

Public Document Pack



Simon Hobbs
Director of Legal and
Democratic Services
County Hall
Matlock
Derbyshire
DE4 3AG

Extension 38328
Direct Dial 01629 538328
Ask for Ivan Walters

PUBLIC

To: Members of D2N2 Investment Board

Wednesday, 22 January 2020

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **10.30 am** on **Thursday, 30 January 2020** in Gedling Borough Council Offices, Civic Centre, Arnot Hill Park, Nottingham Road, Arnold, Nottinghamshire NG5 6LU, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue 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 - 10)

To confirm the non-exempt minutes of the meeting of the Investment Board (IB) held on 7 January 2020

4. Local Growth Fund (LGF) Programme Performance Overview (Pages 11 - 22)
5. LGF Budget Paper (Pages 23 - 26)
6. Output Performance Update - Quarter 3 (Pages 27 - 32)
7. New Assembly Rooms - Verbal Update
8. N2 Town Centres Update (Pages 33 - 38)
9. Newark Southern Link Road Update - Presentation
10. Growing Places Fund Review - Presentation
11. Exclusion of the Public

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

PART II - EXEMPT ITEMS

12. Minutes (Pages 39 - 42)

To confirm the exempt minutes of the meeting of the Investment Board (IB) held on 7 January 2020

13. LGF Milestones Update (Pages 43 - 54)
14. Growing Places Fund (GPF) update (Pages 55 - 62)
15. Date of Next Meeting

Wednesday 11 March at 2pm at County Hall, Matlock

16. Non exempt minutes of the meeting held on 30 January 2020 (Pages 63 - 72)

PUBLIC

Agenda Item 3

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 7 January 2020 at Dunston Innovation Centre, Chesterfield.

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors P Gilby (Chesterfield Borough Council), C Hart (Erewash Borough Council) R Jackson (Nottinghamshire County Council); B Lewis (Derbyshire County Council) S Webster (Nottingham City Council), and J Bradley Fortune (Inclusion Representative) and D Williams (D2N2 LEP).

Also in Attendance: D Ashcroft (Derbyshire County Council) Councillor Mick Barker (Derby City Council), J Battye (Derbyshire County Council), H Bowen (Chesterfield Borough Council), J Burley (Bassetlaw District Council), J Davies (Gedling Borough Council), S Freek (Highways England), T Goshawk (D2N2 LEP), N Gusson (D2N2 LEP), C Henning (Nottingham City Council), S Mason (Derbyshire County Council), N McCoy-Brown (Nottinghamshire County Council), S Rose (D2N2 LEP), W Morlidge (D2N2 LEP), I Sankey (Erewash Borough Council), J Seymour (Derbyshire County Council), N Taylor (Nottinghamshire County Council), S Wainwright (Derbyshire County Council), C Williams (Derby City Council), and D Wright (CLGU).

Apologies for absence were submitted on behalf of Councillor W J Clarke (Gedling Borough Council), M Holmes (Derby City Council), J White (Bassetlaw District Council),

01/20 DECLARATIONS OF INTEREST

D Williams declared a personal interest in relation to minute reference 13/20 – D2N2 Milestones Update - Becketwell, and Castleward, due to a business involvement with Derby City Council;

Councillor B Lewis - Derbyshire County Council in relation to minute reference 13/20 D2N2 Milestones Update – Ashbourne Airfield and A61 and & Minute reference 09/20 Project to approve Ashbourne Airfield and Minute 03/20 D2N2 Programme Performance Overview – Buxton Crescent

Councillor P Gilby – Chesterfield Borough Council in relation to minute reference 13/20 - D2N2 Milestones Update – HS2 Strategic Sites & Minute reference 06/20 Pipeline Projects – Revitalising the Heart of Chesterfield

Councillor S Webster – Nottingham City Council in relation to minute reference 03 - D2N2 Programme Performance Overview – Nottingham Castle

02/20 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 30 September 2019.

03/20 **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. Annex C provided three project change requests, the Buxton Crescent, Nottingham Castle and Vesuvius projects which were all requesting a change to their output figures following changes in circumstances to the projects. (Members noted that since the report was published the Vesuvius Works project would not be considered at this meeting and would be deferred to a future meeting)

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 work 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
Jobs created	300	124	1,396
Learners	500	350	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 draft report would be presented to the next meeting of the board on 30 January 2020.

Work would continue with all the projects and monitoring would continue with the risks associated with delivery affecting the programme.

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

RESOLVED (1) to note the progress on the D2N2 LGF programme; and

(2) to approve the change requests for Buxton Crescent and Nottingham Castle.

04/20 LOCAL GROWTH FUND BUDGET The current forecast showed that in 2019/20 the programme was overcommitted by £29.32m. 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 £4.11m which at the June 2017 IIB meeting was agreed to be funded from the Growing Places Fund.

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

RESOLVED that the report be noted.

05/20 MILESTONES UPDATE The Board agreed that this report should be considered under the exempt section of the meeting due to the commercially sensitive nature of some of the discussions that were required in relation to some of the projects

06/20 PIPELINE PROJECTS The board received a detailed report that set out the results of the D2N2 Pipeline call which was undertaken during summer 2019. As the final year of the programme was entered there was a need to ensure that any risks of underspending in the last year were mitigated by having a ready set of pipeline projects that could be accelerated on demand should any existing project not deliver.

Each project that was submitted had 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.

A detailed summary of the highest scoring pipeline projects from the Short-term call were being presented to the Board for consideration and a decision. These projects were; Revitalising the Heart of Chesterfield; Heathcoat Immersive Incubator; The Smarter Connected Campus; Nursing and Allied Health Provision; and Tollbar House. The Investment Board were recommended to agree that these projects be formally adopted on to the pipeline and be worked up into full applications to be funded through any underspend that became available as a result of any existing projects being delayed or undeliverable.

