

# Public Document Pack



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PUBLIC

To: Members of D2N2 Investment Board

Monday 23 December 2019

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **1.30 pm** on **Tuesday, 7 January 2020** in Dunston Innovation Centre, Dunston Road, Chesterfield, Derbyshire, S41 8NG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a horizontal line.

**Simon Hobbs**  
**Director of Legal and Democratic Services**

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

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

1. Apologies for Absence  
To receive apologies for absence (if any)
2. Declarations of Interest  
To receive declarations of interest (if any)
3. Minutes (Pages 1 - 14)

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

4. Local Growth Fund (LGF) Programme Performance Overview (Pages 15 - 24)
5. LGF Budget Paper (Pages 25 - 28)
6. Milestones Update (Pages 29 - 36)
7. Pipeline Projects (Pages 37 - 64)
8. Audit Services Review of Local Growth Fund 2018/19 (Pages 65 - 70)
9. Output Performance Update (Pages 71 - 78)
10. Projects to approve - Ashbourne Airfield (Pages 79 - 88)
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. Exempt Minutes (Pages 89 - 92)

To confirm the exempt minutes of the meeting of Investment Board (IB) held on 30 September 2019

13. Growing Places Fund (GPF) update (Pages 93 - 98)
14. Date of Next Meeting

Thursday 30 January 2020 at 10am at Gedling Borough Council Offices,  
Civic Centre, Arnot Hill Park, Nottingham Road, Arnold, Nottinghamshire,  
NG5 6LU

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Agenda Item 3

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

**PRESENT**

E Fagan (D2N2 LEP) (In the Chair)

Councillors W J Clarke (Gedling Borough Council), P Gilby (Chesterfield Borough Council), C Hart (Erewash Borough Council) M Holmes (Derby City Council), S Webster (Nottingham City Council), J White (Bassetlaw District Council), and J Bradley Fortune (Inclusion Representative).

Also in Attendance: D Armiger (Bassetlaw District Council), J Battye (Derbyshire County Council), J Davies (Gedling Borough Council), C Durrant (Chesterfield Borough Council), T Goshawk (D2N2 LEP), N Gusson (D2N2 LEP), R Harding (D2N2 LEP), C Henning (Nottingham City Council), S Rose (D2N2 LEP), F McCardle (South Derbyshire District Council), M Roylance (South Derbyshire District Council), I Sankey (Erewash Borough Council), J Seymour (Derbyshire County Council), D Swaine (Boslover & NEDDC) S Wainwright (Derbyshire County Council), C Williams (Derby City Council), and D Wright (CLGU).

Apologies for absence were submitted on behalf of Councillor B Lewis.

**16/19      APPOINTMENT OF VICE CHAIRMAN – RESOLVED** that Councillor B Lewis be appointed as Vice Chairman of the D2N2 Investment Board

**17/19      DECLARATIONS OF INTEREST**

Councillor M Holmes as a member of Derby City Council in relation to minute reference 20/19 – D2N2 Milestones Update - Becketwell, and Castleward; minute reference 25/19 New Assembly Rooms and exempt minute reference 29/19, Becketwell, change request.

Councillor W J Clarke as a member of Gedling Borough Council in relation to minute reference 20/19 - D2N2 Milestones Update – Gedling Access Road.

Councillor P Gilby – Chesterfield Borough Council in relation to minute reference 20/19 - D2N2 Milestones Update – HS2 Strategic Sites

E Fagan – in relation to exempt minute reference 30/19 Growing Places Fund – Boots Enterprise Zone loan

**18/19      MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 30 July 2019.

## **19/19      LOCAL GROWTH FUND PROGRAMME PERFORMANCE OVERVIEW**

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.

Given the increased focus on performance on the back of the annual performance review milestones had been agreed and set with government to track performance of the programme and ensure that the targets were delivered for 2019/20. The new targets included the underspend from previous years.

Good progress was being made in achieving the targets set and would continue to monitor and track performance through the Investment Board.

### **The Financial Milestones agreed for this year were:**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M	£10M	£10M	£12M	£40M
Actual Spend achieved to date	£8.4M	£15.8M			£24.2M
Forecast Spend	£8.4M	£15.8M	£10M	£18M	£46M

### **The output targets up to Q2 for this year were:**

	Total 2019/20	Achieved by 31/09/19	Full Year Forecast 19/20
<b>Jobs created</b>	300	40	1,396
<b>Learners</b>	500	12	480

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.

D2N2 has just begun an impact evaluation of completed LGF investments from the programme. Focus Consultants Ltd had been appointed to undertake the evaluation process and would investigate the impacts investments had made alongside a thematic evaluation of the programme. The report will be presented to the January Investment Board after a full round of consultation with the relevant stakeholder partners.

Work would continue with all the projects and monitoring would continue with the risks associated with delivery affecting the programme. The LEP would meet and review the output delivery with projects prior to the November meeting.

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

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

**20/19**      **MILESTONES UPDATE** The Board were asked to note the Milestones report on the D2N2 LGF programme.

The report showed the Milestones that were agreed at the previous three meetings and detailed the progress against milestones. Further information was provided at the meeting by the promoters and recommendations followed each project giving their milestone progress.

**Gelding Access Road (Nottinghamshire County Council)** - to approve that the business case for the project is delivered in November 2019 and not the original intended September 2019 due to the delays in the Secretary of State sign off. This delay had no effect on the projects start on site date or ability to deliver in the LGF timeframe.

**Becketwell (Derby City Council)** - to note the progress against milestones of the Becketwell project and monitor further milestones up to the delivery of the Final Business Case in March 2020.

**Castleward (Derby City Council)** –The Investment Board were requested to note the progress and continue to monitor milestones through the FBC.

**Ashbourne Airfield (Derbyshire County Council)** – The Investment Board are requested to note the progress and continue to monitor milestones through the FBC in November 2019.

**Woodville Swadlincote Regeneration Route (Derbyshire County Council)** – The board agreed to consider this project in the exempt part of the meeting due to updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**HS2 Strategic Sites (Chesterfield Borough Council)** – The board agreed to consider this project in the exempt part of the meeting due to updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**A46 Corridor (Phase 3) (Rushcliffe Borough Council)** - The Investment Board were recommended to withdraw the £2.5m of funding to the Fairham Pastures project and utilise this to lower the overspend allocated in the budget. The board were requested to monitor the ongoing milestones for the remainder of the project until FBC delivery.

**Overview of A61 Corridor Programme (Derbyshire County Council)** - The programme was made up of four inter-related A61 projects and Clowne North:

- **Standard Gauge for sustainable Travel** - report to be considered as separate item at the meeting
- **21<sup>st</sup> Century Transport Corridor** - report to be considered as separate item at the meeting
- **Avenue Southern Access** - The board agreed to consider this project in the exempt part of the meeting due to the updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).
- **Chesterfield Station Masterplan** - The board agreed to consider this project in the exempt part of the meeting due to the updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**Clowne North** - The board was requested to monitor the progress of the project through to business case delivery in November 2019.

Board Members made a number comments and asked questions which were duly noted or answered

**RESOLVED** to approve the recommendations as detailed above.

**21/19 LOCAL GROWTH FUND BUDGET** The current forecast showed that in 2019/20 the programme was overcommitted by £31.4m. This would be offset by the money being held by Derbyshire County Council to achieve a balanced budget.

The LEP and Accountable Body were currently reviewing the final two years grant profile to ensure a workable cash flow position.

The overall programme was now showing an over commitment of £4.5m which was down from the £7m previously over profiled as the A46 Corridor Project had given £2.5m back to the overall funding. At the June 2017 Infrastructure

Investment Board meeting it was agreed that any over allocation in the LGF programme would 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

Board Members made comments and asked questions which were duly noted or answered.

**RESOLVED** that the report be noted.

**22/19      N2 TOWN CENTRE UPDATES** The N2 town Centres programme was a collection of projects from the Nottinghamshire Borough/ District Councils which aimed to regenerate and revitalise town centres across the county through targeted investment. The programme was granted delegated approvals where decisions would be made by the N2 Town Centres panel. The project was required to update the Investment Board twice a year on progress.

Since the last update in December 2018 one further project had been approved. The N2 Chief Executives had approved the allocation of the remaining £625,000 to 3 projects, Stapleford Police Station, Stockwell Gate redevelopment and Cotgrave Town Centre.

The N2 project board met in September 2019 when all promoters provided an update on their milestones. As part of this update the LEP and Accountable Body asked for revised output and expenditure profiles from all projects. The programme had a contracted target of 282 jobs this financial year but the forecast figures from the individual projects showed an estimated figure of 42.

The programme would therefore be required to attend the Investment Board to submit a change request for its outputs. Alongside the output delivery change request, it was likely the project would need to present a change request with regards to this year's financial allocation due to the slow progress of approvals. The project sponsor would be requested to attend the November Investment Board to give an update on the project and the above change request.

Two of the projects had received up front development funding and these posed a risk to their promoters of clawback until they were fully compliant with the Local Assurance Framework. Both projects would need to demonstrate they were compliant and would achieve their outputs to remove any risk.

All projects had been asked to provide an update on their milestones, a summary of which was appended to the report.

Clarification on the timelines of the projects would be provided at the November IB meeting

**RESOLVED** that the report be noted

## **23/19      PROJECT FOR APPROVAL – A61 CORRIDOR – STANDARD GAUGE FOR SUSTAINABLE TRANSPORT**

The report set out a request for £1.688m of Local Growth Funding to support the A61 Corridor-Standard Gauge for Sustainable Transport and representatives from the promoters Derbyshire County Council, attended the meeting and provided a presentation to the Board to supplement the report.

As background, the Board was informed that in February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF). The LGF comprised of 51 schemes and ran until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which set out the procedures for managing and approving projects. In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

This package of measures would provide infrastructure improvements and reduce commuter journey times, provide sustainable transport routes, and also ‘unlock’ further opportunities for major housing and employment growth along the A61 corridor through Chesterfield and into north-east Derbyshire.

Furthermore, as part of D2N2s commitment to clean growth, the improvements to the transport network would prioritise active travel, cycling, and pedestrianisation through new and upgraded paths and cycle routes.

The A61 Corridor was made up of 5 elements:

- Chesterfield Station Masterplan
- The Avenue Southern Access
- 21<sup>st</sup> Century Transport
- Standard Gauge for Sustainable Transport
- Clowne North

The project had received upfront development funding and now the Final business case was being presented to the Investment Board to unlock the remaining allocation. Whilst the overall A61 Corridor project had specific jobs and homes output targets, both this element and the 21<sup>st</sup> Century Transport element did not directly contribute to those targets and had primarily transport based outputs.

This element was part of a Transport Mitigation Strategy for the corridor and aimed to improve the resilience of the transport network.

There were a number of significant residential and employment developments proposed within the corridor including Peak Resort and the Avenue. This growth would place additional demands on the transport network in the surrounding areas. These works were being carried out to ensure there was sufficient access to these growing sites and mitigate against the demands that would be placed on the local network.

The transport network needed to support efforts to improve the local environment, including addressing local air quality issues associated in part with higher dependency on the private car. Transport provision also needs to have greater resilience to changing environment conditions, with flooding a prominent risk at particular locations in Chesterfield. Evidence of peak time congestion in Chesterfield, which exacerbated several of the above issues including air quality, journey times and journey time reliability and could deter cyclists/pedestrians as a result of the conditions.

The Standard Gauge for Sustainable Transport considered 2 options from the long list, the first being a cycle link between Sheepbridge and Chesterfield Town Centre and the second being a strategic route between Clay Cross and Chesterfield Town Centre. The options were then developed further and a comprehensive wayfinding system included within this element to help promote the active travel network and encourage greater uptake of cycling and walking.

The elements to this project were:

- Whittington Moor to Sheepbridge cycle route
- Chesterfield Town Centre to Storforth Lane cycle route upgrade (Phase 1 Derby road, Phase 2 Rothervale road to Storforth Lane); and
- Wayfinding system

These three schemes were all critical components to the completion of a continuous, high standard route for active travel between the Avenue and Sheepbridge. The project was seeking to complete the gaps identified to provide an entire route with off road, surfaced paths, quiet roads or controlled crossings of major roads which was available all year round.

The funding for the project was sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derbyshire County Council	£197,450
Section 106 contributions	£224,750
LGF	£1,688,800
<b>TOTAL</b>	<b>£2,111,000</b>

The A61 Strategy was approved by Derbyshire County Councils Cabinet on the 11<sup>th</sup> October 2018. No planning consents were required for this project. Planning permission for phase 2 Rothervale road to Storforth Lane was granted in March 2018.

DCC considered all the options for procurement for the design and build of the schemes, including in house, frameworks and open tenders. The selected procurement approaches were detailed in the report.

An Outline Business Case for the project was approved in March 2018. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given would be on the basis that the project reports good VFM.

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

Members made comments and asked questions which were duly noted or answered

**RESOLVED** to approve the project and to release the remaining £470,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money.

**24/19      PROJECT FOR APPROVAL – A61 CORRIDOR – 21<sup>st</sup> CENTURY TRANSPORT** The report set out a request for £3.00m of Local Growth Funding to support the A61 Corridor- 21<sup>st</sup> Century Transport project and representatives from the promoters Derbyshire County Council, attended the meeting and provided a presentation to the Board to supplement the report.

The background to the scheme and the package of measures was as detailed in the previous minute.

The project had received upfront development funding and now the Final business case was being presented to the Investment Board to unlock the remaining allocation. Whilst the overall A61 Corridor project has specific jobs and homes output targets, both this element and the Standard Gauge element did not directly contribute to those targets and have primarily transport based outputs.

This element was part of a Transport Mitigation Strategy for the corridor and aimed to improve the resilience of the transport network.

There were a number of significant residential and employment developments proposed within the corridor including Peak Resort and the Avenue. This growth would place additional demands on the transport network in the surrounding areas. These works were being carried out to ensure there was sufficient access to these growing sites and mitigate against the demands that would be placed on the local network.

The transport network needed to support efforts to improve the local environment, including addressing local air quality issues associated in part with higher dependency on the private car. Transport provision also needed to have greater resilience to changing environment conditions, with flooding a prominent risk at particular locations in Chesterfield. Evidence of peak time congestion in Chesterfield, which exacerbated several of the above issues including air quality, journey times and journey time reliability and could deter cyclists/pedestrians as a result of the conditions.

There was a need for an intelligent transport system (ITS) to provide an innovative and integrated approach to increase capacity and transport network efficiency along the A61 Corridor, without the need to construct significant new infrastructure.

The production of the Derbyshire ITS Strategy resulted in the technology aspects of this element being refined and updated. An ITS action plan was prepared which undertook a further sifting exercise of technology schemes to inform the Technology package for the A61 Corridor.

The elements to this project were:

- Technology Package, including bus real time passenger information (RTPI), car parking guidance and information (PGI) system and CCTV.
- Signalisation of the A61/Sheepbridge Lane/Broomsbank Road junction.
- Improvements to the St Augustine's junction with the A61
- Upgrade of the signals on the A61 near Alma Leisure Park.

