - £0.1m</p>		<p>been sorted and the project can now accurately count job outputs.</p>	<p>data collection is resolved and the output targets will match the forecast in future quarters.</p>	
<p>Dakeyne Street, Nottingham</p> <p>Refurbishment of a disused building in the creative quarter of Nottingham to provide new office space, the project will create 2 Jobs</p> <p>LGF Value - £0.18m</p>	<p>Nottingham City Council</p>	<p>Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.</p>	<p>No Major risks are in place for the current project.</p>	<b>G</b>
<p>Nottingham Broadmarsh/ Southern Gateway</p> <p>Demolition and rebuilding of the Broadmarsh car park as well as pedestrianisation and Placemaking works to transform Nottingham's Southern Gateway. The project will deliver 532 direct Jobs and 2300 indirect.</p>	<p>Nottingham City Council</p>	<p>The demolition works to the old car park site are taking place and are currently nearing completion. Traffic re-routing has begun on the site and works continue to progress.</p> <p>The ground breaking ceremony for the project was held on the 22<sup>nd</sup> of July with D2N2 in attendance.</p>	<p>No major risks are in place for the current project.</p>	<b>G</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
LGF Value – £25.3m		Monthly monitoring of spend is taking place.		
<p>Newark Southern Link Road</p> <p>Creation of a new link road between the A46 and A1 in Newark to facilitate growth in housing and employment. The project will deliver 3118 Jobs and 3250 Houses.</p> <p>LGF Value – £7m</p>	Newark and Sherwood District Council	Construction works for the road continue to take place however there has been a large viability gap found for the completion of the road. Further details are provided in the high risk report at Annex A.	A large viability gap has been identified in order to complete the road in its entirety and therefore the project will currently not deliver its full outputs - Ongoing discussions with the applicant to explore options for further funding solutions.	<b>R</b>
<p>Harworth Access Road, Bassetlaw</p> <p>Transport works to the A1 and A614 in Harworth to allow the delivery of 6596 Jobs and 855 Homes.</p> <p>LGF Value – £1.1m</p>	Nottinghamshire County Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	<b>G</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>Nottingham Cycle City ambition package</p> <p>Creation of 4 new cycle corridors in Nottingham to improve the sustainable transport offer across the city and allow segregated cycling.</p> <p>LGF Value – £6.1m</p>	Nottingham City Council	The Cycle City package of works are nearing completion and full spend will be achieved before the end of the financial year.	No Major risks are in place for the current project.	<b>G</b>
<p>Becketwell, Derby</p> <p>Purchase of the former Debenhams site and demolition of the building to allow space for new development to create 142 Jobs and 99 Homes.</p> <p>LGF Value – £4m</p>	Derby City Council	Land purchases have been completed for the former Debenhams building. The Council are engaging with the developer through a land based sales mechanism. Work will now progress to agree a preferred scheme and take it forward for planning in August 2019	The project will continue to be monitored by the Investment Board through the milestones updates.	<b>G</b>
<p>Derby Cycling and Placemaking</p> <p>Placemaking and cycling works in Derby city centre to allow for the rejuvenation of key thoroughfares and create 35 jobs.</p>	Derby City Council	Construction works are in progress on various phases of the project. Works will continue to progress and monitoring continues.	Unexpected works may affect LGF profiled spend – Derby City updated the funding profile through a change	<b>G</b>



Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £1.65m			request at the July Meeting.	
<p>Our City Our River, Derby</p> <p>A programme of flood defence works along the River Derwent in Derby to protect the city from flooding. The project will aid the creation of 8042 jobs and 1060 houses.</p> <p>LGF Value – £12m</p>	Derby City Council	Construction on the various phases of the project are continuing and planning permissions for the works are being sought and granted. The project is continuing to spend to profile and job outputs are being delivered to a faster pace than expected.	Some match funding remains unidentified for the project – Derby City council are continuing to seek external match funding for the project.	<b>G</b>
<p>Seymour Link Road, Markham Vale</p> <p>Construction of a new road to link the North of the Markham Vale site with the rest of the business park. The road allows for new business space and will create 1235 Jobs.</p> <p>LGF Value – £2.52m</p>	Derbyshire County Council	Construction works have been completed and ongoing monitoring of the projects outputs is now taking place. Multiple employment units have been built on the sites adjacent to the road.	No major risks are in place for this project.	<b>G</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>A57/A60 Junction, Worksop</p> <p>Junction improvements to the roundabout of the A57/A60 roundabout in Worksop which allows the creation of 6000 new jobs and 1752 Homes.</p> <p>LGF Value – £1.83m</p>	<p>Nottinghamshire County Council</p>	<p>Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.</p>	<p>No major risks are in place for this project.</p>	<b>G</b>
<p>Derbyshire Broadband</p> <p>Implementation of new broadband infrastructure throughout Derbyshire connecting businesses and homes to superfast broadband. This supports the delivery of 3000 jobs.</p> <p>LGF Value – £2.19m</p>	<p>Derbyshire County Council</p>	<p>Infrastructure works have been completed and ongoing monitoring of the projects outputs are now taking place. A further phase of external funding for the project has been identified for the project to continue and deliver greater outputs than anticipated</p>	<p>No major risks are in place for this project.</p>	<b>G</b>
<p>Nottinghamshire Broadband</p> <p>Implementation of new broadband infrastructure throughout Nottinghamshire</p>	<p>Nottinghamshire County Council</p>	<p>Infrastructure works have been completed and ongoing monitoring of the projects outputs are now taking place. A further phase of external funding for the project has been identified for the project to</p>	<p>No major risks are in place for this project.</p>	<b>G</b>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>connecting businesses and homes to superfast broadband. This supports the delivery of 388 jobs.</p> <p>LGF Value – £2.63m</p>		<p>continue and deliver greater outputs than anticipated</p>		
<p>D2N2 Sustainable Travel Programme</p> <p>A collection of sustainable transport improvement works over the entirety of the D2N2 area.</p> <p>LGF Value – £5.8m</p>	<p>4 upper tier authorities</p>	<p>Derby – Phase 1 works are complete</p> <p>Derbyshire – Ilkeston and Chesterfield works have now both been completed</p> <p>Nottinghamshire – Works are continuing with the West Bridgford project and Newark/ Mansfield designs are complete.</p> <p>Nottingham – Project works are complete</p>	<p>No major risks are in place for this project.</p>	<b>G</b>
<p>A61 Corridor</p> <p>A programme of transport works along the A61 including the Whittington Moor Roundabout supporting the creation of 8,298 jobs and 6,670 homes in line with the HS2 strategy.</p>	<p>Derbyshire County Council</p>	<p>The project has completed the initial phase of sustainable transport improvements. Progress is being made towards the design, planning and delivery phases. Following a public consultation process the plans to deliver the Whittington Moor Roundabout have been withdrawn and a</p>	<p>Delays to the initial timeline for agreeing a business plan. DCC have established a project control board to oversee the Business case and</p>	<b>R</b>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £16.04m		replacement project has been identified and included in the programme by the IIB.	dates have been set for delivery.	
<p>EZ Sustainable Transport Package, Nottingham</p> <p>The creation of a new foot/cycle bridge over the Midland Mainline connecting the Boots EZ Campus with the Nottingham Science Park EZ as well as sustainable transport works on the Boots site.</p> <p>LGF Value – £6m</p>	Nottingham City Council	Cycling works to and from the Boots EZ Campus are continuing to be completed and the official opening of the new pedestrian bridge over the Midland Mainline has taken place in March.	No major risks are in place for this project.	G
<p>Southern Growth Corridor, Nottingham</p> <p>Creation of a new sustainable bus route through Nottingham City Centre linking Gedling with the Boots EZ site.</p> <p>LGF Value – £6.12m</p>	Nottingham City Council	The large majority of the project has reached its completion. Phase 2 of the project with the Vale road Bus lane is now complete.	No major risks are in place for this project.	G