Board Members noted that since the report was published the Sinfin Business Park project would not be considered at this meeting as the promoter had withdrawn the application.

Alongside the short term call a speculative call was also undertaken for medium projects should the opportunity of any funding be available. At this time, given there had been no future funding announced the Board were asked to note the outcome of the scoring.

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

RESOLVED that the report be noted and that the 5 projects recommended in the report be formally adopted on to the programme and be worked up into full applications to be funded through any underspend that became available as a result of any existing projects being delayed or undeliverable.

07/20 AUDIT SERVICES REVIEW OF LOCAL GROWTH FUND 2018/19

The Audit Services Memorandum identified 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.

A number of areas of good practice had been identified and of the ten 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 ten recommendations, two of which were 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.

RESOLVED to note the report.

08/20 OUTPUT PERFORMANCE UPDATE Members were provided with an update on the output performance of the Local Growth Fund

In return for £250m of Local Growth Fund contributions, D2N2 were expected to deliver outputs to contribute to the national economy as a result of the interventions it carried 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 report provided 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 were shown for the 2019/20 financial year, delivery since the start of the programme and the lifetime of the programme,

In terms of delivery up to Quarter 2 figures showed the Contracted target and delivery for the programme from 2015 to Q2 2019/20. The programme so far had 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 was 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 was due to the Vision University project which had previously underachieved due to challenges within the college but was due to submit a reprofile bringing the forecast closer in line with delivery to the end of January meeting.

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.

In terms of the overall programme figures showed the output targets and delivery for the entirety of the Local Growth Fund Programme. These targets would be delivered over the lifetime (To 2035) of the Local Growth Fund with further outputs being delivered up until 2035. Discussions were 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.

Board Members made a number comments and asked questions which were duly noted or answered with particular reference made to the learners figure target of 147,000 by 2035. It was confirmed that discussions were ongoing with central government to get this appropriately amended as it was widely recognised that this was an incorrect figure.

RESOLVED to note the report and that a more detailed report would be submitted to the next meeting on 30 January 2020.

09/20 PROJECT FOR APPROVAL – ASHBOURNE AIRFIELD Approval was sought for £1m of Local Growth Funding for the Ashbourne Airfield project.

The business case had been submitted to and scrutinised by the D2N2 LEP and its Accountable Body and was summarised below.

This project was presented to the Board for funding by Derbyshire County Council as the Local Highway authority for the area but was very much a partnership project with Derbyshire Dales District Council (DDDC) and the Landowner/ Developer.

Representatives of DDDC attended the meeting along with the Landowner/ developer and representatives of GENECON & Thomas Lister Ltd, specialist advisers, to provide a presentation to members to supplement the report previously circulated.

The primary objective of this project was to provide highway infrastructure which enabled 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 was 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 would 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 ft² of new employment floorspace.

The project would deliver:

- A new 50m three arm roundabout on the A52, connecting to a new 720m link road by the end of 2020.
- Construction of at least 60,000 ft² of commercial floorspace by the end of 2023.
- 9ha serviced employment site by 2021.

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

The Ashbourne Airfield site was 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 had the potential to develop a new community of 367 homes with associated community and leisure facilities.

The new roundabout and link road was 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:

Funding Source	TOTAL
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
TOTAL	£7,273,000

In terms of approvals Full planning permission from Derbyshire County Council for the new roundabout junction was given on the 23rd September 2019. Derbyshire Dales District Council approved their funding at Full Council on the 30th May 2019. Private Sector Contributions have been confirmed via a letter from the Barclays Bank on the 14th of October 2019.

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

The Business case assessment had confirmed that the project was State Aid compliant.

An Outline Business Case for the project was approved on the 21st of April 2016. The business case had been reviewed and deemed compliant by the D2N2 LEP and their Accountable Body. Hatch Regeneris had carried out an external Value for Money Assessment on the project and had confirmed that the project presents 'Strong' VFM.

The delivery timescale for the project was set out below:

- Site Preparation and Set up- January 2020
- Mobilisation-February 2020
- Actual Start on site-March 2020
- Complete September for Roundabout and Link Road October 2020

In terms of outcomes and outputs this project would create: 363 direct jobs, 138 indirect jobs and 367 homes.

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

These outputs were 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

The profile of expenditure of Local Growth Funding was £1,000,000 for 2019/20.

D2N2 anticipated that the project would achieve this level of spend as costs towards the scheme had already been recorded and further costs were to be accumulated before the main build contract.

An outline business case was approved in 21st 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. (Members noted that since the publication of the papers Hatch Regeneris had confirmed that the project did represent good value for money)

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

RESOLVED to approve the project and to release the £1,000,000 of Local Growth Funding, subject to the condition that a land transfer be signed simultaneously with the grant offer letter of funding.

10/20 DATE OF NEXT MEETING The next meeting of the Investment Board would take place on Thursday 30 January 2020, at 10.00am at Gedling Borough Council Offices.

11/20 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 September 2019.
2. To consider the report on Milestones Update (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)).