The funding for the project was sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derbyshire County Council	£488,198
Section 106 contributions	£262,000
LGF	£3,000,791
<b>TOTAL</b>	<b>£3,750,989</b>

The A61 Strategy was approved by Derbyshire County Councils Cabinet on the 11<sup>th</sup> October 2018. No planning consents were required for this project.

DCC considered all the options for procurement for the design and build of the schemes, including in house, frameworks and open tenders. The selected procurement approaches were detailed in the report.

An Outline Business Case for the project was approved in March 2018. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given would be on the basis that the project reports good VFM.

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

Members made comments and asked questions which were duly noted or answered.

**RESOLVED** to approve the project and to release the remaining £2,330,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money.

The report set out a request for £4.48m of Local Growth Funding to support the New Assembly Rooms and representatives from the promoters Derby City Council attended the meeting and provided a presentation to the Board to supplement the report.

As background, the Board was informed that in February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF). The LGF comprised of 51 schemes and ran until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which set out the procedures for managing and approving projects. In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

The Assembly Rooms was built alongside its car park in the 1970's. This was Derby's premier performance venue operated by Derby LIVE delivering a busy and mixed programme of cultural events. In March 2014 a fire in the plant room above the Assembly Room car park, which adjoined the building, made the Assembly Rooms unsafe for use. The Assembly Rooms has been closed since the fire and the city had been without its main entertainment venue for over five years.

Derby's ambition was to create a contemporary large scale entertainment and conference venue in the city centre, animating and enhancing the viability of the market place.

The New Assembly Rooms project objectives are as follows:

- To create a new look and feel Assembly Rooms that contributes to the vibrancy of the Market Place. The aim was to re-open the Assembly Rooms as soon as possible at a minimum capital and on-going revenue costs.
- To increase and enhance the cultural offer in the city through the returns of entertainment, cultural performance and commercial events to the Assembly Rooms after an absence of more than 5 years.
- To create a new sense of place and vibrancy in the heart of the city and beyond and improve the city centre experience for the visitor economy.
- To attract new visitors, unlock commercial development and create new jobs in the city centre.

The New Assembly Rooms would be operated by a hybrid organisation including Derby City Council's in-house venue and events team (Derby LIVE) and additional, experienced commercial management.

The funding for the project is sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derby City Council (inc. capital receipts, insurance reserve)	£18,545,000

D2 Business Rates Pilot	£975,000
LGF	£4,480,000
<b>TOTAL</b>	<b>£24,000,000</b>

The project was approved by Derby City Council Cabinet on Wednesday 12<sup>th</sup> December 2018 and Planning Permission was approved on the 13<sup>th</sup> September 2019

The promoter had engaged Wates Construction Ltd through the Scape National Construction framework.

An Outline Business Case for the project was approved on the 25<sup>th</sup> of July 2019. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

Members made comments and asked questions which were duly noted or answered.

**RESOLVED** to approve the project and to release the £4,480,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money

**26/19      PIPELINE PROJECTS** In July 2019, D2N2 released a call for new capital projects to be presented to the LEP and scored through a competitive process, the call was split in to two distinct elements:

- Short Term Submissions – Projects that fit within the strategic parameters of D2N2's Local Growth Fund and could spend LGF allocations by March 2021 should any underspend become available.
- Medium Term Submissions – Projects that would be able to spend future funding between April 2021 and 2025 which fit with the longer term strategic objectives of the LEP.

Projects were invited to submit Expressions of Interest by the 26<sup>th</sup> of August.

D2N2 had received 27 short term applications from 19 prospective project sponsors. These submissions had to focus heavily on the deliverability of projects and their ability to utilise spend in the time constraints before March 2021.

The medium term section of the pipeline call received 34 project applications from 17 prospective project sponsors. These submissions were focused around future projects that would be able to utilise whatever public funding became available from future funding calls.

After an analysis of the call, D2N2 had identified a list of projects which scored highly on the scoring framework which meant they were deemed to be low risk in their delivery potential. These projects equated to £2.58m of funding that could be utilised before March 2021 and offer 390 jobs between them.

With the medium term submissions, D2N2 officers would work with these submissions to prepare for any instance of future funding calls and bring the projects forward to the November Investment Board.

Following a review of the projects that currently had an allocation of Local Growth Funding, D2N2 still remained in a position with an over allocation in the programme of £4.5m subject to the outcomes from this meeting.

It was the LEPs intention to reserve an over allocation throughout the programme of up to £4m which could be covered by the GPF allocation set aside to fund this overspend. Should projects who had outstanding allocations of funding not utilise their spend then D2N2's intention was to use up to a maximum of £4m of Growing Places Fund to bring forward new projects from the pipeline call.

D2N2 would engage with the highest scoring projects from the pipeline call process and work through an in detail analysis of their deliverability potential alongside strategic fit in order to create a pipeline of true 'shovel ready' projects that could utilise spend.

Members made comments and asked questions which were duly noted or answered.

It was confirmed that at the moment there was no additional money available but by the time of the November IB meeting there would need to be a level of confidence from projects that they were hitting milestones and in a position to proceed or some projects may not be supported further.

**RESOLVED** that subject to any funding being released following the conclusion of the September Investment Board, D2N2 officers will further engage with existing and new projects to monitor their deliverability and bring forward a finalised set of recommendations for funding allocations to the November Investment Board.

**27/19      CREATION OF SCRUTINY COMMITTEE** In January 2019 the Department of Business, Energy and Industrial Strategy (BEIS) issued the National Local Growth Assurance Framework, one requirement was that "LEPS's should agree with their Accountable Body the appropriate scrutiny arrangements to ensure decisions had the necessary independent and external scrutiny in place."

D2N2's own Local Assurance Framework stated that "The LEP would utilise both Scrutiny and Audit committee arrangements within Derbyshire County Council, this would also be extended to the chairs of the scrutiny committees across D2N2 to take part in the process. The LEP's audit report would be presented annually to

the Investment Board. The Scrutiny Committee would review the annual performance of the LEP's governance and its funding streams. The LEP would also make an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested."

Derbyshire County Council as Accountable Body agreed at its Improvement and Scrutiny Committee for Resources on the 19<sup>th</sup> September 2019 to host a Working Group to review the D2N2 LEP. This working group would meet up to twice a year and will be in public.

In this instance of the scrutiny board, the topic for discussion will be LEPs delivery with particular reference to the decision making processes of the LEP and Investment Board

Board members were asked to provide contacts from their respective Local Authority Scrutiny Committees so that they can be invited to attend a D2N2 Working Group to scrutinise the LEP and its procedures with relation to funding.

**RESOLVED** that interested parties send details of nominated members to Sarah Wainwright Monday 14<sup>th</sup> October 2019.

**28/19      DATE OF NEXT MEETING** The inaugural meeting of the Investment Board would take place Friday 29 November 2019 at 2:00pm at Dunston Innovation Centre, Chesterfield S41 8NG.

**29/19      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 Investment Board held on 30 July 2019.
2. To consider the update report on Becketwell Change request (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
3. To consider the update report on Growing Places Fund (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).

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## D2N2 Investment Board Cover Sheet – January 2020

Agenda Item 4

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 – 7 <sup>th</sup> January 2020		
Subject	D2N2 Programme Performance Overview		
Author	Sajeeda Rose	Total no of sheets (Excluding cover sheet)	8

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>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> <p>This report also includes three project change requests for approval.</p>

## **D2N2 INVESTMENT BOARD**

### **January 2020 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 as well as a project change request:

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.

Annex C – Provides three project change requests, the Buxton Crescent, Nottingham Castle and Vesuvius projects are all requesting a change to their output figures following changes in circumstances to the projects.

#### **Performance Update**

Given the increased focus on performance on the back of the annual performance review we agreed and set milestones with government to track performance of the programme and ensure that we deliver the targets for 2019/20. The targets include the use of underspend from previous years.

We are confident that we are making good progress in achieving the targets set and will continue to monitor and track performance through the Investment Board.

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M	£10M	£10M	£12M	£40M
Actual spend achieved to date	£8.4M	£15.8M			£24.2M
Forecast spend	£8.4M	£15.8M	£10M	£18M	£46M

The LEP continue to monitor spend with projects on an ongoing basis and will be working with promoters to ensure that full financial delivery takes place in this year. Based on our current forecasts we are on track to spend the £46m which will meet the target set by Government and utilise the underspend which has been carried forward in to this financial year.

### The output targets up to Q2 for this year are:

	Total target for 2019/20	Achieved by 31/09/19	Full Year Forecast 19/20
<b>Jobs created</b>	300	124	1,396
<b>Learners</b>	500	350	480

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.

## Evaluation

D2N2 has just begun an impact evaluation of completed LGF investments from the programme. Focus consultants Ltd have been appointed to undertake the evaluation process and will investigate the impact investments have made alongside a thematic evaluation of the programme. The final report will be presented to the Investment Board when completed which is expected in January 2020.

We continue to work with all the projects and will monitor the risks associated with delivery affecting the programme. The table below highlights those that are high risk.

### Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
A61 Corridor: <ul style="list-style-type: none"> <li>- Clowne North</li> <li>- The Avenue</li> <li>- Chesterfield Station Masterplan</li> </ul> Derbyshire County Council	<p>Delays in the submission of the project's business case have led to multiple phases not delivering against projected spend.</p> <p>Clowne North – Issues remain around Section 106 contributions that place the project at high risk.</p> <p>The Avenue – Despite full design being in place, issues remain around land assembly for the project and these need to be resolved before the project can be removed from the High risk.</p>	<p>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.</p> <p>The IIB formally replaced the Whittington Moor element of the programme at the February 2019 IIB with a new project at Clowne.</p> <p>The project is being monitored against the milestones provided for each of the elements.</p>	£15.64M	<p>The Investment Board will continue to monitor the progress of the delivery of various elements for the project.</p> <p>The Investment Board approved two further projects at the September meeting.</p> <p>The delivery of the Clowne North phase is expected for the January meeting and the</p>

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
				remaining phases in March.
Newark Southern Link Road  Newark and Sherwood District Council	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.	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.	£7M	The LEP continue to meet with the project promoter alongside other partners. A full update on the project is expected at the 31 <sup>st</sup> of January meeting.

## Annex B – Project Progress and Risk Rating

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Chesterfield Centre for Higher Level Skills	University of Derby		3.48	Approved					Project Open - Outputs being monitored
Vision University Centre	West Notts College		2.61	Approved					High Risk - Project is not delivering against anticipated output targets. An output review will be provided at the January Investment Board
Bioscience Expansion	Nottingham City Council		6.50	Approved					Project Open - Outputs being monitored
The Spot	Derby City Council		0.71	Approved					Project Open - Outputs being monitored
Medicity	Medicity		0.74	Approved					Project Open - Outputs being monitored
Ada Lovelace House	Ashfield District		0.14	Approved					Project Open - Outputs being monitored
Bulwell Market	Nottingham City Council		0.10	Approved					Project Open - Outputs being monitored
Dakeyne Street	Nottingham City Council		0.18	Approved					Project Open - Outputs being monitored
Sutton Indoor Market	Ashfield District		0.38	Approved					Project Open - Outputs being monitored
Sherwood Energy Village	Coalfields Regeneration Trust		0.50	Approved					Project Open - Outputs being monitored
Harworth Access Road	Nottinghamshire County		1.10	Approved					Project Open - Outputs being monitored
Seymour Link	Derbyshire County Council		2.52	Approved					Project Open - Outputs being monitored
Cycle City Ambition package in Nottingham	Nottingham City Council		6.10	Approved					Project Open - Outputs being monitored
A57/A60 Junction Worksop	Nottinghamshire County		1.83	Approved					Project Open - Outputs being monitored
Institute for Advanced Manufacturing	University of Nottingham		5.00	Approved					Project Open - Outputs being monitored
Sherwood Visitor Centre	RSPB		0.50	Approved					Project Open - Outputs being monitored
Southern Growth Corridor	Nottingham City Council		6.12	Approved					Project Open - Outputs being monitored
Rail Research and Innovation Centre	University of Derby		0.90	Approved					Project Open - Outputs being monitored
Derby College Technology Hub	Derby College		1.30	Approved					Project Open - Outputs being monitored
Infinity Park	Derby City Council		12.995	Approved					Project Approved - In Construction. Output review due to January Investment board
Nottingham Broadmarsh/Southern Gateway	Nottingham City Council	10.00	25.30	Approved					Project Approved - In Construction
Newark Southern Link Road	Newark and Sherwood District		7.00	Approved					High Risk - Project is not delivering against anticipated output targets and funding remains to be determined for the conclusion of the road. See the above high risk table for further details.
Derby Cycling and Placemaking	Derby City Council	0.09	1.65	Approved					Project Open - Outputs being monitored
Our City Our River, Derby	Derby City Council	2.5	12.00	Approved					Medium Risk - The project is not delivering against outputs as profiled. Output review due to January Investment board
Derbyshire Broadband	Derbyshire County Council		2.19	Approved					Project Open - Outputs being monitored

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Nottinghamshire Broadband	Nottinghamshire County		2.63	Approved					Project Open - Outputs being monitored
D2N2 Sustainable Travel programme	D2N2 Wide		5.80	Approved					Project Open - Outputs being monitored
Enterprise zone sustainable transport package	Nottingham City Council		6.00	Approved					Project Open - Outputs being monitored
A52 Wyvern	Derby City Council		6.72	Approved					Project Approved - In Construction. Output review due to January Investment board
Coalite	Derbyshire County Council		5.80	Approved					Project Approved - In Construction (Outputs recently reprofiled following external circumstances)
A46 Corridor	Rushcliffe Borough		6.25	Approved					Medium Risk - The project is yet to deliver business cases for the final two elements of the project
Midland Mainline	D2N2 Wide		5.00	Approved					Project Open - Outputs being monitored
Buxton Crescent	Derbyshire County Council		2.00	Approved					Project Approved - In Construction
Silk Mill World Heritage Site	Derby City Council	0.63	3.70	Approved					Project Approved - In Construction
Nottingham City Hub	Nottingham College	12.73	30.00	Approved					Project Approved - In Construction
N2 Town Centres	Nottinghamshire County	2.75	7.63	Approved					Medium Risk - a number of business cases within the programme are still to be formally approved which will affect the spend and output profile for the year.
Nottingham Castle	Nottingham City Council		5.00	Approved					Project Approved - In Construction
Vesuvius	Dooba Developments Ltd		4.49	Approved					Project Approved - In Construction
Riverside Business Park	Litton Properties Ltd	2.04	3.35	Approved					Project Approved - In Construction
NTU MTIF Centre	Nottingham Trent University	3.86	9.70	Approved					Projects 1st phase approved, second phase Sept 19 approval
Gedling Access	Nottinghamshire County	1.80	10.80	OBC approved					Project is awaiting approval at the November meeting, slight delay due to outstanding secretary of state approval.
Becketwell	Derby City Council	1.08	8.12	OBC approved - pre comp agreement					The project is on track for a March 2020 FBC delivery with key milestones achieved towards this deadline
A61 Corridor	Derbyshire County Council	4.43	15.60	Partially approved					High Risk - The project has delivered two phases of business cases for the September Investment Board. See the high risk table for further mitigation information
Ashbourne Airfield	Derbyshire County Council	1.00	1.00	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP, this is anticipated in November with progress towards this date.
Castleward	Derby City Council		1.51	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP, this is anticipated in March 2020
Woodville-Swadlincote Regeneration route	Derbyshire County Council	1.60	6.40	Awaiting FBC					Amber Risk - The project is at risk of not being able to deliver the business case in time to achieve the full spend of its LGF allocation.