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Gedling Access Road</p> <p>Creation of the new Gedling Access Road to allow for the creation of 1050 Homes and 22,500m<sup>2</sup> of commercial floorspace on the site.</p> <p>LGF Value – £10.8m</p>	<p>Nottinghamshire County Council</p>	<p>A pre compliance funding request has been granted to the project and legal arrangements for this are currently being put together. Nottinghamshire County Council are aiming to deliver a Final Business Case to the LEP in 2019 following Secretary of State sign off.</p> <p>Value for Money assessment of the project has been carried out before the delivery of the FBC. External assessors have confirmed the project represents good VFM.</p>	<p>The Start date for the project has been delayed by 12 months due to complications with Compulsory Purchase Orders. Nottinghamshire have taken out pre compliance funding in the interim to progress with the project.</p>	<p><b>R</b></p>
<p>A52 Wyvern, Derby</p> <p>A programme of transport improvements on the A52 and Wyvern/ Pride Park sites to allow for the creation of 3,300 new jobs.</p> <p>LGF Value – £6.72m</p>	<p>Derby City Council</p>	<p>Works on the project have begun and junction changes have taken place to two roundabouts on the site. Delays to the construction process have taken place and costs have risen.</p> <p>The direct risk to the LEP in terms of overrun costs remains low as the project sponsor has agreed to cover overruns as part of the FBC.</p>	<p>Cost overruns have been identified which may impact the completion of the project.</p> <p>Following a change to the planning permission, project output delivery is likely to change.</p>	<p><b>A</b></p>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>Tudor Cross, NE Derbyshire/Bolsover</p> <p>Remediation works to the former Coalite site in North East Derbyshire/ Bolsover. The project will deliver 1525 Jobs and 660 Homes.</p> <p>LGF Value – £5.8m</p>	<p>Derbyshire County Council</p>	<p>Works on the remediation of the site are continuing to progress with large areas of the site being treated. The project sponsor are working with the Environment Agency to confirm the remediation is complete to the correct standards.</p> <p>These delays have had an effect on output delivery and the promoter will attend the July Investment Board to present around the output issues.</p>	<p>Possible changes to the outputs being delivered – A formal request will need to be delivered to the IIB to sanction any change to the outputs.</p>	<b>A</b>
<p>Sutton Indoor Market, Sutton In Ashfield</p> <p>Regeneration of the Idlewells Indoor Market in Sutton in Ashfield, aiming to create 57 new jobs.</p> <p>LGF Value – £0.38m</p>	<p>Ashfield District Council</p>	<p>Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.</p>	<p>No major risks are in place for this project.</p>	<b>G</b>
<p>A46 Corridor, Rushcliffe</p> <p>A four phased programme across Rushcliffe borough to deliver new business units and homes. The</p>	<p>Rushcliffe Borough Council</p>	<p>Phase 1 and 2 of the project have now been completed for the project and monitoring will continue to take place. The project will give an update to the IIB on progress.</p>	<p>Ongoing work is required to develop a fully Local Assurance Framework compliant project and ensure</p>	<b>A</b>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>project will create 2,183 jobs and 3000 homes.</p> <p>LGF Value – £6.25m</p>			the original outputs can be achieved.	
<p>Midland Mainline, Market Harborough</p> <p>Rerouting of the Midland Mainline at Market Harborough to straighten a length of the track to create journey time savings.</p> <p>LGF Value – £5m</p>	Leicestershire LEP/ Network Rail	Project works on the site are continuing to take place, Leicestershire LEP are acting as the accountable body for the project and have notified the project is running to programme.	No outstanding risks to the project at this point in time.	<b>G</b>
<p>Buxton Crescent</p> <p>Refurbishment of the Buxton Crescent building to create a new 5 star hotel in the peak district. The project will deliver 140 Jobs.</p> <p>LGF Value – £2m</p>	Derbyshire County Council	Works are continuing to progress on the Buxton Crescent site with an estimated completion in Summer 2019.	No outstanding risks to the project at this point in time.	<b>G</b>
Institute for Advanced Manufacturing, Nottingham	University of Nottingham	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No outstanding risks to the project at this point in time.	<b>G</b>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Construction of a new research facility for Advanced Manufacturing on the University of Nottingham's Jubilee campus. The project aims to create 260 jobs.</p> <p>LGF Value – £5m</p>				
<p>Sherwood Visitor Centre, Edwinstowe</p> <p>Construction of a new Sherwood Visitor Centre to replace the old and outdated attraction. The project will create 29 Jobs and attract 350,000 visitors to the area per year.</p> <p>LGF Value – £0.5m</p>	RSPB	The new visitor centre has completed the construction phase and is now open to the public. An official opening was attended by the LEP in September. Monitoring of outputs and overall expenditure of the project is now taking place.	Funding still remains outstanding for the projects third phase (old centre demolition) - Monitoring of the funding situation is taking place and the RSPB will provide fundraising updates.	<b>G</b>
<p>Sherwood Energy Village, Ollerton</p> <p>Construction of new business space for small to medium business uses in a former</p>	Coalfields Regeneration Trust	Construction of the business units have now been completed. The project is beginning to be monitored and the first set of outputs were received in Q2.	Construction has now been completed. Awaiting confirmation of delivery of key outputs once the	<b>G</b>



Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>coalfield area. The project will create 38 jobs.</p> <p>LGF Value – £0.5m</p>			<p>facilities are open to businesses.</p>	
<p>Museum of Making, Derby</p> <p>Refurbishment of the Derby Silk Mill to create a new visitor attraction as well as community and business space. Delivering 141 jobs and 150,000 visitors per annum.</p> <p>LGF Value – £3.7m</p>	<p>Derby City Council</p>	<p>The project received Final Business Case approval at the December 2017 IIB. The project began construction in February 2018 and the works are anticipated to be completed in June 2020. The project is progressing to the same timelines as expected.</p>	<p>No outstanding risks to the project at this point in time.</p>	<p><b>G</b></p>
<p>N2 Town Centres, Nottinghamshire</p> <p>A programme of town centre improvement projects across Nottinghamshire to improve the town centres of the region. The project will create 665 Jobs.</p> <p>LGF Value – £7.63m</p>	<p>Nottinghamshire County Council</p>	<p>The initial projects from the programme have all submitted outline business case which are being externally assessed.</p> <p>A project board has now been set up as set out in the contract conditions.</p> <p>Three projects have been passed through the project board and a further identification exercise for future projects</p>	<p>No outstanding risks to the project at this point in time.</p>	<p><b>G</b></p>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
		using the existing funding has been carried out.		
<p>City Hub</p> <p>Development of a new purpose built college campus in the centre of Nottingham creating new and facilities for learners.</p> <p>The project will deliver 4835 learners and create 87 jobs.</p> <p>LGF Value - £30M</p>	<p>Nottingham College</p>	<p>A contract has now been approved with the applicant.</p> <p>Enabling works to clear the site have been completed and the main contractors have taken possession of the site are now on site with a view to complete for opening in September 2020.</p>	<p>No outstanding risk as of yet, however with it being a large capital project there will be inherent risks around timing and delivery which we will continue to monitor.</p>	<p><b>G</b></p>
<p>Nottingham Castle</p> <p>Refurbishment of the Nottingham Castle with a new purpose built Visitor centre</p> <p>This project will deliver 420 jobs</p> <p>LGF Value - £5M</p>	<p>Nottingham City Council</p>	<p>Legal contracts have all now been finalised with the city council.</p> <p>On site survey work will be undertaken over the next two months along with decant and asbestos removal. The site transferred to the contractor on 22 October 2018, with vacant occupation of the Ducal Palace to follow on three weeks later.</p> <p>The Castle site closed to the public on 2 July. The series of events organised for the last week of opening went well with</p>	<p>No outstanding risk as of yet, however with it being a large capital project on a complex site there will be inherent risks around timing and delivery which we will continue to monitor</p>	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
		<p>excellent press coverage achieved by the project team.</p> <p>Negotiations with the Operator have are now underway with a view to completing within the next two months.</p> <p>The Castle is due to open in July 2020</p>		
<p>Rail Research and Innovation Centre</p> <p>A collection of capital equipment purchases to improve productivity and innovation in the rail sector</p> <p>LGF Value - £0.9m</p>	<p>University of Derby</p>	<p>The University of Derby have procured the equipment for the facilities and will work with the supply chain to gain the benefits of the investment. Engagement with these businesses is ongoing.</p>	<p>No risks are currently in place but the project will continue to be monitored</p>	<p><b>G</b></p>
<p>Derby College Technology Hub</p> <p>Creation of new learning space and capital equipment purchases to deliver higher level training in technology and construction focuses</p> <p>LGF Value - £1.3m</p>	<p>Derby College</p>	<p>The projected has completed the main elements of the work however small elements of the construction are outstanding. Outputs for the project are delivering at a greater pace than the expected profile.</p>	<p>No risks are currently in place but the project will continue to be monitored</p>	<p><b>G</b></p>

<b>Project</b>	<b>Promoter</b>	<b>Current Status and Next steps</b>	<b>Key Risk and Mitigation</b>	<b>Risk Rating</b>
<p>Vesuvius Works</p> <p>Site infrastructure and remediation works to create new areas for employment space</p> <p>LGF Value - £4.49m</p>	<p>Dooba Developments Limited</p>	<p>Infrastructure works associated with the first phase of development have been completed, the project will work towards the creation of new business space and units now.</p>	<p>No risks are currently in place but the project will continue to be monitored</p>	<b>G</b>
<p>NTU MTIF Centre</p> <p>Development of two new facilities at NTU's Clifton campus and the Boots EZ campus. This will deliver new facilities for the development and commercialisation of medical technologies.</p> <p>LGF Value - £9.7m</p>	<p>Nottingham Trent University</p>	<p>The first phase of the project has been approved by the IIB for the Clifton Campus development. Site works have begun and the ground breaking for the facility has taken place.</p> <p>The second phase is expected to be compliant in July and the promoter will deliver the update business case to the LEP when it complies with the Local Assurance Framework.</p>	<p>No risks are currently in place but the project will continue to be monitored</p>	<b>G</b>
<p>Riverside Business Park</p> <p>Infrastructure works to develop new and improved business space on a constrained site in Derbyshire Dales. The project provides 154 new jobs</p>	<p>Litton Property Group</p>	<p>The project is continuing to progress through the infrastructure works on site following an approval of funding at the May IIB meeting.</p> <p>Spend and progression of work on the project will continue to be monitored.</p>	<p>No risks are currently in place but the project will continue to be monitored</p>	<b>G</b>