This page is intentionally left blank

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"/>
-----------------------	-------------------------------------	-------------------------------------	--	---

Meeting and Date	D2N2 Investment Board – 30 th January 2020		
Subject	Local Growth Fund (LGF) Programme Performance Overview		
Author	Sajeeda Rose	Total no of sheets (Excluding cover sheet)	9

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
--------------------------	-----------------------------------	-------------------------------------	---

Summary and Recommendation(s)
<p>The Board are asked to note the progress report on the D2N2 LGF programme.</p> <p>The report highlights the current position on the programme and provides an update on each of the projects.</p>

D2N2 INVESTMENT BOARD

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 a change request for the Vesuvius Works project

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	£6.9m	£13.8m	£13.1m		£33.8m
Forecast spend	£6.9m	£13.8m	£10m	£18m	£46m

The LEP will 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 Q3 for this year are:

	Total target for 2019/20	Achieved by 31/12/19	Full Year Forecast 19/20
Jobs created	300	298	1,396
Learners	500	388	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.

A number of further projects will be presenting output reprofiles to the 11th of March meeting including:

- A52 Wyvern
- Infinity Park
- Vision University Centre
- N2 Towns Centre
- Our City Our River

The LEP is working with the project promoters to gain an understanding of the issues related to the delivery of outputs and will work in partnership with the project sponsors to determine new forecast for output delivery.

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.

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"> - Clowne North - The Avenue - Chesterfield Station Masterplan 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. Further recommendations are in the Milestones Paper.</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 project is being monitored against the milestones provided for each of the elements. Regular progress checks are in place between the project promoter and LEP Officers to closely monitor the projects progress.</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>Full updates are to be provided to the Investment Board on the 30th of January.</p>
Newark Southern Link Road Newark and Sherwood District Council	<p>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.</p>	<p>The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England alongside D2N2 to look for potential solutions to the issue. The project is undergoing a financial review of the viability of the project and Homes England are assessing the ask to the site.</p>	£7M	<p>The LEP continue to meet with the project promoter alongside other partners. A full update on the project is at this meeting.</p>
New Assembly Rooms Derby City Council	<p>This project has been placed on the high risk register due to a significant change in the projects delivery mechanism and the promoter's decision</p>	<p>D2N2 will work to review the project and its future progress with the scheme promoter. After discussions the LEP will work to progress any mitigations and continue to</p>	£4.48m	<p>The IB are to discuss the project further in the agenda item later in the meeting</p>

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
	to postpone construction works on the site until further notice.	work with Derby City Council where possible on this project.		

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 to the 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 – Phase 1/2	Rushcliffe Borough		3.00	Approved					Project Open - Outputs being monitored
A46 Corridor – Phase 3	Rushcliffe Borough		0.75	To be approved					The project is continuing to progress through to FBC delivery however this has been delayed slightly.
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 has seen delays to the delivery of the Final Business Case, new milestones for the project are included later in the paper.
A61 Corridor- Standard Gauge/21 st Century Transport	Derbyshire County Council	1.64	4.69	Approved					Project Approved – In Construction
A61 – The Avenue	Derbyshire County Council	0.35	3.68	OBC					High Risk – Further details in Appendix A
A61 – Chesterfield Station Masterplan	Derbyshire County Council		3.81	OBC					The project is progressing towards the delivery of a Final Business Case for the March 2020 meeting.
A61 – Clowne North	Derbyshire County Council	1.37	3.42	To be approved					High Risk – Further details in Appendix A

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
Ashbourne Airfield	Derbyshire County Council	1.00	1.00	Awaiting FBC					The project has delivered its Final Business case and was approved at the January meeting. Spend will continue to be monitored until the end of the Financial Year.
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 May 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.
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					Significant Changes have taken place to the project and the promoter has temporarily postponed the construction to the project, a review of the project will take place in partnership with the promoter.

	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
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 ² from Quarter 2 2019/20 to Quarter 1 2020/21.	The delay in output delivery is due to the new supermarket opening on site being delayed. The new store will be opened in April 2020 now.	The change will delay the delivery of outputs from the project in to the next financial year and will now be delivered in Q1 2020/21.	D2N2 Officers recommend that the investment board agree to the reprofile of job outputs and monitor the Q1 2020/21 return to ensure that the new delivery target is met.

This page is intentionally left blank

D2N2 Investment Board Cover Sheet – 30th January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
-------------------------	-------------------------------------	-------------------------------------	--

Meeting and Date	Investment Board 30 th 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"/>
--------------------------	-----------------------------------	-------------------------------------	---

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**30th January 2020****Local Growth Fund Budget update**

Current forecast shows that in 2019/20 the programme is overcommitted by £28.69m. This will be offset by the money being held by Derbyshire County Council to achieve a balanced budget. The 5 pipeline projects have been added to the programme.

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

The overall programme is currently showing an over commitment of £6.89m, which at the June 2017 IIB meeting was agreed to be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities. However following the removal of the A46 Fairham project in 2019/20 financial year it was agreed that any over programme would be funded using D2N2 resources.