<i>Project Name</i>	<i>Project Sponsor</i>	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
HS2 Strategic Sites	Chesterfield Borough	1.00	2.40	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP.
Derby New Assembly Rooms	Derby City Council		4.48	Approved					Project Approved – In Construction

	Achieved / On Track
	Medium Risk / Manageable Risk
	High Risk / Behind Schedule

## Annex C – Project Change Requests

Project Name/ Promoter and description	Change Description	Reason for the Change	Impact of the change	Officer Recommendation
Buxton Crescent – Derbyshire County Council  Restoration of a Grade 1 listed building to create a new 5* hotel enhancing the visitor economy in North Derbyshire.	There is now a delay in the delivery of 137 of the 140 jobs that the project will deliver. The jobs will now be delivered in Quarter 1 2020/2021 rather than the forecast delivery period of Quarter 3 2019/2020.	Construction works have been delayed in areas of the Grade 1 listed building, structural difficulties caused a temporary ‘exclusion zone’ in the works which has caused delays to the programme of works. The main programme is now due to finish in December 2019 and be operational in April 2020.	This change will not have an impact on the overall delivery of the programme and the targets established. However the output figures in this financial year will be affected by the delay.	D2N2 Officers recommend that the investment board agree to the reprofile of job outputs and continue to monitor the project to ensure that the new output projections are delivered in line with the reprofile.
Vesuvius Works – Commercial Estates Group  Infrastructure development works to unlock a new commercial business park in Bassetlaw. Site infrastructure works include a new roundabout, site roads and plot preparation.	The project applicant is requesting to move the delivery of 95 jobs and 6,503m <sup>2</sup> from Quarter 2 2019/20 to Quarter 4 2019/20.	The delay in output delivery is due to the new supermarket opening on site being delayed. The new store will be opened on the 10 <sup>th</sup> of February as the previous opening date would have been too close to the Christmas period.	The change will only delay the in year delivery and the output targets will still be met in the same financial year therefore no real impact will be felt. The project sponsor does not envisage this having an effect on the wider programme also.	D2N2 Officers recommend that the investment board agree to the reprofile of job outputs and monitor the Q4 return to ensure that the new delivery target is met.
Nottingham Castle – Nottingham City Council  Renovation and construction works to the Nottingham Castle site to deliver a new and improved visitor economy experience.	Nottingham City Council are requesting that all output delivery is pushed back by two financial quarters meaning that outputs will begin being delivered in Q4 2020/21 rather than the originally profiled Q2 2020/21.	An 8 week delay has become apparent within the construction programme meaning the new centre would have opened in October 2020. A management decision was taken to postpone the opening until February 2021 to maximise the benefits of opening more than would take place in October at the end of the tourist season.	This will have the effect of a six month delay to all output delivery meaning 250 fewer jobs will be delivered in 2020/21. There will however be no further impact to the overall delivery of the projects outputs and all contracted targets will be achieved.	D2N2 Officers recommend that the investment board agree to the reprofile of job outputs and continue to monitor the project to ensure that the new output projections are delivered in line with the reprofile.



D2N2 Investment Board Cover Sheet – 7<sup>th</sup> January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 7 <sup>th</sup> January 2020		
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 Investment Board are requested to note the information.</p>

**D2N2 INVESTMENT BOARD****7<sup>th</sup> January 2020****Local Growth Fund Budget update**

Current forecast shows that in 2019/20 the programme is overcommitted by £29.32m. This will be offset by the money being held by Derbyshire County Council from previous years underspend to achieve a balanced budget.

The LEP and Accountable Body are currently reviewing the final two years grant profile to ensure a workable cash flow position.

The overall programme is currently showing an over commitment of £4.11m, which at the June 2017 IIB meeting was agreed to be funded from the the Growing Places fund.

<b>Local Growth Fund 6 year Grant/Expenditure sheet 03/12/2019</b>									
	2015/16	16/17	17/18	18/19	19/20	20/21			
<b>Project Name</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Total</b>	<b>Status</b>	<b>Date to be completed</b>
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			-0.40		0.70	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			13.00	Ongoing	Mar-21
Nottingham Broadmarsh/Southern Gateway	6.79	0.71	0.35	2.45	10.00	5.00	25.30	Ongoing	Mar-21
Newark Southern Link Road	1.00	6.00					7.00	Ongoing	tbc
Derby Cycling and Placemaking			0.84	0.71	0.09		1.65	Ongoing	Mar-20
Our City Our River, Derby	2.00	2.50	2.50	2.50	2.50		12.00	Ongoing	tbc
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	project extended until June 2020
Broadbands-Nottinghamshire	2.63						2.63	Ongoing	project extended until Sept 2026
D2N2 Sustainable Travel programme		2.48	2.38	0.95			5.80	Ongoing	Mar-20
Enterprise zone sustainable transport package		0.80	5.20				6.00	Ongoing	Sep-19
A52 Wyvern		1.50	5.22				6.72	Ongoing	tbc
Tudor Cross (former Coalite)		5.80					5.80	Ongoing	Sep-23
A46 Corridor, Rushcliffe-Phase 1 and 2		2.00	1.00				3.00	Ongoing	tbc
Midland Mainline			5.00				5.00	Ongoing	Mar-21
Buxton Cresent		2.00					2.00	Ongoing	Dec-19
Silk Mill World Heritage Site			0.52	2.53	0.65		3.70	Ongoing	Sep-20
Nottingham City Hub		0.19	2.03	13.79	12.73		28.74	Ongoing	Sep-20
Nottingham City Hub - Enabling Works			0.22	0.57	0.05	0.41	1.26	Ongoing	Sep-20
N2 Town Centres				2.13	2.75	2.75	7.63	Ongoing	Mar-21
Nottingham Castle				5.00			5.00	Ongoing	Sep-20
Vesuvius				4.49			4.49	Ongoing	Mar-21
Riverside Business Park					1.42	1.93	3.35	Ongoing	Dec-26
NTU MTIF Centre			0.46	1.52	3.86	3.86	9.70	Ongoing	Aug-20
Derby New Assembly Rooms					1.18	3.30	4.48	Ongoing	Dec-21
A61 Corridor-21st Century Transport		0.08		0.60	1.17	1.17	3.00	Ongoing	Mar-21
A61 Corridor-Standard Gauge		0.33		0.89	0.47		1.69	Ongoing	Dec-20
Gedling Access			0.50		1.80	8.50	10.80	Pre-Compliance	tbc
Becketwell		3.00	0.05	2.38	2.70		8.12	Pre-Compliance	tbc
A61 Corridor-Chesterfield Station MasterPlan				0.29		3.52	3.81	Partial App awaiting full approval	tbc
A61-The Avenue		0.10		0.27	0.35	2.95	3.68	Partial App awaiting full approval	tbc
A61 Corridor-Clowne North					1.37	2.06	3.42	Partial App awaiting full approval	tbc
A46 Corridor, Rushcliffe-Phase 4						0.75	0.75	Not yet commenced	tbc
Ashbourne Airfield					1.00		1.00	Not yet commenced	tbc
Castleward						1.51	1.51	Not yet commenced	tbc
Woodville-Swadlincote Regeneration route					2.00	4.40	6.40	Not yet commenced	tbc
HS2 Strategic Sites					0.85	1.55	2.40	Not yet commenced	tbc
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>46.74</b>	<b>43.85</b>	<b>254.82</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 (€M) based on current profiles</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.30</b>	<b>29.32</b>	<b>3.76</b>			
						<b>Overall Overspend</b>	<b>4.11</b>		

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### D2N2 Investment Board (IB) Cover Sheet – January 2020

Agenda item 6

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 – 7 <sup>th</sup> January 2020		
Subject	D2N2 Milestones Update		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	7

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 Milestones report on the D2N2 LGF programme.</p> <p>The report shows the Milestones that have been agreed through within the last year and the progress against the delivery of those milestones for each project.</p> <p>Recommendations will follow each project and their milestone progress.</p>

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Becketwell  Derby City Council	March 2020	£1.08 Million	£1.62 Million	450 Jobs 280 homes	The planning permission for the site was submitted to Derby City Council on the 22 <sup>nd</sup> of August. Demolition contracts have been agreed for the Debenhams site and these works have commenced. Further land acquisitions were completed in October and a planning decision is expected in January 2020.	<p>Outline Business Case to be presented to the LEP – <b>May 2019 (Complete)</b></p> <p>Planning permission to be submitted for the public square and the first phase of residential units on the site - <b>May 2019 (Revised and Complete August 2019)</b></p> <p>Further Land acquisitions to be completed – <b>October 2019 (Complete)</b></p> <p>Outcome of the planning application to be determined – <b>January 2020</b></p>

**Recommendation** – The board is requested to note the progress against milestones of the Becketwell project and monitor further milestones up to the delivery of the Final Business Case which is on track for March 2020.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Castleward  Derby City Council	March 2020		£1.51 Million	200 Homes	The additional funding required has been identified. The target cost for the school has been revised. The Council are progressing further design and site investigations. Procurement has been carried out for the project through the framework. Additional homes will now be included as part of the final submission.	Match funding to be confirmed at Cabinet - <b>September 2019 (Complete)</b>  Planning submission – <b>November 2019 (Complete)</b>

**Recommendation** – The Investment Board are recommended to monitor the progress of milestones and await the FBC which is on track for delivery in March 2020

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Ashbourne Airfield  Derbyshire County Council	November 2019	£1 Million		501 Jobs  367 Homes	The revised planning submission for the access point to the site has now been submitted and validated. The project sponsors are now working through the projects design with the contractor with first cost estimates in. The tendering process for the link road element of the project was submitted in August.	Planning permission to be submitted to Derbyshire County Council for the revised scheme – <b>July 2019 (Complete)</b>  Full Business Case to Investment Board - <b>November 2019 (Submitted)</b>

**Recommendation** – The investment Board are recommended to take a decision on the approval of this project at this meeting.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Woodville Swadlincote Regeneration Route  Derbyshire County Council	March 2020		£6.4 Million	3,100 Jobs 300 Homes	Two land purchases remain to be completed and will continue to be engaged by the County and District Council. A date has been set for the beginning of January for the CPO enquiry. Derbyshire County Council will submit the Final Business Case to the LEP and the project is still on track to complete within the timescales of the LGF Programme.	Planning permission for the site to be attained - <b>September 2019 (Complete)</b>  CPO enquiry for the project to take place – <b>January 2019</b>

**Recommendation** – The Investment Board are recommended to monitor progress up to the delivery of the Final Business Case which is on track for March 2020.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
HS2 Strategic Sites  Chesterfield Borough Council	March 2020	£227K	£2.17 Million	300 Jobs	Chesterfield Borough Council is making good progress in negotiations with the site owner. The Heads of terms are to be signed early in January 2020.	Offer accepted/ heads of terms available - <b>by 30<sup>th</sup> September 2019</b>  Detailed spending profile and project time line update – <b>October 2019</b>

					<p>Work on the Business Case is being prepared</p> <p>An impediment on the site cannot be resolved before the end of the financial year meaning the actual sale will take place in 20/21</p> <p>Work on the Business Case is being prepared including a planning application</p> <p>5 Comprehensive Briefs are being prepared to let during 20/21 involving Network Rail and East Midlands Railway, to develop capital assets at the heart of the Station Master plan Area. Some of these are being prepared now however the two largest studies are to be sent to Market on confirmation of D2N2 Funding Agreement in March 2020.</p>	<p>Submission of FBC business case to D2N2 – <b>February 12<sup>th</sup> 2020</b></p> <p>Planning Committee – <b>March 9<sup>th</sup> 2020</b></p> <p>Removal of site impediments - <b>August 2020</b></p> <p>Property transaction completed - <b>September 2020</b></p> <p><b>First Study in market by end of Jan 2020</b></p>
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**Recommendation** – The Investment Board are recommended to await the Final Business Case to which is on track for March 2020.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
A46 Corridor (Phase 3)  Rushcliffe Borough Council	May 2020		£0.75 million	133 Jobs	Rushcliffe Borough Council are continuing to work through the milestones for delivery of the Chapel Lane phase of the A46 Project. Planning permission for the site has been submitted in December with an expected completion in April 2020.	Detailed Design complete – <b>December 2019</b>  Planning permission Secured - <b>April 2020</b>

**Recommendation** – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC which is on track for May 2020.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
<b>Overview of A61 Corridor Programme</b>  <i>Derbyshire County Council</i>		£4.43 LGF Million	£8.62 LGF Million	Total 5,000 Jobs 3,500 Homes enabled along A61 corridor. Clowne North deliver 2,500 jobs	The programme is made up of five inter-related A61 projects and Clowne North. See below for details.	

				and 1,800 homes.		
<b>Avenue Southern Access</b> Provision of a second southern access to deliver employment and housing at the Avenue major development and regeneration site on the A61 corridor.	September 2019 (Missed)  <b>Revised January 2020</b>	£3.68 million LGF.		798 jobs 653 homes	The project is fully designed however issues remain in the land assembly for the project and DCC are working to address these issues with the Landowners, Developers and District Council. DCC and the LEP are meeting regularly to discuss progress in the project and a further verbal update will be brought to the 7 <sup>th</sup> of January 2020 meeting.	Verbal Update on the project from the project promoter - <b>7<sup>th</sup> January 2020.</b>
<b>Chesterfield Station Masterplan</b> Delivery of Hollis Lane Link Road and Lordsmill Roundabout upgrade to maximise economic growth in close proximity to Chesterfield	March 2020	£3.808 million LGF.		440 jobs 438 homes	Land assembly negotiations are ongoing. DCC and CBC are working with interested parties to progress the land assembly and acquire the pieces they need for the project.	Planning application submission - <b>July 2019. (Submitted)</b>  In principle agreements on land assembly – <b>September 2019</b>  Planning application to be determined - <b>November 2019</b>  Full Business Case submission for <b>March 2020</b>

Rail Station and take opportunities presented by HS2.						
<b>Clowne North</b> Upgrade of A619/ A616 Treble Bob junction to enable delivery of Clowne North major development site	November 2019  <b>Revised January 2020</b>	£7.000 million gross cost.  £2.800 million LGF.		Up to 2,500 jobs  Up to 1,800 homes	The project has a fully costed design for the Treble Bob Roundabout and has also been procured. However there are still outstanding details to be finalised with regards to the Section 106 commitments.	Verbal Update on the project from the project promoter - <b>7<sup>th</sup> January 2020.</b>

### Recommendations:

- **Avenue Southern Access** – The Board will be asked take a view on the projects ability to be delivered based on the verbal update by the promoter at the 7<sup>th</sup> of January meeting.
- **Chesterfield Station Masterplan** – The board is recommended to monitor progress and await the business case which is on track for March 2020.
- **Clowne North** – The Board will be asked to take a view on the projects ability to be delivered based on the verbal update the promoter provides at the 7<sup>th</sup> of January meeting.