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value - £3.35m				



D2N2 Investment Board Cover Sheet - Date

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 30 <sup>th</sup> July 2019		
Subject	Local Growth Fund Budget		
Author	S Wainwright	Total no of sheets	2

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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Summary and Recommendation(s)
<p>This paper delivers an update on the budget of the Local Growth Fund (LGF) and a list of projects budgets over the lifecycle of the LGF funding.</p> <p>The IIB are requested to note the information.</p>

**D2N2 INVESTMENT BOARD****30<sup>th</sup> July 2019****Local Growth Fund Budget update**

Current forecasts show that in 2019/20 the Local Growth Fund programme is overcommitted by £29.11m. This will be offset by the balances being held by Derbyshire County Council from the previous financial years underspend.

The LEP and Accountable Body are currently reviewing the final two years grant profile to ensure a workable cash flow position. Each project has been asked to provide D2N2 with an expenditure forecast for the next 12 months to assist with the monitoring of projects.

The overall programme is currently showing an over commitment of £7.0m, which at the June 2017 IIB meeting was agreed to be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities.



Local Growth Fund 6 year Grant/Expenditure sheet								
21/06/2019								
	2015/16	16/17	17/18	18/19	19/20	20/21		
Project Name	Annual	Annual	Annual	Annual	Annual	Annual	Total	Status
Chesterfield Centre for Higher Level Skills	3.48						3.48	Project Finished
Vision University Centre, Mansfield	2.61						2.61	Project Finished
Bioscience Expansion, Nottingham	6.50						6.50	Project Finished
The Spot	0.75		-0.04				0.71	Project Finished
Medicity		0.74					0.74	Project Finished
Ada Lovelace House		0.14					0.14	Project Finished
Bulwell Market		0.10					0.10	Project Finished
Dakeyne Street		0.18					0.18	Project Finished
Sutton Indoor Market		0.38					0.38	Project Finished
Sherwood Energy Village			0.50				0.50	Project Finished
Harworth Access Road		1.10					1.10	Project Finished
Seymour Link	2.02	0.50					2.52	Project Finished
Cycle City Ambition package in Nottingham	4.16	1.94					6.10	Project Finished
A57/A60 Junction Worksop	0.92	0.92					1.83	Project Finished
Institute for Advanced Manufacturing		5.00					5.00	Project Finished
Sherwood Visitor Centre			0.50				0.50	Project Finished
Southern Growth Corridor		2.00	4.12				6.12	Project Finished
Rail Research and Innovation Centre				0.90			0.90	Project Finished
Derby College Technology Hub				1.30			1.30	Project Finished
Infinity Park, Derby	3.45	4.00	3.35	2.195			12.995	Ongoing
Nottingham Broadmarsh/Southern Gateway	6.79	0.71	0.35	2.45			10.30	Ongoing
Newark Southern Link Road	1.00	6.00					7.00	Ongoing
Derby Cycling and Placemaking			0.84	0.71	0.09		1.65	Ongoing
Our City Our River, Derby	2.00	2.50	2.50	2.50	2.50		12.00	Ongoing
LEP Management & feasibility funds	0.56	0.18	0.16	0.19	0.20	0.20	1.49	Ongoing
Broadbands-Derbyshire	2.19						2.19	Ongoing
Broadbands-Nottinghamshire	2.63						2.63	Ongoing
D2N2 Sustainable Travel programme		2.48	2.38	0.95			5.80	Ongoing
Enterprise zone sustainable transport package		0.80	5.20				6.00	Ongoing
A52 Wyvern		1.50	5.22				6.72	Ongoing
Tudor Cross (former Coalite)		5.80					5.80	Ongoing
A46 Corridor, Rushcliffe		2.00	1.00			3.25	6.25	Ongoing
Midland Mainline			5.00				5.00	Ongoing
Buxton Crescent		2.00					2.00	Ongoing
Silk Mill World Heritage Site			0.52	2.53	0.65		3.70	Ongoing
Nottingham City Hub		0.19	2.03	13.79	12.73		28.74	Ongoing
Nottingham City Hub - Enabling Works			0.22	0.57	0.05	0.41	1.26	Ongoing
N2 Town Centres				2.13	2.75	2.75	7.63	Ongoing
Nottingham Castle				5.00			5.00	Ongoing
Vesuvius				4.49			4.49	Ongoing
Southern Gateway					10.00	5.00	15.00	Ongoing
Riverside Business Park					2.04	1.31	3.35	Ongoing
NTU MTIF Centre			0.46	1.52	3.86	3.86	9.70	Ongoing
Gedling Access			0.50		1.80	8.50	10.80	Pre-Compliance
Becketwell		3.00	0.05	2.38	1.08	1.62	8.12	Pre-Compliance
A61 Corridor/Whittington Moor		0.50		2.05	4.43	8.62	15.60	Partial App Phase 1 awaiting full approval
Ashbourne Airfield					1.00		1.00	Not yet commenced
Castleward					0.76	0.75	1.51	Not yet commenced
Woodville-Swadlincote Regeneration route					1.60	4.80	6.40	Not yet commenced
HS2 Strategic Sites					1.00	1.40	2.40	Not yet commenced
Derby New Assembly Rooms						4.48	4.48	Not yet commenced
DCC Capital Programme		10.75	31.52					DCC projects used for u/s
<b>Total LGF Commitments</b>	<b>39.05</b>	<b>55.40</b>	<b>66.39</b>	<b>45.66</b>	<b>46.53</b>	<b>46.95</b>	<b>257.71</b>	
<b>Total LGF funding</b>	<b>39.05</b>	<b>55.40</b>	<b>66.39</b>	<b>32.36</b>	<b>17.42</b>	<b>40.09</b>	<b>250.71</b>	
<b>Annual (under)/over commitments (EM) based on current profiles</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.30</b>	<b>29.11</b>	<b>6.86</b>		
							<b>Overall Overspend</b>	<b>7.00</b>