Local Growth Fund 6 year Grant/Expenditure sheet 08/01/2020								
	2015/16	16/17	17/18	18/19	19/20	20/21		
Project Name	Annual	Annual	Annual	Annual	Annual	Annual	Total	Status
Chesterfield Centre for Higher Level Skills	3.48						3.48	Project Finished
Vision University Centre, Mansfield	2.61						2.61	Project Finished
Bioscience Expansion, Nottingham	6.50						6.50	Project Finished
The Spot	0.75		-0.04				0.71	Project Finished
Medicity		0.74					0.74	Project Finished
Ada Lovelace House		0.14					0.14	Project Finished
Bulwell Market		0.10					0.10	Project Finished
Dakeyne Street		0.18					0.18	Project Finished
Sutton Indoor Market		0.38					0.38	Project Finished
Sherwood Energy Village			0.50				0.50	Project Finished
Harworth Access Road		1.10			-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
Nottingham Broadmarsh/Southern Gateway	6.79	0.71	0.35	2.45	10.00	5.00	25.30	Ongoing
Newark Southern Link Road	1.00	6.00					7.00	Ongoing
Derby Cycling and Placemaking			0.84	0.71	0.09		1.65	Ongoing
Our City Our River, Derby	2.00	2.50	2.50	2.50	2.50		12.00	Ongoing
LEP Management & feasibility funds	0.56	0.18	0.16	0.19	0.20	0.20	1.49	Ongoing
Broadbands-Derbyshire	2.19						2.19	Ongoing
Broadbands-Nottinghamshire	2.63						2.63	Ongoing
D2N2 Sustainable Travel programme		2.48	2.38	0.95			5.80	Ongoing
Enterprise zone sustainable transport package		0.80	5.20				6.00	Ongoing
A52 Wyvern		1.50	5.22				6.72	Ongoing
Tudor Cross (former Coalite)		5.80					5.80	Ongoing
A46 Corridor, Rushcliffe-Phase 1 and 2		2.00	1.00				3.00	Ongoing
Midland Mainline			5.00				5.00	Ongoing
Buxton Crescent		2.00					2.00	Ongoing
Silk Mill World Heritage Site			0.52	2.53	0.65		3.70	Ongoing
Nottingham City Hub		0.19	2.03	13.79	12.73		28.74	Ongoing
Nottingham City Hub - Enabling Works			0.22	0.57	0.05	0.41	1.26	Ongoing
N2 Town Centres				2.13	2.75	2.75	7.63	Ongoing
Nottingham Castle				5.00			5.00	Ongoing
Vesuvius				4.49			4.49	Ongoing
Riverside Business Park					1.42	1.93	3.35	Ongoing
NTU MTIF Centre			0.46	1.52	3.86	3.86	9.70	Ongoing
Derby New Assembly Rooms					1.18	3.30	4.48	Ongoing
A61 Corridor-21st Century Transport		0.08		0.60	1.17	1.17	3.00	Ongoing
A61 Corridor-Standard Gauge		0.33		0.89	0.47		1.69	Ongoing
Gedling Access			0.50		1.80	8.50	10.80	Ongoing
Ashbourne Airfield					1.00		1.00	Ongoing
Becketwell		3.00	0.05	2.38	2.70		8.12	Pre-Compliance
A61 Corridor-Chesterfield Station MasterPlan				0.29		3.52	3.81	Partial App awaiting full approval
A61-The Avenue		0.10		0.27	0.35	2.95	3.68	Partial App awaiting full approval
A61 Corridor-Clowne North					1.37	2.06	3.42	Partial App awaiting full approval
A46 Corridor, Rushcliffe-Phase 4						0.75	0.75	Not yet commenced
Castleward						1.51	1.51	Not yet commenced
Woodville-Swadlincote Regeneration route					2.00	4.40	6.40	Not yet commenced
HS2 Strategic Sites					0.23	2.17	2.40	Not yet commenced
Revitalising the Heart of Chesterfield						0.65	0.65	Not yet commenced
Heathcoat Immersive Incubator-Nottingham						0.16	0.16	Not yet commenced
The Smarter Connected Campus-NTU						0.80	0.80	Not yet commenced
Nursing & Allied Health Provision-Mansfield						0.75	0.75	Not yet commenced
Tollbar House-Ikoston						0.43	0.43	Not yet commenced
DCC Capital Programme		10.75	31.52					DCC projects used for u/s
Total LGF Commitments	39.05	55.40	66.39	45.66	46.11	47.25	257.60	
Total LGF funding	39.05	55.40	66.39	32.36	17.42	40.09	250.71	
Annual (under)/over commitments (€M) based on current profiles	0.00	0.00	0.00	13.30	28.69	7.16		
						Overall Overspend	6.89	

This page is intentionally left blank

D2N2 Investment Board Cover Sheet – 30th January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
-------------------------	-------------------------------------	-------------------------------------	--

Meeting and Date	Investment Board 30 th January 2020		
Subject	Output Performance Update-Quarter 3		
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"/>
--------------------------	-----------------------------------	-------------------------------------	---

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^{30h} January 2020****Local Growth Fund Output Performance Update-Quarter 3**

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
- **Contracted Target with Government:** In return for the LGF contribution from government we are targeted to deliver 29,000 jobs, 10,700 Homes and 147,000 Learners (Being Reviewed) by 2035.

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 Q3 2019/20

These figures show the Contracted target and delivery for the programme from 2015 to Q3 2019/20. The programme so far has achieved 80% 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 42% 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. 41% 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 this meeting

	Jobs	Homes	Learners
Contracted Target to Q3 2019/20	5,009	3,709	2,279
Actual to Date (Up to and including Quarter 3 2019/20)	4,009	1,546	944
Percentage	80%	42%	41%

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 3, 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	400	480
Actual to Date (To Quarter 3 2019/20)	298	355	388

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.