### D2N2 Investment Board Cover Sheet – 7<sup>th</sup> January 2020

<b>Document Classification</b>	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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<b>Meeting and Date</b>	Investment Board - 7 <sup>th</sup> January 2020		
<b>Subject</b>	Pipeline Projects Paper		
<b>Author</b>	T Goshawk	<b>Total no of sheets</b>	27

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>This report sets out the results of the D2N2 Pipeline call which was undertaken during summer 2019. As we enter the final year of the programme need to ensure that we mitigate any risks of underspending in the last year by having a ready set of pipeline projects that can be accelerated on demand should any existing project not deliver.</p> <p>Each project that was submitted has been independently appraised based by Thomas Lister on behalf of the LEP and given a score out of a maximum 81, with a minimum threshold of 61 as the bar for a project to be considered deliverable.</p> <p>A detailed summary of the highest scoring pipeline projects from the Short-term call are being presented to the Investment Board for consideration and a decision. The Investment Board are recommended to agree these projects are formally adopted on to the pipeline and be worked up into full applications to be funded through any underspend that becomes available as a result of any existing projects being delayed or undeliverable.</p> <p>Alongside the short term call we also undertook a speculative call for medium projects should the opportunity of any funding be available. At this time given there is no future funding the investment board are asked to note the outcome of the scoring.</p>

**D2N2 INVESTMENT BOARD****7<sup>th</sup> January 2020****Pipeline Projects Paper****Introduction**

In July 2019, D2N2 released a call for new capital projects to be presented to the LEP and scored through a competitive process, the call was split in to two distinct elements:

- **Short Term Submissions:** Projects that fit within the strategic parameters of D2N2's Local Growth Fund (LGF) and could spend LGF allocations by March 2021 should any underspend become available.
- **Medium Term Submissions:** Projects that will be able to spend future funding between April 2021 and 2025 which fit with the longer-term strategic objectives of the LEP.

Projects were invited to submit Expressions of Interest by the 26<sup>th</sup> of August 2019

**Submissions**

D2N2 received 27 short term applications from 19 prospective project sponsors. These submissions had to focus heavily on the deliverability of projects and their ability to utilise spend in the time constraints before March 2021.

The medium term section of the pipeline call received 34 project applications from 17 prospective project sponsors. These submissions were focused around future projects that would be able to utilise future public funding if it became. These projects were anticipated to deliver between March 2021 and 2025.

**Assessment of the projects**

All projects were independently scored and verified by Thomas Lister on behalf of D2N2 LEP, and were scored based on their expression of Interest. The main criteria that both the short term and medium term projects were scored against is:

- Strategic Fit and Outputs
- Project Programme and Deliverability
- Market Evidence and Planning status
- Financial risk and options appraisal

Both calls were required to fill in the same form with the key difference in the short term criteria which had a greater weighting on deliverability than those projects forecast for 2021-2025 delivery.

Projects were scored out of a total of 81, with a minimum threshold of 61 and above for a project to be considered as being deliverable.

## Short Term Proposals

At the time of writing we are still technically over programmed by £4.11 million, but there are still a number of projects at high risk which are due to provide a further update at the Investment Board meeting. If as a result of the update the Investment Board do not believe that the risks will be sufficiently mitigated and that these projects can be delivered within the timeframe of the programme, funding could be released from those projects.

The table below sets out the scores of each submitted project from the independent assessment. Below the table at Annex 1 are the individual assessments of the short-term projects that scored above the minimum threshold of 61 which we are recommending for consideration and adoption on to the pipeline for the Local Growth Fund.

Of the 27 projects submitted 6 scored above the minimum threshold (which are highlighted in Green) and are being recommended for adoption on to the pipeline and asked to submit a detailed business case should funding be available. The total of the 6 projects amount to £3.38m and between them will deliver 435 jobs and 316 learner outputs in relation to the LGF targets. For the amount of funding being requested, these projects deliver an appropriate level of outputs which will help the LEP to deliver on its targets set with government of 29,000 jobs.

Since the initial submissions we have met with each of the applicants to go through the project in more detail which has informed the assessment outcome.

For completeness a summary of all the projects submitted has been included as an annex to the paper.

Project	Project Applicant	Total Overall Score out of 81	Recommendation
Artcore - Derby	Artcore	49	Not to approve
Clegg Hill Site - Ashfield	Ashfield DC	52	Not to approve
Mushroom Farm Court Industrial Units - Broxtowe	Broxtowe BC	57	Not to approve
Revitalising the Heart of Chesterfield (2)	Chesterfield BC	68	Invite to full application
DRIVE	Chesterfield BC	49	Not to approve
Construction Career College - Newark	Lincoln College	49	Not to approve
Melville Court, Meden Vale - Mansfield	Mansfield DC	46	Not to approve
Yorke Drive Regeneration - Newark	Newark and Sherwood DC	43	Not to approve
Waterside Regeneration Zone - Transport	Nottingham City Council	50	Not to approve

Project	Project Applicant	Total Overall Score out of 81	Recommendation
Connections - Nottingham			
Arches Development - Nottingham	Nottingham City Council	51	Not to approve
City Centre Market Quarter - Nottingham	Nottingham City Council	52	Not to approve
Heathcoat Immersive Incubator - Nottingham	Nottingham City Council	63	Invite to full application
Crocus Place - Nottingham	Nottingham City Council	47	Not to approve
Neighbourhood Action Plan - Phase 1 - Nottingham	Nottingham City Council	48	Not to approve
The Smarter Connected Campus - NTU	Nottingham Trent University	62	Invite to full application
Nursing & Allied Health Provision - Mansfield	Nottingham Trent University	70	Invite to full application
Cotgrave Town Centre - Rushcliffe	Rushcliffe Borough Council	60	Not to approve
Connecting People to Work - South Derbyshire	South Derbyshire DC	60	Not to approve
Toyota Apprentice Development Centre - Toyota	Toyota	57	Not to approve
Newark & Sherwood Community & Activity Village - YMCA	YMCA	55	Not to approve
Bakewell Road Site - Matlock	Derbyshire Dales DC	55	Not to approve
Drakelow - South Derbyshire	Drakelow Developments	51	Not to approve
Tollbar House Ilkeston	Erewash BC	66	Invite to full application
Hazleford Way - Gedling	Gedling BC	57	Not to approve
Hill Crest Park - Gedling	Gedling BC	57	Not to approve
Sinfin Business Park - Derby	Harworth Estates	68	Invite to full application

## Medium Term Projects

At the same time as the call for short term projects, we also undertook a speculative call for medium term projects that could be developed should any additional funding become available given the uncertain national position we were in at the time of the call. No funding has become available to date, and at the time of writing we are still awaiting any details of future funding with an expectation that there may be some form of short- term budget announcements in February which will be dependent on the outcome of any Brexit deal at the end of January.

Whilst the projects were all independently scored for completeness, we recognise that the timing of the call meant that it was a snapshot in time of projects that were available and may not fully capture the entirety of projects that can be delivered in pursuit of the region's growth and prosperity ambition being set within the emerging Local Industrial Strategy.

Therefore, our recommendation is that we work with each of the projects in conjunction with input from the relevant D2N2 Advisory Board to ensure alignment with the LIS and so that they are further developed in preparation for any future funding.

Should any funding become available we will rerun the pipeline call to ensure that it fully reflects all opportunities across the region.

Project	Project Applicant	Total Overall Score out of 81
Fairfield Roundabout & Link Roads - High Peak	High Peak BC	64
The Wright Development House - Derby Museums	Derby Museums	43
Diamond Avenue/Warwick Close - Ashfield	Ashfield DC	41
Hamilton Rd Housing & Leisure	Ashfield DC	40
Maun Valley Industrial Units - Ashfield	Ashfield DC	48
Retail & Employment Development, Harworth & Bircotes - Bassetlaw	Bassetlaw DC	43
Creative Village Phase 2, Worksop - Bassetlaw	Bassetlaw DC	44
Creswell Station Business Centre - Bolsover	Bolsover DC	46
Innovation Hub - Bolsover	Bolsover DC	45
Market Towns Programme for Bolsover	Bolsover DC	36
Stapleford High Street - Broxtowe	Broxtowe BC	43
Everything Derby - Derby	Derby City Council	49
University of Derby Enterprise & Innovation Hub	Derby City Council	35

Project	Project Applicant	Total Overall Score out of 81
Nuclear AMRC Midlands - Derby	Derby City Council	42
IPD UoD Skills Academy	Derby City Council	42
Business Incubation & Scale Up Programme	Derby City Council	57
Connect + Grow on Space - 6 Bold Lane	Derby City Council	63
Dales Central Area Workspace, Wirksworth	Derbyshire Dales DC	65
Mineral Line - Gedling	Gedling BC	43
Hoyle Road Business Park - Gedling	Gedling BC	51
Colwick Redevelopment Site - Rd No 3 - Gedling	Gedling BC	43
Digital & Professional Skills Centre - Newark	Lincoln College	62
White Hart Redevelopment Project - Mansfield	Mansfield DC	37
Student Accommodation - Mansfield	Mansfield DC	31
Sandy Lane Senior Persons Living - Mansfield	Mansfield DC	29
Centenary Road Phase 3 - Mansfield	Mansfield DC	29
North East Derbyshire Market Towns	North East Derbyshire DC	41
The Avenue School & Innovation Park	North East Derbyshire DC	48
Affordable Housing Development - North Nottingham	Nottingham City Council	49
Exchange Buildings Refurbishment - Nottingham	Nottingham City Council	54
City Centre West	Nottingham City Council	48
A60 Park & Ride & Bus Priority Measures	Nottinghamshire County Council	35
West Bridgford Tudor Square - Rushcliffe	Rushcliffe BC	59
Swadlincote Town Centre	South Derbyshire DC	65
Deda Remodelling for Increased Capacity	DEDA	38

## ANNEX 1

### Short- term Pipeline Projects for Acceleration

D2N2 has been working with project sponsors to prepare them for potential acceleration and delivery on to the LGF Programme. Discussions are ongoing with all projects and any information that is brought forward to the LEP before the January 7<sup>th</sup> meeting will be verbally given to the D2N2 Investment Board.

Project Name	Heathcoat Immersive Incubator	Project Score	63
Project Applicant	Nottingham City Council	Project Location	Nottingham
Start Date	July 2020	End Date	November 2020
LGF Amount	£160,000	Total Project Cost	£270,000

### Project Description

The project will provide an Immersive Technology hub and incubator on the Nottingham Science Park. This will be established through the repurposing of three existing units in the Heathcote Building to deliver Nottingham's Immersive Technology Incubator (NXRI). The conversion and refurbishment of the three units will provide an open plan area for collaborative flexible work space, alongside a fully equipped Virtual Reality lab and theatre.

NXRI will provide start up spaces, flexible work spaces and virtual office, along with specialist start up and incubator business support to nurture Nottingham's Immersive community into a commercially thriving cluster.

The project be delivered by Nottingham City Council and will:

- Procure a design/build fit out to convert and furnish the existing building and install digital infrastructure including fibre to the premises.
- Provide specialist Virtual Reality (VR), Augmented Reality (AR), Mixed Reality (MR) and other technical equipment and appoint a technician to manage the equipment and bookings.
- Provide high speed broadband access.

Once the building is complete the NRXI will be managed by the Council in collaboration with the University of Nottingham and Digital Catapult and will provide:

- A specialist Immersive Cluster Manager to provide advice, business support, networking to local businesses and to act as an ambassador for the sector, marketing and promoting the centre to businesses, users and local stakeholders. The Cluster Manager will be supported by a receptionist/admin role.
- An accelerator programme for midlands based entrepreneurs with high growth potential, supported by Angel or Venture Capital Investors.

Although immersive companies are growing and creating value in creative industries and many other sectors, the "newness" of the technology means that the sector suffers from

technology fragmentation and issues with skills supply. Those cities which have substantial numbers of immersive companies, such as London, Brighton and Bristol have well developed, government-backed immersive hubs (e.g. Digital Catapult) and good access to infrastructure and technological expertise.

NXRI will provide a centre of excellence in the region to provide this support.

### Strategic Fit

The outcomes of this project relate to the D2N2 SEP and Nottingham City Council's Growth Plan and objectives: Delivering private sector jobs; increasing the number of SME's; providing business support and access to finance; encouraging innovation and links to the universities; encouraging enterprise and entrepreneurialism in the creative industries.

In particular it will support the SEP ambition for 2030 to "...be a world class innovation led, highly productive economy..... at the forefront of technological and business innovation"

The clustering in one specialist centre with business support in place will support synergies across companies and a drive to use better technology. This will boost business efficiency, which will boost productivity as the sector exports most of its services.

Local and national businesses will benefit from this new and exciting technology and its application to a range of different uses including healthcare, engineering, design, business, construction, fashion, media and the arts.

### Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	In Place	N/A
Vacant Possession	In Place	N/A
Site Conditions	No Issues	N/A
Planning Permission	Not Required	N/A
Private Sector Funding requirement	N/A	N/A
Other Barriers/Constraints	None	N/A

### Approvals Required

if approved Nottingham City Council will need approval to accept any grant, no other approvals are required for the project.

### Outputs

Output Description	Total
Public Investment Levered	£110,000
New jobs created	9
Commercial floorspace constructed refurbished sq m	216m2
Infrastructure provided – describe and km	High Speed Broadband
New businesses created	6
Businesses assisted	30

### Timeline for Delivery

Phase	Timeline
Procurement	February - March 2020
Tender Assessment/ lead in	April – June 2020
Build and Infrastructure works	July – October 2020
Building open	November 2020

### Recommendation

This project offers good value for money for the level of funding that is being required. The programme for delivery is short and the works can be contracted and completed well within the timescale of the remainder of the Local Growth Fund programme.

The project builds on the existing strength of the science park and will help to improve access to innovation for SMEs which has been identified as a key barrier for improving productivity.

Therefore D2N2 Officers would recommend that the Heathcoat Immersive Incubator project is accepted on to the LGF Capital Programme.

Project Name	Smarter Connected Campus	Project Score	62
Project Applicant	NTU	Project Location	Clifton
Start Date	September 2020	End Date	November 2020
LGF Amount	£800,000	Total Project Cost	£1,600,000

## Project Description

This is an innovative project that through the introduction of innovative technology will create a Smart and sustainable campus that will become a 'living laboratory' for businesses, academics, policy makers in the D2N2 area and beyond to explore how to create Smart Places, such as Smart Cities for the future.

The Smart Campus would merge state-of-the-art digital technology with data collection and analysis to create an environment that is connected, sustainable, responsive and inspirational to its users.

There are two major elements to this project:

- The installation of a secondary optical fibre network on the Clifton campus that could be used securely by SMEs for testing applications, devices and systems on a plug-and-play basis
- Installation of a 5G mimic system on the Clifton campus that mimics 5G that could be used securely by SMEs for mobile application and device development and testing, including with drones and driverless vehicles.