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D2N2 Investment Board Cover Sheet – 30<sup>th</sup> July 2019

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 30 <sup>th</sup> July 2019		
Subject	Output Performance Update		
Author	T Goshawk/S Wainwright	Total no of sheets	5

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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Summary and Recommendation(s)
<p>This paper delivers an update on the output performance of the Local Growth Fund (LGF).</p> <p>The Investment Board are requested to note the information.</p>

**D2N2 INVESTMENT BOARD**

**30<sup>th</sup> July 2019**

**Local Growth Fund Output Performance update**

In return for £250m of Local Growth Funding, D2N2 is expected to deliver outputs in return for the funding. Over its 3 awards of funding, the LEP are expected to deliver 18,000 Jobs, 8,000 Homes and 147,000 Learners over the projects lifetime.

This paper will deliver each projects contracted output figures, revised forecast and actual delivery to date. These will be shown for this financial year, all years to date and the programme overall.

**19/20 Financial Year**

The revised forecast figures for this financial year have been provided by the project sponsors as part of a review of all projected outputs. Whilst outputs this quarter have kept in line with what is contracted, the revised forecast shows that the financial year targets will not be met due to the anticipated delivery figures. This has occurred largely in part because of three major projects now delivering significantly lower outputs than originally profiled.

	Jobs	Homes	Learners
Contracted Target	6,133	510	1,017
Revised Forecast	1,396	259	480
Actual to Date (Quarter 1 2019/20 only)	40	20	12
<b>RAG Rating</b>	<b>R</b>	<b>A</b>	<b>A</b>

### Delivery to Date

These figures show the output forecasts and delivery for the programme from 2015 to Q1 2019/20. The programme so far has achieved 79% of jobs, 38% of homes and 41% of Learners. Despite the Homes and Learner delivery percentages being low, delivery is happening across most projects, however a select amount of projects with high output targets have been delayed in their delivery causing an effect on the overall programme delivery to date.