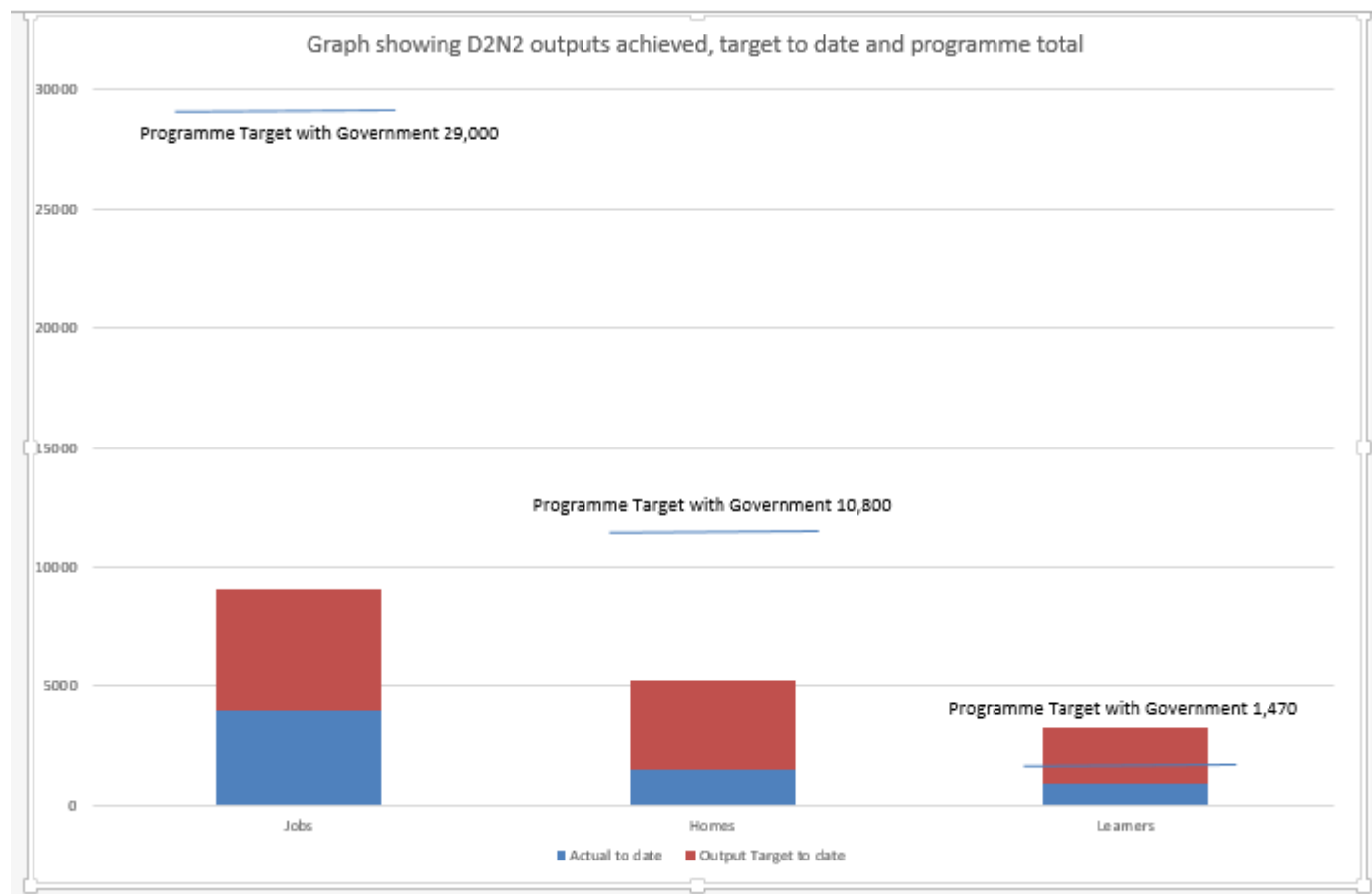
	Jobs	Homes	Learners
Contracted Target with Government up to 2035	29,000	10,700	147,000
Actual to Date (Up to and including Quarter 3 2019/20)	4,009	1,546	944
Percentage	14%	14%	Subject to review

Analysis has been done by the Accountable Body and the LEP to review each projects outputs and we believe that the targets set by Government can be achieved by all the projects including the unapproved projects.

Appendix A shows the outputs achieved compared to the contracted up until Quarter 3 2019/20. This is then shown against the total outputs target as agreed with BEIS, the learners figure has been adjusted to 1470 from 147,000 for this graph.

Appendix B shows analysis of the outputs by project.

Appendix A



Appendix B

Project	Quarter 3 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			90				46	47	270	463		
A46 Cotgrave Town Centre							45	89				
A57/A60 Worksop				21			581	686	173	194		
Ada Lovelace House							4	11				
Bioscience Expansion, Nottingham							210	377				
Bulwell Market	2						22	22				
Buxton Crescent							140	3				
Chesterfield Higher Level Skills		5				38	34	48.46			656	555
Coalite							8	0				
Daykene St	1						2	5				
Derby Cycling and Placemaking							35	35				
Derbyshire Broadband							100	100				
Gedling Access Road			25	35					160	162		
Harworth		85	60	160			856	535	328	452		
Infinity Park							110	107				
Institute of Advanced Manufacturing							25	74.25				285
Medicity	15	80					100	234				
MTIF							1	1				
N2 Town Centres	141						141					
Newark Southern Link Road				93			0	0	2450	147		
Nottinghamshire Broadband							388	388				
Nottingham Castle	-46						0					
OCOR							1345	449	328	128		
Seymour Link							600	638				
Sherwood Energy Village	19						19	35				
Sherwood Visitor Centre							20.27	22.87				
Sutton Indoor Market		4					50	71				
Technology Hub							5	5			79	104
The Silk Mill							10	14				
The Spot							10.6	11				
Vision University							0	0			1544	
Vesuvius							95	0				
	132	174	175	309	0	38	5003	4009	3709	1546	2279	944

D2N2 Investment Board Cover Sheet – 30th January 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
-------------------------	-------------------------------------	-------------------------------------	--

Meeting and Date	Investment Board-30 th January 2020		
Subject	N2 Town Centres update		
Author	S Wainwright/T Goshawk	Total no of sheets	4

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
--------------------------	-----------------------------------	-------------------------------------	---

Summary and Recommendation(s)
<p>This report is to update the Investment Board on progress for the N2 Town Centres project and to agree a re-profile of the programme grant.</p>

D2N2 INVESTMENT BOARD**30th January 2020****N2 Town Centres**

The N2 town Centres programme is a collection of projects from the Nottinghamshire Borough / District Councils which aim 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 project panel. On each occasion, the respective projects' Full Business Case (FBC) is subject to independent assessment which forms the basis of the considerations by the panel.