The NTU vision for a Smart Campus marries an aspiration to develop a world class teaching facility with the opportunity to create a test bed for ambitious local businesses to learn about and be an integral part of future opportunities that will come about through advances in the Internet of Things, mobile networks (e.g. 5G), location-based services, AI and Big Data.

Larger scale Smart Places are not yet common place. The few that do exist are rarely wholly controlled by a single organisation; such control offers the opportunity of creating a living laboratory that obviates a variety of regulatory barriers (e.g. around drone use). Most Smart Places are also not underpinned by large scale specialist and innovation capacity that spans from the technological through to the legal and social sciences. The project proposed here provides the opportunity to be part of a unique Smart Place that meets all these conditions, putting the area at the forefront of the Smart Place agenda.

Longer term the University's Smart campus strategy identifies a number of distinct strands of activity that will build on the initial infrastructure. Examples of this, but which fall outside the scope of this application, include wayfinding, smart transportation, automated transactions, smart building controls, energy systems and automated urban farm-to-plate systems.

Following the introduction of the new technology NTU will roll out an SME business support programme. This will see the campus used as a living laboratory as

businesses are able to access and use the facilities. This will make them aware of the technology, and its application, leading to innovation and to develop new products and services.

Initially the support would be through a series of events to explain the introduction of new technology and the benefits derived. This would lead to more detailed and intensive support where the University could provide further assistance each business through:

The University would also run a number of SME challenge events where D2N2 SMEs are invited to design solutions to identified problems, including those posed by large multinational companies. The winner of the call then gets support, and possibly funding (from Innovate UK, or one of the Catapult Centres, or the call instigator) to develop their solution that can then be tested in the NTU facility. This is a well proven methodology employed by a number of the national Catapult Centres.

## Strategic Fit

D2N2 Strategic Economic Plan (SEP), **Vision 2030** where the proposed activity will support many of the LEPs stated aims and objectives. In particular the investment in the Smart and Sustainable campus will support the following SEP themes and investment priorities:

**Productive and growing businesses.** This innovation led project can assist businesses (many of whom have high growth potential) to adopt innovative technologies and ways of working, helping them to realise their potential and increase levels of productivity.

### Quality of place

This investment in the physical infrastructure on the Clifton Campus will support businesses. It also enhances the area as a great place to live and study and will help to confirm NTU's place as a leading university.

This also links strongly with the grand challenges identified in the **Industrial Strategy**

### AI and the data economy

Artificial Intelligence and machine learning are identified general purpose technologies already starting to transform the global economy. They are often seen as new industries in their own right but they can also transform business models across different sectors as they deploy vast datasets to identify better ways of doing complex tasks. Embedding data collection sensors and using AI across the campus will help to demonstrate to SMEs the possibilities of this technology.

### Clean growth

Through the sustainable campus activity we will maximise the advantages from the shift to clean growth and the efficient use of resources to show the industrial opportunities that are presented.

We are determined to play a leading role in providing SMEs with access to the technologies, innovations, goods and services of the future.

### Mobility

NTU can become a thought leader in shaping the future of mobility. Our work on transportation could help to identify practical solutions that could in time dramatically reduce carbon emissions and other pollutants.

The University's ability to introduce this suite of innovative projects can help embed exciting technologies are translated into other industrial and commercial practices, and so into increased productivity. The government has recognised that both public and private sectors need to invest more in research and development and we need to be better at turning exciting ideas into strong commercial products and services. This project provides that opportunity

The establishment of a Smart Campus environment will be a ground-breaking innovation for the D2N2 region and will provide opportunity for D2N2 based technology businesses to accelerate their product development and commercialisation agendas. This will, in turn, increase productivity and create high level skilled jobs within the region. It will also encourage businesses from outside the region to relocate to the D2N2 region, as there are very limited 5G test bed resources in the UK.

### Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	In Place	
Vacant Possession	In Place	
Site Conditions	No Issues	
Planning Permission	Not Required	
Private Sector Funding requirement	NTU has committed the match funding	
Other Barriers/Constraints	None	

### Approvals Required

Nottingham Trent University's Executive Team have approved and committed to the SMART Campus concept.

### Outputs

Output Description	Total
Private Investment Levered	£800,000
New jobs created	45
Infrastructure provided – describe and km	Enhanced Digital Network
Businesses assisted	90

Output Description	Total
New Products/services introduced	45

### Timeline for Delivery

Phase	Timeline
Final Design	March – June 2020
Procurement	July – August 2020
Build and Infrastructure works	September – November 2020
Testing of the infrastructure	December 2020
Roll out of the project	January – February 2020

### Recommendation

This project fits well with the themes of innovation and productivity within the emerging Local Industrial strategy. Whilst the build programme will not commence until September 2020, the infrastructure works take place within the NTU Clifton campus and are not dependent on variables such as planning. Therefore D2N2 has confidence that delivery will be met within the March 2021 deadline.

D2N2 officers would recommend that the NTU Smarter connected campus project be added to the LGF Capital Programme but LEP Officers work with NTU on an ongoing basis to try and accelerate the programme of delivery.

Project Name	Nursing & Allied Health Provision in Mansfield – NTU	Project Score	70
Project Applicant	Nottingham Trent University	Project Location	Mansfield
Start Date	May 2020	End Date	November 2020
LGF Amount	£746,000	Total Project Cost	£1,492,000

## Project Description

NTU are seeking capital funding to establish a pioneering facility for the Mansfield area to meet the demands of local health organisations. We are seeking to establish nursing & allied health provision in partnership with Sherwood Forest Hospitals Foundation Trust (SFHFT) with courses commencing in September 2020. NTU is in discussion with VWNC to run the whole of the Higher Education provision at the campus. Our conversion of the Visual Arts centre is a strand of this initiative.

SFHFT provide a range of placements to other local Universities for their student nurses, which are reported to provide a relatively small return on investment in terms of the qualified nurses who ultimately seek employment at the Trust. Local students who are committed to staying in the area, appear to study further afield and potentially undertake their placements at other Trusts, whilst ultimately wanting to return to take up permanent employment at SFHFT.

Provision within the area would enable the Trust to provide placement activity to those students more likely to stay with them when they qualify and could provide further opportunities to stimulate the Trust to grow their own future workforce across nursing and other health related professions.

Courses would be delivered on-site at VWNC with the refurbishment of the Visual Arts Centre. NTU would be responsible for the project, working closely with all stakeholders, to meet the demand identified by senior health colleagues. The current regional centre providing Continuing Professional Development (CPD) is located at De Montfort University in Leicester. This proposal would also allow for CPD provision to be retained within the local area for the benefit of SFHFT staff and other local Allied Health providers.

This provision would meet the market demand as set out in this application but is also in line with the D2N2 Promoting Inclusive Growth agenda, improving skills of local people, raising real wages and narrowing inequality and wage disparity. Also, with an ageing society the growth in demand in the Health & Social Care sector will only increase over time. The UK's ageing society is already impacting SFHFT's workforce profile and there is an urgent need to attract, train, retain and develop the workforce of the future.

As the partnership develops, there are a range of other possibilities for the development of Allied Health professionals in areas including radiographers, stenographers, medical physics, medical bioscience technicians, physiotherapists, occupational therapists and pharmacists.

## Strategic Fit

This project is aligned to the **D2N2 Strategic Economic Plan (SEP)** and delivers on two of the three SEP themes:

- **Delivering skills and knowledge for the future**
- **Enhancing the quality of the places where we live and work.**

In addition, this will inspire the careers and skill choices of Mansfield's current and future workforce as well as that of the surrounding area.

### **Skills & Knowledge For The Future**

This project will deliver on the ambition of having a healthy, productive, well qualified and well rewarded workforce supported by world class training and education. It is in tune with investment priorities 5 & 6 of Future Workforce (equipping people with the skills and knowledge they need to access jobs) and Inclusive Workforce (helping people to move into better paid jobs). This is particularly relevant in Mansfield, an area with a relatively low skill base and jobs at risk as a result of automation.

### **Quality Of Place**

This project will empower Mansfield and surrounding areas to become a great place to work, live and study in line with investment priority 11.

The SEP also identifies the Health & Social care sector as one where large growth is expected as the UK has an ageing society which is identified by the Government as one of the four grand challenges of the **Industrial Strategy**.

## Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	In Place	
Vacant Possession	NA	
Site Conditions	No Issues foreseen	
Planning Permission	Not Required	
Private Sector Funding requirement	NTU has committed the match funding	
Other Barriers/Constraints	None	

## Approvals Required

Nottingham Trent University's Executive Team have approved and committed to the Mansfield Nursing and Allied Health Centre.  
Accreditation will be required from the relevant bodies for the site to deliver programmes, however this accreditation can only be received once the facility has been completed.

## Outputs

Output Description	Total
Private Investment Levered	£746,000
New learners supported	316
GVA Uplift	£85,426,638

## Timeline for Delivery

Phase	Timeline
Final Design	January 2020
Procurement	Feb – March 2020
Contract Award	April 2020
Refurbishment Works	May to Autumn 2020

## Recommendation

This project presents both strong outputs and also a high level of deliverability and certainty to spend before the end of the programme in March 2021.

A potential risk remains around the centre not being awarded accreditations to deliver the relevant health related courses however D2N2 have addressed this with NTU and are satisfied with the mitigations proposed.

It responds to an identified local skills need from a major employer and will help to further establish HE provision within Mansfield. This will contribute towards upskilling of the local area and improve opportunities for greater social mobility.

The outputs from this project have also been tested to gain assurance that they are wholly additional to the outputs forecast from the Vision West Notts College project funded in 2015.

Therefore D2N2 Officers are recommending that the NTU Nursing and Allied Health provision project be added to the LGF Capital Programme.

Project Name	Sinfin Business Park	Project Score	68
Project Applicant	Harworth Group	Project Location	Derby
Start Date	May 2020	End Date	January 2021
LGF Amount	£600,000	Total Project Cost	£7,730,000

## Project Description

**Harworth Group plc intends to speculatively develop four units totalling 87,500 sq. ft of new B1/B2/B8 commercial development at Plot 8, Sinfin Commercial Park to address Derby City's consistently reported under supply of high quality commercial space that is acting as a brake on economic growth.**

It is aimed at small companies – particularly those in the manufacturing and distribution sectors – wanting new flexible, energy efficient commercial space, taking advantage of Sinfin's close proximity to Rolls-Royce's global headquarters and the site's proximity to the principal road network. This is in response to consistent feedback from commercial agents in the Midlands that there is a lack of supply of units under 100,000 sq. ft at an acceptable standard for occupiers.

Unit 1: 45,000 sq. ft

Unit 2: 10,000 sq. ft;

Unit 3: 10,000 sq. ft; and

Unit 4: 22,500 sq. ft.

As one of the UK's leading land and property development companies, Harworth Group will act as master developer for the entire scheme, taking responsibility for the construction of the units and all associated site preparation and infrastructure development. Harworth Group plc is responsible for some of the UK's leading commercial developments, including the 2m sq. ft Advanced Manufacturing Park in Rotherham and the 4m sq. ft Logistics North development in Bolton, as well as being highly experienced at developing new commercial space across the UK, having directly developed over 1m sq. ft of its own B1, B2 and B8 space since 2014. The business therefore has the track record and experience to effectively deliver a high-quality commercial scheme within the required timeframes of the LEP's funding programme.

A grant of £600,000 will support the build out of a scheme that will create up to 227 new full-time jobs in Derby in addition to an additional £15m in Gross Value Added per annum.

## Strategic Fit

D2N2's vision for the region, as explained within its Strategic Economic Plan to 2030, is **'to grow the economy and in particular address our productivity and inclusion challenges.'** The construction of sustainable, well-located commercial space is a key building block in all three of the LEP's three priorities over the next decade:

- Supporting productive and growing businesses;
- Delivering skills and knowledge for the future; and
- Enhancing the quality of the places where we live and work.

Harworth intends to build BREEAM 'very good' rated space which can be flexibly fitted out by a range of occupiers that will be adjacent to the principal road network. Given the reported lack of good quality, well located commercial space under 100,000 sq. ft is actively stopping a number of firms either effectively growing or becoming more productive (either in getting their products quickly to market or their staff efficiently to work), the build out of new space at Sinfin will directly meet 'supporting productive and growing businesses' in adding a projected 227 new FTEs to the local economy and over £15m in Gross Value Added.\* As the units will be 'BREEAM' very good and are close to the A5111, our units will also support improvements in environmental sustainability, including reduced energy usage and improved air quality from operations versus poorer quality, poorer located units.

In addition, Plot 8 has lain vacant for over three years since Harworth demolished asbestos-riddled former warehouses and workshops on the site, leaving brownfield land available for redevelopment subject to planning. Now that planning has been granted, use of the site to deliver 87,500 sq. ft of new commercial space improves the attractiveness of Sinfin as a place to live and work whilst easing pressure on Derby City Council to allocate other potentially green belt or greenfield sites for new development, further aiding our sustainability credentials.

## Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	The site ownership is in place with Harworth Estates	
Vacant Possession	The plot for construction is vacant and ready to develop	
Site Conditions	Land preparation works need to be carried out but will be carried out in conjunction with other works.	
Planning Permission	Reserved matters in place	
Private Sector Funding requirement	Private sector match in place	
Other Barriers/Constraints	None	

### Approvals Required

No further external approvals are required.

### Outputs

Output Description	Total
Public Investment Levered	£0.5m
Private Investment Levered	£7.915m
New jobs created	226 FTEs*
Floorspace constructed	8,129 sq. m
Commercial floorspace constructed sq m	8,129 sq. m
Infrastructure provided – describe and km	0.1km of estate road
Businesses assisted	Up to 4 (new tenants)
GVA uplift	£15.27m GVA uplift*

### Timeline for Delivery

Phase	Timeline
Final Design	January - February 2020
Procurement process	March – April 2020
Contractor and site lead in	April - May 2020
Build Programme	June 2020 to March 2021

### Recommendation

This project presents strong value for money based on the output delivery that can be achieved from the project. It will provide high quality business accommodation in Derby which will help to support business growth and productivity and create higher value jobs for the local area. The timelines for delivery set out are in line with the expectations of the LEP.

D2N2 Officers would recommend that the Sinfin Business Park project be added to the LGF Capital Programme.

Project Name	Tollbar House, Ilkeston	Project Score	63
Project Applicant	Erewash Borough Council	Project Location	Ilkeston
Start Date	May 2020	End Date	January 2021
LGF Amount	£425,000	Total Project Cost	£850,000

## Project Description

### Office Refurbishment Project to:

- Repurpose floorspace for the private sector
- Create space for high value jobs
- Increase local productivity
- Upgrade facilities to combat climate change and enhance the natural environment

The proposal for Toll Bar House is to update and refurbish this art deco landmark building to make it suitable for modern, high value office requirements. The project will include upgrading the heating and lighting systems, fitting more energy efficient windows, insulation and water systems. These will be cheaper for the occupants to run and help limit climate change and improve the appeal of the letting offer. A new garden will be created on site to enhance the natural environment.

The programme of refurbishment will include reconfiguring the space to form

- Six open plan offices each with their own kitchen and bathroom facilities.
- The flexibility to combine spaces as required to create larger letting units.