	Jobs	Homes	Learners
Contracted Target	4,730	3,168	1522
Actual to Date (Up to and including Quarter 1 2019/20)	3,751	1,211	568
<b>RAG Rating</b>	<b>G</b>	<b>A</b>	<b>A</b>

### Overall Programme

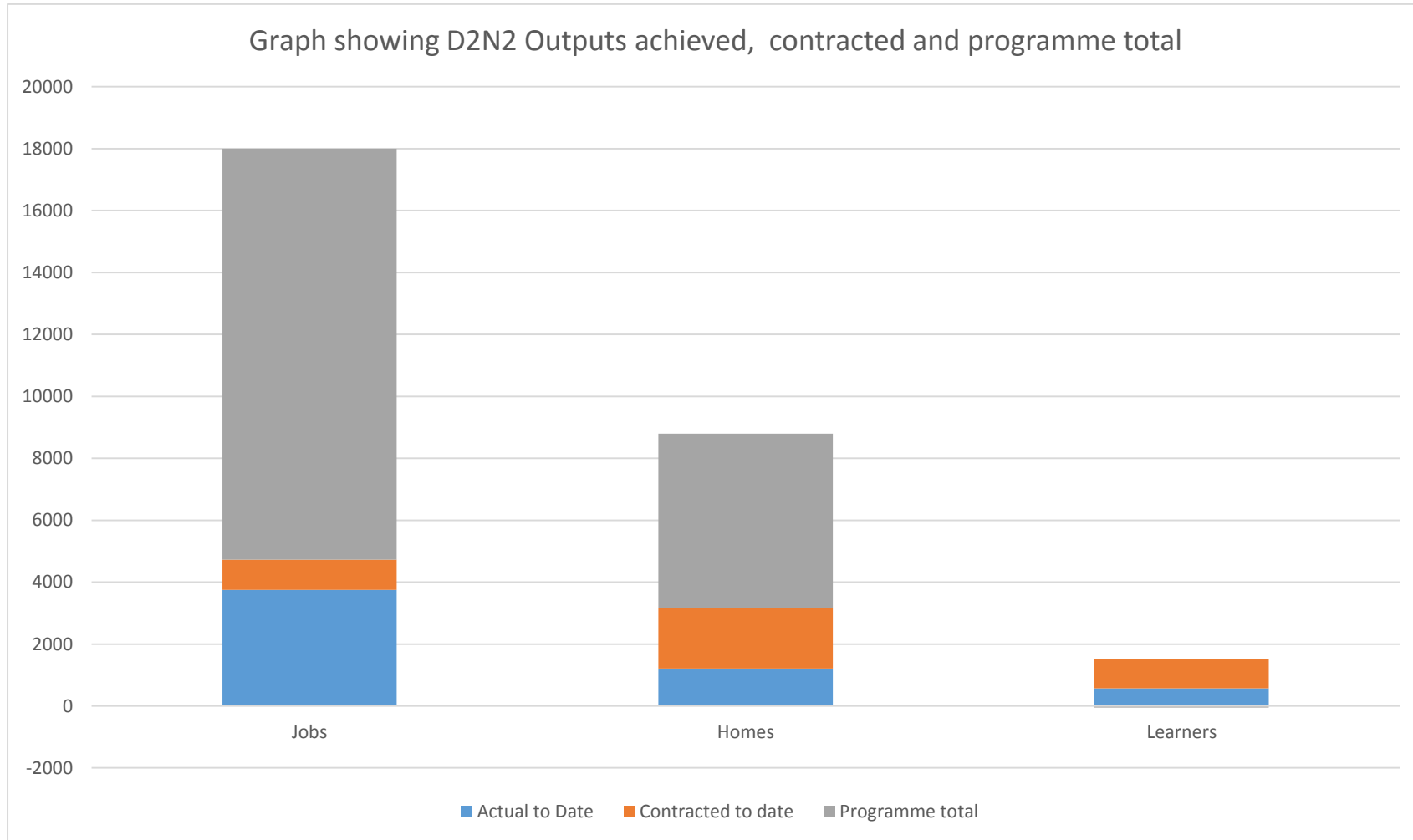
These figures show the output targets and delivery for the entirety of the Local Growth Fund Programme (2015-2021). These targets will be delivered over the lifetime of the Local Growth Fund with further outputs being delivered up until 2035. Discussions are ongoing with the BEIS local team with regards to the potential reprofiling of the contracted learner targets, which is believed to be closer to 1470.

	Jobs	Homes	Learners
Contracted Target	18,000	8,000	147,000
Actual to Date (Up to and including Quarter 1 2019/20)	3,751	1,211	568
<b>RAG Rating</b>	<b>G</b>	<b>G</b>	<b>R</b>

Appendix A shows the delivery of outputs to date across the LGF programme against both the anticipated output targets to date (Q1 19/20) and the lifetime targets for Local Growth Fund delivery. (For the purposes of this graph the learner target has been lowered from 147,000 to 1,470)

Appendix B shows an analysis of outputs delivered in the previous financial quarter (Q1 19/20) alongside the performance of projects against their output targets to date.