The panel has met twice since the last update and approved two further projects, Stapleford Police Station and Newark Buttermarket. A further meeting of the panel is planned for the 30th January to consider the Worksop Bridge Street project. Other panel meetings for February and March are being diaried with partners in anticipation of the receipt of the FBCs for the remaining projects.

The LEP, Accountable Body and Nottinghamshire County Council have also met with project managers from the Kirby in Ashfield Leisure Centre, Arnold Market and Carlton Square projects to discuss the projects in more detail and can confirm good progress is being made. The Stockwell Gate project is also making good progress following further discussions with the private sector developer delivering the scheme in partnership with

Discussions continue regarding their Chapel Lane Bingham project and a solution looks to be being brought forward shortly.

Following review, achieving the job output total looks to be challenging, but is subject to receipt of all FBCs and support from the accountable body and the LEP regarding wider outputs including residential units as reflected in the table below. This will come forward to the Investment Board on the 11th March 2020 for a financial and output reprofile.

Two of the projects received up-front development funding and the applicants are aware of the risk of clawback until fully compliant with the Local Assurance Framework. Both projects will need to demonstrate they are compliant and will achieve their outputs to remove any risk. As referenced above, the Arnold Market is one of these projects and is making good progress in bringing forward it's FBC for assessment. Excellent progress has

also been made with the Beeston Town Centre project, having met its pre-conditions.

The table below shows the current programme position.

N2 Town Centres			
Funding allocation	Project	Allocation	Balance £
	Total Programme		7,625,000.00
Full approval			
	Mansfield Town Hall	- 700,000.00	
	Newark Buttermarket	- 650,000.00	
	Stapleford Police Station	- 61,755.00	
		- 1,411,755.00	6,213,245.00
Pre compliance approval			
	Arnold Market	- 1,250,000.00	
	Beeston Square	- 750,000.00	
		- 2,000,000.00	4,213,245.00
Projects yet to be approved			
	Carlton Square	- 350,000.00	
	Worksop Upper Bridge st	- 1,800,000.00	
	Kirkby Leisure Centre	- 1,500,000.00	
	Stockwell Gate Redevelopment	- 448,040.00	
	Bingham-Chapel Lane	- 115,205.00	
		- 4,213,245.00	-

All projects have been asked to provide an update on their milestones, a summary is provided below:

Project Details	FBC approval to Project Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Arnold Market	October 2019 (£1.25M) funding already given as pre compliance) June 2020	£0	£0	32 jobs	New scheme being worked up	Detailed Design-Feb 20 Planning Permission-June 20 Contract Award-June 20 FBC submitted-June 20 Panel-June 20 Start/completion-tbc
Beeston Square	Pre compliance; subsequent progress agreed	£750,000		132 homes 160 jobs	On site	Start on site-Dec 19 Enabling works completed-end Jan 20 Practical completion-Nov 20 Cinema / pre-lets open-Feb 21
Bingham*	May 2020	-	£115,000	7 jobs	Latest scheme follows joint discussions between applicant, LEP and NCC as accountable body; detailed design now completed	Planning permission-April 20 Match funding-tbc Contract-tbc FBC submitted-estimated April 20 Panel-May 20
Buttermarket, Newark*	September 2019	£400,000	£250,000	40 jobs	On site	Start on site-Jan 20 Completion-April 20 Open-Spring 20
Carlton Square	March 2020		£350,000	44 homes Up to 100 safeguarded	Subject to further support from Gencon and discussion with project sponsor	Detailed Design-Feb 20 Planning Permission-April 2020 Contract Award-Feb 20 FBC submitted-May 20 Panel-May 20

						Start on site-June 20 Completion-Dec 20
Kirby Leisure Centre	June 2020		£1,500,000	78 jobs	As per milestones	Planning Permission-April 20 Contract Award-July 20 Match Funding / ADC underwriting-tbc FBC submitted-estimated April 20 Start on site-Oct 20 (estimated) Completion-Feb 22 (estimated)
Stapleford*	September 2019	£115,000		15	Approved and on site	Start on site-Jan20 Completion-March 20
Stockwell Gate*	March 2020 (was December 2019)		£448,040	137 jobs	Positive discussions between project sponsor and private developer regarding state aid	Planning Permission- January 20 Award of Contract- May 20 FBC submitted- May 20
Worksop Upper Bridge St	January 2020	£100,000	£1,700,000	104 jobs	FBC assessment to be considered at 30 th January project panel	Planning Permission-December 20 FBC submitted-Jan 20 On site-March 20 Completion-March 21
Totals		£1,365,000	£4,363,040	573 jobs 172 homes		

* projects supported both by LGF and by the N2 Economic Prosperity Committee Business Rate Pool. The amounts shown reflect the LGF support only.

Note – Old Town Hall Mansfield is complete.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

PUBLIC

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 30 January 2020 at Gedling Borough Council Offices, Arnold.

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), R Jackson (Nottinghamshire County Council), B Lewis (Derbyshire County Council) S Webster (Nottingham City Council), J Bradley-Fortune (Inclusion Representative) and J White (Bassetlaw District Council).