Toll Bar House has always had a public sector occupant. It was built for the Electricity Board, and then sold to EBC who used it for some years, but with a contraction of its operations it was then let to the current occupant, the local clinical commissioning group. The public sector is downsizing and will continue to contract. It has now been decided that for the purposes of market stimulation the facility should be made suitable for letting to the private sector.

### Need for the project

This project is needed now as the current NHS occupant has indicated that it plans to move to centralised premises as a consequence of a recent merger. The building is now unlettable in its current condition as a survey has indicated an EPC rating of only G. A rating of E or higher is required for marketing purposes. Given the estimated costs of upgrade and refurbishment EBC would likely mothball the property without this project, thereby losing an opportunity to support the growing private sector.

Ilkeston has a supply of managed office units for start-up micro-businesses including Castledine House and The Old Police Station, but minimal grow-on space for small businesses. The refurbishment and sub-division of Toll Bar House could address this market failure

**Strategic Fit**

The Toll Bar House project will:

- Make appropriate floor space available to business growth sectors
- Support growth in jobs to target high value sectors and thus of GVA
- Deliver clean growth through increased energy efficiency in an accessible location
- Improving an important gateway on the edge of centre of the market town of Ilkeston.

**D2N2 Strategic Economic Plan (Vision 2030)**

The project fits the Vision to "have a transformed high-value economy", "with firms readily able to access ... space to grow". It will contribute towards Vision Targets 1, 2 & 3 to increase productivity, 4 to raise real wages, and 5 to maintain high and stable employment.

The project directly delivers Theme 3 - Quality of Place: Investment Priority 9 - Infrastructure by providing "physical infrastructure to create a competitive advantage [&] support business growth... and enhance our natural environment".

In addition the project will contribute towards Theme 1 - Productive and Growing Businesses: Investment Priority 1 - Business Productivity by enabling "a larger number of businesses with above average ... productivity" and Investment Priority 2 by supporting "the high-growth potential of productive businesses and grow[ing] the stock of high-value businesses in the area".

**D2N2 Local Industrial Strategy**

The project aligns with the Foundations of Productivity of "Clean Growth" and "Infrastructure".

**DEP Derbyshire Economic Strategy Statement**

The project directly delivers Theme 1: Boosting Investment and Place Making- Strategic Objective 2 "Unlock the potential of Derbyshire's land and property assets to attract and retain businesses and create the conditions for economic growth"

In particular, the project will :

- "Promote the re-use of vacant and underused commercial, industrial and heritage buildings"
- "Review ... council-owned assets as part of a shared estate programme to identify opportunities for rationalisation and commercial development"
- "Support enhancement of provision of quality commercial accommodation to meet the needs of creative, hi-tech and knowledge-based industries"
- "Maximise potential of existing vacant, under-used premises or those in need of modernisation and provide follow-on space for growth businesses"

### Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	Erewash Borough Council own the Property	
Vacant Possession	The current occupier will have vacated the site by May 2020	Resolved by May 2020
Site Conditions	None required	
Planning Permission	None required	
Private Sector Funding requirement	NA	

### Outputs

Output Description	Total
Public Investment Levered	£0.425m
New jobs created	90
Floorspace constructed	1,106m <sup>2</sup>
GVA uplift	£5.04m

### Timeline for Delivery

Phase	Timeline
Final Design	January 2020
Procurement process	Feb – March 2020
Contractor and site lead in	March - April 2020
Build Programme	June 2020 – November 2020

### Recommendation

The Tollbar House project offers good value for money and strategic alignment with D2N2's aims for supporting and unlocking growth across the region. The project is in a location that lacks quality space for business growth and will therefore help to support the growth of new businesses and support jobs for the local economy. The project is deliverable and in the ownership of the council which provides a good level of certainty for delivery.

D2N2 Officers would recommend that the project is adopted on to the LGF Capital Programme.

Project Name	Revitalising the Heart of Chesterfield	Project Score	66
Project Applicant	Chesterfield BC	Project Location	Chesterfield
Start Date	April 2020	End Date	April 2021
LGF Amount	£650,000	Total Project Cost	£5,500,000

## Project Description

Chesterfield town centre functions as a sub-regional service centre (the 7<sup>th</sup> largest retail destination in the East Midlands) and is recognised as a key economic asset in the D2N2 area. In common with other town centres, Chesterfield faces a number of challenges which have the potential to undermine its long term sustainability if appropriate action isn't taken in response. These challenges include: the growth of on-line retailing which is having an increasing impact on the high street (on-line sales now account for 20% of comparison retail spend); changing retailer strategies with an increasing focus on the top 100 retail destinations which serve the majority of the population (Chesterfield was ranked 177<sup>th</sup> on the Javelin Venuescore ranking in 2017, having fallen 50 places over the last 10 years as key retailers have either closed or relocated out of the centre); and on-going investment in surrounding centres (notably Sheffield and Meadowhall) which increase the competition for consumer spend in Chesterfield's retail catchment (Chesterfield currently secures a 9% market share in its wider retail catchment, behind both Meadowhall (16%) and Sheffield (15%)).

In relation to other retail health indicators: the most recent town centre occupancy survey (06/19) identified 38 vacancies in the town centre, an increase of 10 vacancies over the last 6 month period; and declining town centre footfall with a 20% decrease over the last 3 years at the Vicar Lane Shopping Centre (the primary retail location in the town centre).

In response to these issues, the Council is taking action to broaden the appeal of the town centre, making it a location for destination trips that combine a range of retail, catering and leisure activities. The aim is to attract people back into the centre (both new and repeat visits) by making it a great place to be, with a high quality environment that people enjoy spending time in. We will build on the town's unique characteristics and reinforce its distinctive historic character to provide people with a 'Chesterfield Experience' that cannot be replicated on-line and differentiates us from competing centres such as Meadowhall.

In order to help achieve this aim, the Council has secured a mix of funding (including the Council's own funding) to deliver the 'Revitalising the Heart of Chesterfield' (RHOC) project. This comprises two scheme elements: the reconfiguration of the outdoor market to make it a more attractive proposition for both traders and shoppers (scheme 1); and the delivery of enhanced public realm in the town's Northern Quarter, providing improved pedestrian links to the main retail core (scheme 2).

## Strategic Fit

At national level, the project accords with the core principles of the Industrial Strategy (2017), particularly the focus on 'Place' as one of the 5 foundations of productivity, recognising that different places have distinctive advantages and challenges that need to be built-on / addressed in order to support the growth of strong local economies. The Government's 'Our Plan for the High Street', identifies that town centres are a crucial part of local communities and local economies and need to be supported in response to the challenges created by changing patterns of consumer behaviour.

The project provides a strong strategic fit with the revised D2N2 SEP (2019) which recognises the important economic role played by major towns such as Chesterfield. The 'Quality of Place' theme includes priority 11 'Place making and marketing' with a focus on promoting a high quality built environment and 'revitalised high streets in our towns and cities'. The SEP notes that D2N2 will support the vitality of urban centres such as Chesterfield and in the longer term will look to 'exploit the transformational potential of HS2' (priority 10), including enhancing Chesterfield's role as a gateway to the Peak District for visitors arriving on HS2 services. Great place making in Chesterfield town centre (as per the RHOC project) will be key to realising the leisure, residential and business opportunities that HS2 connectivity will create.

The Derbyshire Economic Strategy Statement (2014) includes the strategic objective 'to increase the vitality and viability of our market towns and urban centres to support their role as local service and employment centres'. It notes that Chesterfield will continue to strengthen its role as a sub-regional centre through the development of its employment, retail, education and leisure offer.

- At the local scale, the town centre has long been recognised by the Council as the area's key economic asset, and promoting the vitality and viability of the centre is prioritised in key documents such as: the Council Plan (2019-23); the current Chesterfield Local Plan: Core Strategy (2013) and the replacement Chesterfield Borough Local Plan (submission version 2018); and the Chesterfield Growth Strategy (2019-23). Future development of the town centre will be guided by the Chesterfield Town Centre Masterplan (2015) which highlights a number of priorities including: securing a sustainable future for the outdoor market; better pedestrian connectivity between across the centre; and investing in a high quality urban environment to encourage greater patronage and extend dwell times.

### Deliverability

Issues and Risks	Resolution / Mitigation	Timescale to Resolve
Ownership	Market Place is in the ownership of CBC. Public realm works are in the adopted highway	
Vacant Possession	N/A	
Site Conditions	Site conditions in the Market Place are a known quantity. As part of design of public realm a site condition survey has been completed and this has not identified any abnormalities	
Planning Permission	The Market redevelopment requires planning permission. Any extension to public realm will require Section 278 approval. However this is considered to be relatively straight forward given that the works will apply to an existing pedestrianized zone	Planning achieved by October 2020.  Section 278 agreement by April 2020.
Private Sector Funding requirement	N/A	

### Outputs

Output Description	Total
New jobs created *	Scheme 1 – 17 jobs Scheme 2 – 48 jobs
Jobs safeguarded	Scheme 1 – 110 Jobs

### Timeline for Delivery

Phase 1 Market Square	Timeline
Final Design	February – July 2020
Procurement process	July - September 2020
Planning decision	October 2020
Build Programme	November 2020 – April 2021

Phase 2 Public Realm	Timeline
Final Design	January - March 2020
Section 278 agreement	March – June 2020
Procurement Completion	July 2020
Build Programme	October – December 2020

## Recommendation

The Revitalising the Heart of Chesterfield project offers good value for Money to the Local Growth Fund Programme and will help to improve and sustain the vitality of Chesterfield Town Centre.

As one of the larger urban settlements in the area it is important that the town has a centre which will encourage investment and create spaces for the economy to grow.

D2N2 have been assured that the relevant projects will be able to demonstrate the ability to spend within the Local Growth Fund programme period. Phase 1 – Market Square will be on track to have sunk costs to the amount of D2N2's contribution by the time of construction beginning. Phase 2 – Public Realm will act as an additional set of works to a contract due to be let in May 2020 and will therefore provide the assurance that as a continuation of an ongoing programme the project will spend.

## Annex 2 – Short term Project Scores

Project	Strategic Fit and Outputs	Project Programme and Deliverability	Market Evidence and Planning Status	Financial Risk and Options Appraisal	Total Score	Comments on the Application
Artcore - Derby	13	19	9	8	49	The project scored well on deliverability but uncertainty in match funding is a risk. The project also presented low outputs for the funding being requested which affected the Value for Money score.
Clegg Hill Site - Ashfield	13	18	11	10	52	Uncertainty over the match funding for the project caused concern and the outputs for the project were low value for money.
Mushroom Farm Court Industrial Units - Broxtowe	16	20	11	10	57	The project scored well in most areas, however uncertainty over match funding contributions create a risk over the projects deliverability.
Revitalising the Heart of Chesterfield (2)	17	22	13	14	66	The project scored well in most areas and generates good VFM.
DRIVE - Chesterfield	19	11	10	9	49	The project scored well from a strategic fit perspective but the timescales indicate that this project may be undeliverable in the LGF period and would be better to be moved to the Medium term list.
Construction Career College - Newark	13	19	10	7	49	The project presented risks around unidentified match funding contributions which will affect the short term deliverability.
Melville Court, Meden Vale - Mansfield	12	15	10	9	46	Issues around uncertainty of match funding are risks in this project and the outputs offer low value for money.
Yorke Drive Regeneration - Newark	11	12	11	9	43	The key risk for this project is its ability to deliver within the timescale of the Local Growth fund up to March 2021.
Waterside Regeneration Zone - Transport Connections - Nottingham	15	14	11	10	50	The project assessment identified concerns over the timescales for delivery and also the value for money of the outputs
Arches Development (Trent & Sussex Street) - Nottingham	13	14	10	14	51	From the assessment, queries were raised around the additionality of the impacts of the scheme due to proximity to other investment from the Local Growth Fund.
City Centre Market Quarter - Nottingham	14	19	11	8	52	The project scored well on deliverability however concerns are around the VFM of the project and the direct output's created from this intervention.
Heathcoat Immersive Incubator - Nottingham	18	21	13	11	63	The project has scored well in terms of both its deliverability within the programme time parameters and the strategic fit.
Crocus Place - Nottingham	17	9	14	7	47	Strategic fit and outputs scored well on this project however key concerns are in relation on delivery before March 2021, therefore this project would fit better within the medium term projects
Neighbourhood Action Plan - Phase 1 - Nottingham	12	15	11	10	48	The key risks to this project are over match funding and the ability to deliver before the March 2021 Local Growth Fund deadline.
The Smarter Connected Campus - NTU	15	20	12	15	62	The project scored well across the submission and generates good Value for Money
Nursing & Allied Health Provision - Mansfield	17	24	13	16	70	The project scored well across the submission and generates good Value for Money
Cotgrave Town Centre - Rushcliffe	13	21	14	12	60	The project has scored well but concerns remain over the level of output that would be achieved from this project and therefore its value for money
Connecting People to Work - South Derbyshire	11	22	15	12	60	The project scored well however little to no job/home creation would be achieved through this intervention.
Toyota Apprentice Development Centre - Toyota	13	23	12	9	57	The project scored well strategically however concerns were raised about the need for grant and potential state aid issues with a private sector company.
Newark & Sherwood Community & Activity Village - YMCA	20	11	15	9	55	The project scores well in terms of outputs and VFM but key risks are around the deliverability of the project
Bakewell Road Site - Matlock	15	16	13	11	55	The project scored low in VFM terms however it is seen that there could be scope for improvement in the outputs should the project progress.
Drakelow - South Derbyshire	19	12	13	7	51	Issues were presented around addressing delivery constraints for the project and also where future funding would come from for the rest of the development.

Project	Strategic Fit and Outputs	Project Programme and Deliverability	Market Evidence and Planning Status	Financial Risk and Options Appraisal	Total Score	Comments on the Application
Tollbar House Ilkeston	18	20	14	14	66	The project has scored well strategically and can be delivered in the LGF timescales
Hazleford Way - Gedling	13	22	13	9	57	The project scored well in some areas however questions were raised over the level of developer of profit within the scheme and therefore the need for public sector grant
Hill Crest Park - Gedling	13	22	13	9	57	The project scored well in some areas however questions were raised over the level of developer of profit within the scheme and therefore the need for public sector grant
Sinfin Business Park - Derby	18	18	15	17	68	The project has scored well strategically and can be delivered in the LGF timescales

D2N2 Investment Board Cover Sheet – 7<sup>th</sup> January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	7 <sup>th</sup> January 2020		
Subject	Audit Services Review of Local Growth Fund 2018/19		
Author	S Mason	Total no of sheets	3

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 provides a summary of findings following the Audit Services review of the Local Growth Fund 2018/19.</p> <p>The Investment Board are requested note the paper for information.</p>

## **D2N2 INVESTMENT BOARD**

**7<sup>th</sup> January 2020**

### **Audit Services Review of Local Growth Fund 2018-19**

The Audit Services Memorandum identifies the key issues arising from the Internal Audit review of the D2N2 Local Enterprise Partnership (LEP) Local Growth Fund (LGF) processes and procedures and the services provided by Derbyshire County Council through the Service Level Agreement.