**Appendix A**



**Appendix B**

Project	Quarter 1 2019/20						Cumulative to date					
	Jobs		Homes		Learners		Jobs		Homes		Learners	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
A46 Corridor Employment Units							46	47	180	463		
A46 Cotgrave Town Centre							45	45				
A57/A60 Worksop							581	771	0	203		
Ada Lovelace House							4	11				
Bioscience Expansion, Nottingham							210	377				
Bulwell Market	2	4					18	22				
Buxton Crescent							0	3				
Chesterfield Higher Level Skills						12	25	41.36			337	464
Coalite	34	0					185	0				
Daykene St							1	6				
Derby Cycling and Placemaking							35	35				
Derbyshire Broadband							100	100				
Gedling Access Road				20					90	110		
Harworth							856	342	120	253		
Infinity Park							110	107				
Institute of Advanced Manufacturing	10	20					15	74.25				
Medicity	10	11					75	151				
Newark Southern Link Road							0	0	2450	54		
Nottinghamshire Broadband							388	388				
OCOR							1345	449	328	128		
Seymour Link							600	638				
Sherwood Energy Village							0	35				
Sherwood Visitor Centre							16.4	18				
Sutton Indoor Market							49	60				
Technology Hub							5	5			79	104
The Silk Mill							10	14				
The Spot							10.6	11				
Vision University											955	
	56	40	0	20	0	12	4730	3750.61	3168	1211	1371	568



D2N2 Investment Board Cover Sheet – 30<sup>th</sup> July 2019

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 30 <sup>th</sup> July 2019		
Subject	Coalite Update and Output Reprofile		
Author	T Goshawk	Total no of sheets (Excl. Cover sheet)	2

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>This paper delivers an update on the £5.8m Coalite project approved by the Infrastructure Investment Board.</p> <p>The project has been delayed due to Environmental Impact assessments and the release of the HS2 train route. The project is now requesting a Reprofile of its output delivery numbers and timescales.</p> <p>The Investment Board are requested to approve the Reprofile.</p>

## **D2N2 INVESTMENT BOARD**

**30<sup>th</sup> July 2019**

### **Coalite Update and Reprofile**

#### **Background**

The D2N2 Infrastructure and Investment Board approved a £5.8m grant from the Local Growth Fund to contribute towards the remediation of a contaminated site in North East Derbyshire and Bolsover in October 2016.

The project was initially presented to D2N2 to deliver both housing and employment outcomes once the remediation and infrastructure works on the site had been concluded.

The site has been remediated since the October 2016 grant approval decision but has encountered delays in obtaining the appropriate permits from the Environment Agency until March of this year which has significantly halted progress. Alongside the issue of permits being granted, the site is now directly impacted by the route which the HS2 Phase 2B will take through the site.

Following the confirmation of the proposed route, there will now be significant impacts to some of the plots on the site which will affect the delivery of housing units and the overall floorspace available for delivery. The impact of HS2 has made the residential element of the original masterplan undeliverable and therefore employment units will have to replace this allocation.

#### **Output Delivery**

Over the project lifetime and based on the £5.8m of LGF awarded to the project in 2016, the Former Coalite site was anticipated to deliver 1,525 jobs and 660 homes.

After changes to the land uses based on the new masterplan developed for the site the project will now deliver a total of 2,391 new jobs to the economy.

The following table shows when the revised outputs will be delivered in comparison with the original outputs as profiled from the October 2016 grant award.

Date	Commercial Floorspace (ha)	
	Original	Reforecast
<b>17/18</b>	13.5	0
<b>18/19</b>	11.4	0
<b>19/20</b>	3.3	0
<b>20/21</b>	0	12.95
<b>21/22</b>	0	0
<b>22/23</b>	0	16.19
<b>23/24</b>	0	13.35
<b>Total</b>	28.2	42.49

Date	Jobs Created	
	Original	Reforecast
<b>17/18</b>	0	8
<b>18/19</b>	221	0
<b>19/20</b>	402	2
<b>20/21</b>	391	33
<b>21/22</b>	270	674
<b>22/23</b>	136	874
<b>23/24</b>	105	800
<b>Total</b>	1525	2391

### Recommendation

Following a review of the evidence presented to the LEP, the Investment Board are recommended to approve the Reprofile of the projects outputs and accept the changes to the timeline.

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