Also in Attendance: J Battye (Derbyshire County Council), S Birkinshaw (Erewash Borough Council), C Carter (Nottingham City Council), N Cockrell (Bassetlaw District Council) J Davies (Gedling Borough Council), S Freek (Highways England), T Goshawk (D2N2 LEP), Rob Harding (D2N2 LEP), M Lamb (Newark & Sherwood District Council) N McCoy-Brown (Nottinghamshire County Council), S Rose (D2N2 LEP), J Seymour (Derbyshire County Council), L Sharp (Chesterfield Borough Council), N Taylor (Bassetlaw District Council), S Wainwright (Derbyshire County Council), C Williams (Derby City Council), and E Wong (Highways England)

Apologies for absence were submitted on behalf of D Williams (D2N2 LEP)

15/20 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 7 January 2020.

16/20 **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. Annex C provided details of a project change request for the Vesuvius Works project who were requesting a change to their output figures following changes in circumstances to the project. The request was to move the delivery of 95 jobs and 6,503msq from Quarter 2 2019/20 to Quarter 1 2020/21 due to the new supermarket opening on site being delayed

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 targets included the underspend from previous years.

Good progress was being made in achieving the targets set and work 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	£6.9M	£13.8M	£13.1		£33.8M
Forecast Spend	£6.9M	£13.8M	£10M	£18M	£46M

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

The output targets up to Q3 for this year were:

	Total 2019/20	Achieved by 31/12/19	Full Year Forecast 19/20
Jobs created	300	298	1,396
Learners	500	388	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.

A number of further projects would be presenting output reprofiles to the 11 of March meeting including:

- A52 Wyvern
- Infinity Park
- Vision University Centre
- N2 Towns Centre
- Our City Our River

The LEP was working with the project promoters to gain an understanding of the issues related to the delivery of outputs and would work in partnership with the project sponsors to determine new forecast for output delivery.

D2N2 had 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 impact investments had made alongside a thematic evaluation of the programme.

Work would continue with all the projects and the risks associated with delivery affecting the programme would continue to be monitored. The table attached to the report highlighted those that were high risk.

Board Members were asked to note that following the Annual Performance Review by Government around the delivery of the Local Growth Fund that the D2N2 LEP had improved its rating from requiring improvement to good.

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

RESOLVED (1) to note the progress on the D2N2 LGF programme; and

(2) to approve the change request for the Vesuvius Works project as detailed in the report.

17/20 LOCAL GROWTH FUND BUDGET The current forecast showed that in 2019/20 the programme was overcommitted by £28.69m. This would be offset by the money being held by Derbyshire County Council to achieve a balanced budget. The 5 pipeline projects had been added to the programme

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 currently showing an over commitment of £6.89m, which at the June 2017 IIB meeting was agreed to be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities. However following the removal of the A46 Fairham project in 2019/20 financial year it was agreed that any over programme would be funded using D2N2 resources.

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

RESOLVED that the report be noted.

18/20 OUTPUT PERFORMANCE UPDATE – QUARTER 3 Members were provided with an update on the output performance of the Local Growth Fund

In return for £250m of Local Growth Fund contributions, D2N2 were expected to deliver outputs to contribute to the national economy as a result of the interventions it carried 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 ran up to 2035.

This report provided 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
- **Contracted Target with Government:** In return for the LGF contribution from government the LEP were targeted to deliver 29,000 jobs, 10,700 Homes and 147,000 Learners (Being Reviewed) by 2035.

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

In terms of delivery up to Quarter 3 the figures showed the Contracted target and delivery for the programme from 2015 to Q3 2019/20. The programme so far had achieved 80% of jobs mainly due to successful job creation at some of the smaller projects e.g. Medicity, Institute for Advanced Manufacturing which were both overachieving their targets. Homes had struggled at 42% which was 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. 41% of the learner target had been achieved to date, this was due to the Vision University project which had previously underachieved due to challenges within the college but was due to submit a reprofile bringing the forecast closer in line with delivery to this meeting

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) came from three projects, Infinity Park, Newark SLR and Our City Our River (OCOR). All of which were 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 had been in line with contracted output figures for Quarter 3, the impact was predominantly on the target for the last half of the year.

In terms of the overall programme figures showed the output targets and delivery for the entirety of the Local Growth Fund Programme. These targets would be delivered over the lifetime (To 2035) of the Local Growth Fund with further outputs being delivered up until 2035. Discussions were ongoing with the BEIS local team with regards to the potential reprofiling of the contracted learner targets, which was believed to be closer to 1470.

Analysis has been done by the Accountable Body and the LEP to review each projects outputs and it was believed that the targets set by Government could be achieved by all the projects including the unapproved projects.

Appendix A to the report showed the outputs achieved compared to the contracted up until Quarter 3 2019/20. This was then shown against the total

outputs target as agreed with BEIS, the learners figure had been adjusted to 1470 from 147,000 for this graph. Appendix B shows analysis of the outputs by project.

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

RESOLVED (1) to note the report ; and

(2) that a more detailed report on Outputs up to 2035 be presented to the next Board meeting.

19/20 NEW ASSEMBLY ROOMS Councillor M Holmes, Derby City Council informed the Board that at the recent monthly Project Board meeting, it had been agreed that due to increased cost forecasts, the project would be longer continuing, although the Council were still committed to providing a venue for cultural and leisure activities within the City

RESOLVED (1) to note that the New Assembly Rooms project was no longer proceeding; and

(2) that the £4.48m funding would be returned into the Local Growth Fund Budget.

20/20 N2 TOWN CENTRES UPDATE The Board were updated on progress for the N2 Town Centres project and asked to agree a re-profile of the programme grant.

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 project panel. On each occasion, the respective projects' Full Business Case (FBC) was subject to independent assessment which formed the basis of the considerations by the panel.

The panel had met twice since the last update and approved two further projects, Stapleford Police Station and Newark Buttermarket. A further meeting of the panel was planned for the 30 January to consider the Worksop Bridge Street project. Other panel meetings for February and March were being diaried with partners in anticipation of the receipt of the FBCs for the remaining projects.