This Audit Services review focuses solely on the administration and management of the D2N2 Local Growth Fund (LGF) throughout the 2018/19 financial year. Although recent changes to the LEP's governance structure have been implemented with a significant increase in Derbyshire County Council's responsibilities to the LEP acknowledged, these changes had not come into effect during the review period.

The Public Accounts Committee published a report in July 2019 voicing concerns that *'local scrutiny and accountability arrangements are not strong enough considering the significant sums of public funding that LEPs manage.'* Steps taken in recognition of these widespread criticisms include the publication of the 'Strengthened Local Enterprise Partnerships' document by the Ministry of Housing, Communities and Local Government (MHCLG) in July 2018. This document outlines findings of the Government's recent policy review and sets out changes to Government commitments alongside procedural updates which must be implemented by LEPs. Although many requirements were not scheduled for implementation until April 2019 and were therefore outside the scope of this 2018/19 review, it was evident that a significant number of these measures had already been actively addressed.

Reflective of further concerns raised by the Public Accounts Committee review published in July 2019 of an overarching underspend exceeding £1.1 billion across all LEP's at the end of 2017/18, the D2N2 LGF remains underspent by nearly £29 million at the end of 2018/19. This significant underspend along with low output progression was recognized in the Annual Performance Review which categorised the LEP's LGF delivery as requiring improvement. Although clear steps are now being taken to address these deficiencies such as the development of an increasingly robust project pipeline, over-commitments of funds in the coming years and enhanced monitoring requirements through the Improvement Plan, it is of note

that the anticipated overspend for 2018/19 diminished from £37 million to just £13 million throughout the year. This significant variation between budgeted and realised expenditure is indicative of the inherent risks such as unavoidable delays or project slippage, however this trend cannot continue. Close management and monitoring of project progress, output delivery, expenditure profiles and pipeline is vital in delivering projects on time and within budget.

The IIB (Infrastructure and Investment Board) received regular and consistent reports on budget, output delivery and programme performance. In general terms the quality and content of these reports was considered good with the information clearly and accurately portrayed. However, testing identified a limited number of occasions where reporting of issues to the IIB could have been more transparently recorded such as the agreed re-profiling of funding for the Silk Mill and the output delays by Our City Our River and Harworth Access Road. It was also recognized that in-year budget reports presented to the IIB have been streamlined with details of individual project's current and cumulative expenditure no longer included as was the custom in previous years. It was advised that this level of detail was superfluous whilst IIB members remained happy with overall programme spend. This explanation was accepted given there had been no detrimental implications and the information is retained independently by the Senior Accountant and Project Monitoring Officer.

Detailed reviews were undertaken on five randomly sampled projects approved and funded during 2018/19 to ensure compliance with the scheme. From this detailed review it was apparent that for Vesuvius, the only privately maintained project examined, the expenditure verification exercise required quarterly by the LGF principles document had not been completed for one of the quarters. In addition, despite issuing funding for N2 Town Centres in quarter one of 2018/19, no quarterly monitoring returns were submitted until quarter three, as it was explained by the promoter that no expenditure had been incurred. However, detailed review of the quarterly returns submitted evidenced that expenditure was, in fact, incurred as early as June 2018.

A number of areas of good practice have been identified and of the eight recommendations raised during the previous review, five were considered to have been adequately implemented indicating commitments to the Audit process and a desire to improve the control environment wherever possible.

The current Audit Services review raised eight recommendations, two of which are considered to be 'high' priority and include the need to ensure:-

- The funding projections for 2019/20 and 2020/21 continue to be closely monitored and adhered to wherever possible to avoid repetition of the disparity between projected funding amounts and the actual funding awarded during 2018/19. Although safeguards are in place to try and mitigate this risk, due to the uncertain future of the Programme the implication of underspending funding allocations are currently unknown.
- Output targets continue to be closely monitored and reported upon to the IB (or equivalent) with increased pressure on individual projects as required. For those projects falling significantly behind in achieving agreed output targets, delivery schedules may need to be realigned and presented to the Board for approval.

**Carl Hardman**

Assistant Director of Finance (Audit)

Accountable Body

Derbyshire County Council

## **Annex A – D2N2 Responses to findings**

<b>Audit Finding</b>	<b>Reason for the issue</b>	<b>Mitigation for the issue</b>	<b>Mitigation complete?</b>
“Testing identified a limited number of occasions where reporting of issues to the IIB could have been more transparently recorded such as the agreed re-profiling of funding for the Silk Mill and the output delays by Our City Our River and Harworth Access Road.”	The change to the Silk Mill projected was verbally stated to the Investment Board in March 2019 but was not minuted. The output delays to the Our City Our River project and Harworth Access Road were both recorded within the quarterly monitoring papers presented to the Investment Board but were not explicitly stated.	The audit finding has been noted and full compliance with the change request process is continuing to take place.	Mitigation has been put in place and will continue to be carried out.
“It was apparent that for Vesuvius, the only privately maintained project examined, the expenditure verification exercise required quarterly by the LGF principles document had not been completed for one of the quarters.”	All private sector projects must demonstrate 40% of their expenditure twice annually, in this instance 25% of expenditure was monitored which is the level which all public sector projects are monitored to.	Once identified by DCC’s audit, the issue was rectified and the remaining 15% of expenditure has been recorded and accounted for. The issue was flagged immediately to the private sector sponsor who adhered to the request and has provided 40% of expenditure since this reporting period	The mitigation is complete.

Audit Finding	Reason for the issue	Mitigation for the issue	Mitigation complete?
"Despite issuing funding for N2 Town Centres in quarter one of 2018/19, no quarterly monitoring returns were submitted until quarter three, as it was explained by the promoter that no expenditure had been incurred"	The project promoter had not established full monitoring systems by the Q1/Q2 return deadlines, when Q3 was requested the new system had been implemented and the correct returns were recorded.	New agreed monitoring systems were put in to place with the project promoter and all returns have been up to date since the Q3 Return.	Mitigation is complete but will be continually monitored going forward.

D2N2 Investment Board Cover Sheet – 7<sup>th</sup> January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 7 <sup>th</sup> January 2020		
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**

**7<sup>th</sup> January 2020**

### **Local Growth Fund Output Performance Update**

In return for £250m of Local Growth Fund contributions, D2N2 are expected to deliver outputs to contribute to the national economy as a result of the interventions it carries out in the economy. Over its 3 tranches of funding, the LEP are committed to deliver 29,000 Jobs, 10,800 Homes and 147,000 Learners over the projects lifetime which runs up to 2035.

This paper provides an update on the following metrics:

- **Contracted output figures:** The output targets agreed between the project promoter and the LEP at the point of approving a Final Business Case.
- **Revised forecasts:** The projected output delivery figure for this financial year based on forecasts provided by the project promoters
- **Actual delivery to date:** outputs delivered to this date

All metrics will be shown for the 2019/20 financial year, delivery since the start of the programme and the lifetime of the programme

### **Delivery to Date – Up to Q2 2019/20**

These figures show the Contracted target and delivery for the programme from 2015 to Q2 2019/20. The programme so far has achieved 79% of jobs mainly due to successful job creation at some of the smaller projects e.g. Medicity, Institute for Advanced Manufacturing which are both overachieving their targets. Homes have struggled at 35% which is due to the large numbers contracted but yet to be delivered at the Newark Southern Link Road due to an ongoing funding gap in the scheme. 40% of the learner target has been achieved to date, this is due to the Vision University project which has previously underachieved due to challenges within the college but is due to submit a reprofile bringing the forecast closer in line with delivery to the end of January meeting.

	Jobs	Homes	Learners
Contracted Target to Q2 2019/20	4,834	3,534	2,279
Actual to Date (Up to and including Quarter 1 2019/20)	3,835	1,237	906
<b>RAG Rating</b>	<b>G</b>	<b>A</b>	<b>A</b>

### 2019/20 Financial Year

Earlier in the financial year D2N2 asked all projects with contracted output figures in this financial year to provide a revised forecast for 2019/20. This exercise identified that the contracted output figures for this year would not be met, over half of the outputs contracted for this year which will not be achieved (3351 out of 6133 jobs) come from three projects, Infinity Park, Newark SLR and Our City Our River (OCOR). All of which are predicting either a zero (Newark) or very low (Infinity Park and OCOR) jobs figures for this financial year. Outputs recorded from the last monitoring period have been in line with contracted output figures for Quarter 2, the impact is predominantly on the target for the last half of the year.

	Jobs	Homes	Learners
Contracted Target for 2019/20	6,133	510	1,017
Revised Forecast	1,396	259	480
Actual to Date (To Quarter 2 2019/20)	124	46	350
<b>RAG Rating</b>	<b>R</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. These targets will be delivered over the lifetime (To 2035) if 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.

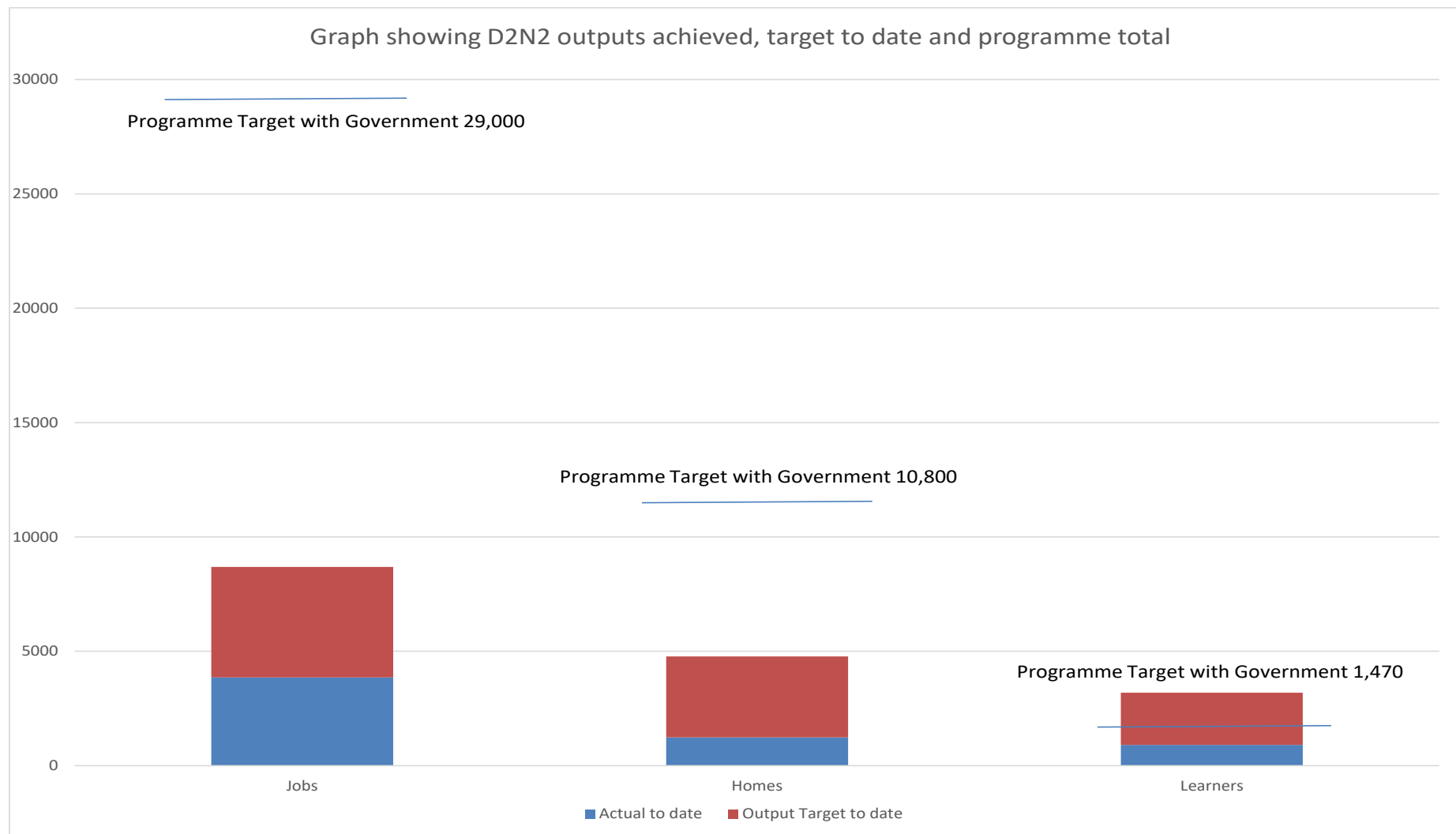
	Jobs	Homes	Learners
Contracted Target with Government up to 2035	29,000	10,800	147,000
Actual to Date (Up to and including Quarter 2 2019/20)	3,854	1,237	906
<b>RAG Rating</b>	<b>G</b>	<b>G</b>	<b>R</b>

Appendix A shows the outputs achieved to date compared to the contracted output targets up to Quarter 2 2019/20. The line within the graph indicates the Contracted target that D2N2 has agreed with BEIS to deliver over the lifetime of the Local Growth Fund up to 2035.

Appendix B shows analysis of the outputs by project

Appendix C shows the Dashboard from the Central Government return.