The LEP, Accountable Body and Nottinghamshire County Council had also met with project managers from the Kirby in Ashfield Leisure Centre, Arnold Market and Carlton Square projects to discuss the projects in more detail and can confirm good progress was being made. The Stockwell Gate project was also making good progress following further discussions with the private sector developer delivering the scheme.

Discussions continued regarding their Chapel Lane Bingham project and a solution looks to be being brought forward shortly.

Following review, achieving the job output total looked to be challenging, but was subject to receipt of all FBCs and support from the accountable body and the LEP regarding wider outputs including residential units as reflected in the table below. This would come forward to the Investment Board on the 11 March 2020 for a financial and output reprofile.

Two of the projects received up-front development funding and the applicants were aware of the risk of clawback until fully compliant with the Local Assurance Framework. Both projects would need to demonstrate they were compliant and will achieve their outputs to remove any risk. As referenced above, the Arnold Market is one of these projects and is making good progress in bringing forward its FBC for assessment. Excellent progress has also been made with the Beeston Town Centre project, having met its pre-conditions.

The table appended to the report showed the current programme position. The 9 projects had been asked to provide an update on their milestones, which were summarised in the report. It was noted that the Old Town Hall Mansfield was now complete.

It was agreed that an updated report be presented to the June meeting and that any District & Borough Councils with projects that were deemed to be at high risk would be asked to attend the meeting to provide updates.

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

RESOLVED to note the update report and agree to re-profile of the programme grant

21/20 NEWARK SOUTHERN LINK ROAD UPDATE Matt Lamb, Newark & Sherwood District Council provided Board Members with an update on the Newark Southern Link Road Project which now had an identity of Middlebeck, Newark.

Phase 1 consisted of 600 dwellings to be provided by three developers and details were given of the dwellings completed or commenced as at 31 December 2019, and plans for the new primary school continued to progress.

The Board noted the update and that the project was progressing well, with confidence remaining high that the completion targets would be met, in what was a very important programme for the region

RESOLVED to note the update report

22/20 GROWING PLACES FUND REVIEW Jonathan Dixon, Jerroms Corporate Finance Ltd, attended the meeting and provided Board Members with the outcomes of the D2N2 Finance Review which had been commissioned by the LEP.

The objectives for the review were to identify and consider options for the reinvestment of returns from two regeneration schemes to support SME growth,

sites and infrastructure development, aligned with D2N2 LEP's strategic aims and objectives, in the context of current and foreseeable market trends.

A combined grant and loan scheme funded by Growing Places Fund (GPF).

Enterprise Zones (EZs) operated at four sites at Beeston Business Park, The Boots Site, Nottingham Science Park and Infinity Park Innovation Park.

D2N2 LEP has expressed a particular interest in options that will attract an 'evergreen, sustainable return'.

A review of the Growing places Fund and Enterprise Zone Uplifts had been undertaken and market overviews were provided for the Board

As part of the Options assessment consultees were asked to put forward proposals for a development project that might be funded from £13.1m Growing Places Fund returns alone. The survey identified three themes of interest:

Option 1: A loan fund to support infrastructure, sites and workspace development;

Option 2: A fund to support higher value quasi-equity or mezzanine business loans;

Option 3: A venture capital fund for early stage technology businesses; and

Option 4 : A fourth 'do nothing' option was added that considered the outcomes of continuing to operate the Growing Places Fund on the current trajectory

Each option was analysed against three parameters for fundability, viability and deliverability.

The favoured option was Option 1 which would be a £13.18m Urban Development Fund with:

- Loans to support office and industrial workspace
- Up to 70% LTV (average 60%), to fund £21.97m of development
- Loans valued £3m -£6m (£5m average) £5m -£10m value with leverage
- Loan term up to 5 years per deal
- Can fund up to three deals
- Establish under a Limited Partnership
- Tax efficient, arms-length structure that could channel further investment from EZ uplifts and other sources
- Utilise a professional fund manager, fee based on results
- Similar funds launched in the North West and in Sheffield are understood to have successfully achieved their objectives.

The favoured option also provided support for a connected sites strategy by:

- Mitigation of business rates

- New marketing schemes
- Rental guarantees or cover for developers' voids in the first three years post completion
- Target bigger, impactful and speculative (building for stock) projects to attract inward investors that seek a location in the area, especially those that are considered 'overspill' from greater London
- Increasing the quality of building stocks could create a greater competitive drive among indigenous businesses for higher profile workspace and would support upward travel in rental rates, which in turn, would create more interest among developers.

In terms of the next steps:

- Further modelling/sensitivity work to investigate the cost, marketing and deal flow development needs, risk and likely financial/impact returns.
- Consideration be given to a wrap-around strategy.
- To follow up work underway on EZ returns to evaluate the extent to which uplift of business rates from that source may be applied to a new fund.
- That approaches be made to other potential sources of investment, such as pension funds and local authority reserves, to explore the potential for growing the amount of investment capital that may be allocated.

Board Members made a number comments and asked questions which were duly noted or answered with the general consensus being to progress to the next steps and follow up with Sheffield City Region to share their experiences in successfully reaching their objectives and start to put a framework together.

RESOLVED (1) to further Explore Option 1 but look at the issues around the naming of the Urban Development Fund; and
(2) to look at Option 4 in more detail.

23/20 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on Wednesday 11 March 2020, at 2.00pm at Derbyshire County Council, Smedley Street, Matlock.

24/20 **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 7 January 2020.

2. To consider the report on Milestones Update (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)).

This page is intentionally left blank