**Appendix A**



## Appendix B

Project	Quarter 2 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		44					45	89				
A57/A60 Worksop		-85	173	-30			581	686	173	173		
Ada Lovelace House							4	11				
Bioscience Expansion, Nottingham							210	377				
Bulwell Market	2						20	22				
Buxton Crescent	140						140	3				
Chesterfield Higher Level Skills	9	2.1			319	53	43	43.46			656	517
Coalite	-177						8	0				
Daykene St		-1					1	5				
Derby Cycling and Placemaking							35	35				
Derbyshire Broadband							100	100				
Gedling Access Road			45	17					135	127		
Harworth		108	148	39			856	450	268	292		
Infinity Park							110	107				
Institute of Advanced Manufacturing						285	25	74.25				285
Medicity	10	3					85	154				
MTIF	1	1					1	1				
Newark Southern Link Road							0	0	2450	54		
Nottinghamshire Broadband							388	388				
Nottingham Castle	46											
OCOR							1345	449	328	128		
Seymour Link							600	638				
Sherwood Energy Village							0	35				
Sherwood Visitor Centre	3.87	4.87					20.27	22.87				
Sutton Indoor Market	1	7					50	67				
Technology Hub							5	5			79	104
The Silk Mill							10	14				
The Spot							10.6	11				
Vision University					589		0	0			1544	
Vesuvius	95						95	0				
	131	84	366	26	908	338	4834	3835	3534	1237	2279	906

## Appendix C

### Derby, Derbyshire, Nottingham and Nottinghamshire

LEP Name

This Quarter:

Q2, 1920

#### Deliverables Progress



	This Quarter	15-17	17-18	18-19	19-20	20-21	21-25	Total
Housing								
Houses Completed	26	128	589	474	46	0	-	1,237
Forecast for year	519	878	1,140	1,150	510	2,260	1,217	7,155
Progress towards forecast	5%	52%	41%	41%	9%	0%	-	17%



	This Quarter	15-17	17-18	18-19	19-20	20-21	21-25	Total
Jobs								
Jobs Created	84	373	1,295	2,043	124	0	-	3,835
Apprenticeships Created*	0	0	0	0	0	0	-	0
Jobs including Apprenticeships	84	373	1,295	2,043	124	0	-	3,835
Forecast for year	6,133	375	2,002	2,377	6,133	6,469	13,984	31,340
Progress towards forecast	1%	65%	66%	86%	2%	0%	0%	12%

\*Apprenticeships included within jobs totals prior to 2017



	This Quarter	15-17	17-18	18-19	19-20	20-21	21-25	Total
Skills								
Area of new or improved floorspace (m2)	0	5,430	13,500	2,000	0	0	-	20,930
Forecast for year	0	5,430	13,500	0	15,490	0	-	34,420
Progress towards forecast	-	100%	-	-	0%	-	-	61%
Number of New Learners Assisted	338	0	344	212	350	0	-	906
Forecast for year	908	0	499	793	908	786	391	3,377
Progress towards forecast	37%	69%	27%	39%	0%	-	-	27%



	This Quarter	15-17	17-18	18-19	19-20	20-21	21-25	Total
Transport								
Length of Road Resurfaced	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0
Length of Newly Built Road	0.0	2.0	0.0	0.0	0.0	0.0	-	2.0
Length New Cycle Ways	-135.2	0.0	1,186.0	-921.5	-133.1	0.0	-	131.4

#### Project RAG Ratings

Project Name	Previous Quarter Q1, 1920	This Quarter Q2, 1920	Project Name	Previous Quarter Q1, 1920	This Quarter Q2, 1920
Infinity Park, Derby	G	AG	HS2 Toton	G	G
Bioscience Expansion, Nottingham	G	G	HS2 Staveley	G	G
Nottingham Skills Hub	G	G	Sutton Indoor Market	G	G
Nottingham Broadmarsh	G	G	Derby Cycling and Placemaking	G	G
Chesterfield Centre Higher Level Skills	G	G	Midland Mainline	G	G
Vision University Centre, Mansfield	A	A	Sherwood Visitor Centre	G	G
Harworth Access Road	G	G	Sherwood Energy Village	G	G
Derby Placemaking The Spot	G	G	Silk Mill World Heritage Site	G	G
Nottingham Cycle City Ambition Package	G	G	N2 Towns	G	AG
Newark Southern Link Road	R	R	MTIF	G	G
Seymour Link	G	G	Gedling Access Road	R	A
A57/A60 Junction Workshop	G	G	Nottingham Castle	G	AG
Nottingham Broadband	G	G	Vesuvius	G	AG
Derbyshire Broadband	G	G	Technology Hub	G	G
Our City Our River	G	AG	Rail and Research Centre	G	G
LEP Management & Feasibility Funds	G	G	Riverside Business Park	G	G
D2N2 Sustainable Transport	G	G	New Assembly Rooms	NA	G
A61 Programme	R	R	-	-	-
Enterprise Zone Sustainable transport	A	A	-	-	-
A62 Wyvern	A	A	-	-	-
A46 Corridor, Rushcliffe	A	A	-	-	-
Buxton Crescent	G	G	-	-	-
Institute for Advanced Manufacturing	G	G	-	-	-
Beckwithwell	G	G	-	-	-
Medicity	G	G	-	-	-
Coaltrey	A	AG	-	-	-
Ada Lovelace House	G	G	-	-	-
Bulwell Market	G	G	-	-	-
Dakynne Street	G	G	-	-	-
Southern Growth Corridor	G	G	-	-	-

Growth Deal Performance

G

Area lead comments

Output achievement is being compromised by delays to a number of projects, however the LEP is being proactive in agreeing mitigating actions with project sponsors and in certain cases bringing the project sponsors to the Investment Board to provide explanations for the variations. Commitment and expenditure levels continue on a strong trajectory - with 89% of the programme committed and the 19/20 LGF allocation already fully deployed. A further £14.095m will be committed by the end of Q3 taking total

#### Financial Progress

	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
LGF Award	£39,100,000	£55,400,930	£66,388,375	£32,359,889	£17,424,093	£40,086,356	£250,759,642
LGF Outturn							
Actual	£ 15,897,229	£ 83,696,630	£ 34,868,738	£ 45,662,035	£ 24,334,175	£ -	£ 188,561,578
Forecast for year	£ 48,503,269	£ 83,696,630	£ 34,872,601	£ 52,126,241	£ 48,503,269	£ 31,560,901	£ 250,759,642
Progress towards forecast	33%	100%	86%	86%	50%	0%	75%
LGF Expenditure							
Actual	£ 13,878,308	£ 73,291,620	£ 29,400,573	£ 42,132,101	£ 20,821,223	£ -	£ 165,645,518
Forecast for year	£ 48,503,269	£ 83,696,630	£ 34,872,601	£ 52,126,241	£ 48,503,269	£ 31,560,901	£ 250,759,642
Progress towards forecast	29%	84%	81%	81%	43%	0%	66%
Non-LGF Expenditure							
Actual	£ 21,278,868	£ 88,876,483	£ 71,785,207	£ 63,312,119	£ 35,280,379	£ -	£ 249,224,188
Forecast for year	£ 176,958,385	£ 77,471,352	£ 77,471,351	£ 176,958,385	£ 144,199,943	£ 175,760,844	£ 476,101,030
Progress towards forecast	12%	-	93%	69%	20%	0%	52%
Total LGF + non-LGF Expenditure							
Actual	£ 35,157,176	£ 162,168,103	£ 101,155,780	£ 95,444,221	£ 56,101,602	£ -	£ 414,869,705
Forecast for year	£ 225,461,654	£ 112,343,353	£ 112,343,353	£ 129,587,582	£ 225,461,654	£ 175,760,844	£ 726,869,872
Progress towards forecast	16%	+90%	+74%	+25%	+25%	+0%	57%

#### Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 83,700,000	£ 34,870,000	£ 51,510,000	£ 46,000,000	£ 34,630,000	£ 250,710,000
Actual	£ 119,383,080	£ 15,760,970	£ 76,444,220	£ 10,631,590	£ -	£ 222,219,860
Variance	+43%	-55%	+48%	-77%	-100%	-11%

#### Commentary

Outputs - The Nottinghamshire Broadband project has connected an additional 1016 premises to Superfast broadband and the Derbyshire Broadband programme has connected an additional 679 premises. 84 jobs were achieved in the Quarter 2 monitoring period against a total of 131 forecast therefore fair progress has been made against the anticipated target, larger output levels are forecast later in the financial year with some projects undertaking annual assessments of outputs in Quarter 4. 338 learners and 20 homes have been delivered in Quarter 2 despite no outputs being profiled for either metric within the quarter. The overall delivery of learners and homes is expected to be less than originally profiled for the year due to delays in 2 projects, the Newark Southern Link Road (homes) and Vision University Centre (learners). The Newark project has a funding gap and discussions are continuing between the developer, Newark and Sherwood DC, Homes England and Highways England for potential solutions to the issue. The project is undergoing a financial review of the viability and Homes England are assessing the site to identify if they can assist in resolving the ongoing issues. There is a correction to the cycle paths figure this quarter, previous figures were reported in m instead of km. Vision University Centre have entered in to an agreement with Nottingham Trent University to provide their Higher Education provision. The partnership now allows NTU an experienced Higher Education authority to assist in the delivery of the outputs as agreed at contract, these outputs will be reprofiled and presented to the board.

Outturn/Expenditure - Currently 3 projects have received more LGF than they have spent. The Skills Hub will have spent all its LGF by December, MTIF will have spent all its allocation so far by November and the N2 Town Centres programme is looking at a reprofile to ensure they have not received more money than they have spent by year end.

Commitments - Plans to achieve full programme commitment are in place and we anticipate doing this by the end of the 19-20 financial year with further contractual commitments of £14.722m in Q3 (84.5% LGF committed) and a further £17.335m completing the LGF allocation in Q4 (101% LGF committed). This will take us over the £250m LGF allocation and a

#### LEP Chief Executive Approved

Name: Sajjeda Rose

Signature: [Signature]

Date: 11/1/19

#### Section 151 Officer Approved

Name: PETER HANDFORD

Signature: [Signature]

Date: 18/1/2019

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Public

## D2N2 Investment Board (IB) Cover Sheet – 7<sup>th</sup> January 2020

Agenda Item 10

<b>Document Classification</b>	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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<b>Meeting and Date</b>	7 <sup>th</sup> January 2020		
<b>Subject</b>	Approval of the Ashbourne Airfield		
<b>Author</b>	T Goshawk/S Wainwright	<b>Total no of sheets</b>	8

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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<b>Summary and Recommendation(s)</b>
<p>This paper sets out a request for £1m of Local Growth Funding to support the Ashbourne Airfield.</p> <p>The project is compliant with all elements of the Local Assurance Framework apart from Land Assembly. The Investment Board are requested to approve this project subject to a land transfer being signed simultaneously with the grant offer letter of funding.</p>

**D2N2 INVESTMENT BOARD****7<sup>th</sup> January 2020****Ashbourne Airfield****1.0 Background**

This paper seeks an approval of £1m of Local Growth Funding for the Ashbourne Airfield project.

The business case has been submitted to and scrutinised by the D2N2 LEP and its Accountable Body.

**2.0 Scheme Overview**

This project is presented to the D2N2 Investment Board for funding by Derbyshire County Council as the Local Highway authority for the area.

The primary objective of this project is to provide highway infrastructure which enables the development of new commercial floorspace as well as housing delivery to the Derbyshire Dales area. The delivery of the employment site and infrastructure opening up the neighbouring strategic housing allocation is a priority for Derbyshire Dales District Council. Without this infrastructure piece being implemented this key development site would not come forward for development and would not deliver the housing and employment opportunities to the area.

The project overall will see the delivery of a new roundabout access off the A52, a link road, 9 hectares of serviced and development-ready employment land forming Ashbourne Business Park, 367 new homes and private sector commitment to deliver at least 60,000 ft<sup>2</sup> of new employment floorspace.

The project will deliver:

- A new 50m three arm roundabout on the A52, connecting to a new 720m link road by the end of 2020.

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- Construction of at least 60,000 ft<sup>2</sup> of commercial floorspace by the end of 2023.
- 9ha serviced employment site by 2021.

Derbyshire County Council is the promoter of the project as the Highways Authority, the landowner is the Harrisons family and developer FW Harrison Commercial Ltd, who will deliver the first phase of commercial floorspace.

The Ashbourne Airfield site is almost fully occupied, immediately to the east and south-east of the existing site there is a further opportunity of 33.5 hectares of development land to be brought forward for much needed employment land. The site also has the potential to develop a new community of 367 homes with associated community and leisure facilities.

The new roundabout and link road is required to address existing highway capacity problems and to facilitate the accelerated delivery of serviced land and employment floorspace providing access to Derby Road via the existing industrial estate and a second route to the A52.

The funding for the project is sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Local Growth Fund	£1,000,000
Harrisons (cash reserves and loans)	£5,017,000
Harrisons (in kind)	£200,000
Derbyshire County Council (in kind)	£836,000
Derbyshire Dales District Council	£200,000
Derbyshire Dales District Council (in kind)	£20,000
<b>TOTAL</b>	<b>£7,273,000</b>

### **3.0 Approvals**

Full planning permission from Derbyshire County Council for the new roundabout junction was given on the 23<sup>rd</sup> September 2019.

Derbyshire Dales District Council approved their funding at Full Council on the 30<sup>th</sup> May 2019.

Private Sector Contributions have been confirmed via a letter from the Barclays Bank on the 14<sup>th</sup> of October 2019.

### **4.0 Procurement**

The project has been procured through the Midlands Highways Alliance (MHA) Medium Schemes Framework 3 with Eurovia as the lead contractor for the project.

### **5.0 State Aid**

The Business case assessment has confirmed that the project is State Aid compliant.

### **6.0 Business Case**

An Outline Business Case for the project was approved on the 21<sup>st</sup> of April 2016.

The business case has been reviewed and deemed compliant by the D2N2 LEP and their Accountable Body. Hatch Regeneris have carried out an external Value for Money Assessment on the project and have confirmed that the project presents 'Strong' VFM.

### **7.0 Delivery Programme**

The delivery timescale for the project is set out below:

- Site Preparation and Set up- January 2020

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- Mobilisation-February 2020
- Actual Start on site-March 2020
- Complete September for Roundabout and Link Road October 2020

## 8.0 Outputs and Outcomes

Through the intervention this project will create:

- 363 direct jobs
- 138 indirect jobs
- 367 homes

The indirect jobs are proposed to be delivered by additionality to the economy from the local supply chain and inward investment.

These outputs are profiled to be delivered in the following financial years:

- 2021/22 – 121 Jobs (Direct)
- 2022/23 – 41 Jobs (Indirect)
- 2023/24 – 242 Jobs (Direct)
- 2024/25 – 92 Jobs (Indirect)
- By 2029/30 - 367 Homes

## 9.0 Spending profile

The profile of expenditure of Local Growth Funding is as follows

19/20            £1,000,000

D2N2 anticipates that the project will achieve this level of spend as costs towards the scheme have already been recorded and further costs are to be accumulated before the main build contract.

## **10.0 Local Assurance Framework**

An outline business case was approved in 21<sup>st</sup> of April 2016 and a Full Business Case has now been submitted in line with the approval process. The Accountable Body and D2N2 have assessed the Full Business Case submission and approval is recommended

The Investment Board are asked to approve the project and to release the £1,000,000 of LGF on the condition that the Hatch Regeneris report confirms the project represents good value for money.

**Sarah Wainwright, Accountable Body, Derbyshire County Council**  
**Tom Goshawk, D2N2 LEP**

## Appendix 1

### Local Assurance Framework

#### Final stage Approval Check List:

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.	A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.
2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.	A Value for Money Assessment has been carried out for the project and the external consultants Hatch Regeneris have confirmed the project has achieved 'strong' value for money.
3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.	Full planning approval has been received for the project.
4. Confirmation that any Section 106 or other agreements have been entered into.	A Section 106 agreement was entered into in March 2017 with FW Harrisons and Derbyshire County Council.
5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)	The promoter has engaged Eurovia through the Midlands Highways Alliance framework.
6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs	Works will be procured via the Medium Schemes Framework (MSF3). The form of contract under which the roundabout will be engaged is NEC4. The link road contract is the NEC3 Engineering and Construction Contract.

Appendix 1

7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.	A contingency of £200,000 has been allocated for any variations and the promoter has confirmed that FW Harrisons are responsible for any cost overruns.
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	The roundabout has been fully designed
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	A land transfer agreement is to be signed in parallel with the contractual agreement of funding.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.	The outputs for the project are: 363 direct jobs 138 indirect jobs 367 homes
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.	Funding for the project is confirmed.
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	A legal contract has been created to agree the land transfer to Derbyshire County Council, this document will be signed fully in conjunction with the signing of the contract for funding in a back to back agreement.
13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the	Site Preparation and Set up- January 2020 Mobilisation-February 2020

Appendix 1

outputs/outcomes that will be delivered on a quarterly basis.	Actual Start on site - March 2020 Complete September for Roundabout and Link Road October 2020
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.	A risk register has been provided by the promoter and includes mitigations

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