

Public Document Pack



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PUBLIC

To: Members of D2N2 Investment Board

Tuesday, 3 March 2020

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **2.00 pm** on **Wednesday, 11 March 2020** in Committee Room 1, Derbyshire County Council, County Hall, Matlock DE4 3AG, 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 Infrastructure and Investment Board (IIB) held on 30 January 2020

4. Local Growth Fund (LGF) Programme Performance Overview (Pages 11 - 22)
5. LGF Budget Paper (Pages 23 - 26)
6. D2N2 Milestones Update (Pages 27 - 36)
7. Output Review (Pages 37 - 40)
8. 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

9. Minutes (Pages 41 - 44)

To confirm the exempt minutes of the meeting of the Infrastructure and Investment Board (IIB) held on 30 January 2020

10. Pipeline Projects - (Copy to follow)
11. Project for Approval - LGF - HS2 Strategic Sites (Pages 45 - 54)
12. Project for Approval - EZ - Project Mulberry (Pages 55 - 60)
13. Project for Approval - EZ - NAMRC (Pages 61 - 68)
14. Growing Places Fund (GPF) update (Pages 69 - 74)
15. Date of Next Meeting
Additional Meeting in May. – Date time and Venue to be confirmed
16. Non Exempt minutes of meeting held on 11 March 2020 (Pages 75 - 80)

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Agenda Item 3

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)).

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D2N2 Investment Board – March 2020

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 – 11 th March 2020		
Subject	D2N2 Programme Performance Overview		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	10

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>

D2N2 INVESTMENT BOARD
March 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 change requests for various 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	£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 into this financial year.

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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 paper will be presented to this meeting showing the overall status of output delivery and forecasting for the programme's lifetime.

A number of further projects will be presenting output reprofiles to this meeting including:

- A52 Wyvern
- Infinity Park
- Vision University Centre
- N2 Towns Centre

Evaluation

D2N2 has now received a final report of the evaluation review undertaken by Focus Consultants Limited. Due to the time available on this months Investment Board Agenda the presentation from the consultants will be presented to the next Investment Board.

Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
<p>A61 Corridor:</p> <ul style="list-style-type: none"> - Chesterfield Station Masterplan <p>Derbyshire County Council</p>	<p>Delays to the presentation of Business cases to the Investment Board have led to the project being classified as 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>This element - £3.81m</p> <p>Total Programme - £8.5m</p>	<p>A presentation is to be heard from the A61 project sponsor at this meeting with a set of mitigations which will see the project through to Final Business Case Delivery.</p>
<p>Newark Southern Link Road</p> <p>Newark and Sherwood District Council</p>	<p>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.</p>	<p>The applicant 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. NSDC attended the February IB to update the Board on progress of the project.</p>	<p>£7M</p>	<p>The LEP will continue to engage through to a formal mitigation and monitor the outputs which are being delivered for the project.</p>

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 March 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 this 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 this 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					Progress Delayed which may affect spend before the March 2021 deadline.
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 – 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.
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.

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
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					The project has delivered the Business Case to this meeting.

	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
Infinity Park Derby	Outputs – Within the LGF programme period up to 2035 the project will now deliver 2,956 jobs against a previous target of 4,472. The remainder of the outputs will still be delivered in the long term but not captured in the LGF monitoring period. The project was initially stated to deliver 382 homes by 2021 but this period will now be extended to 2028. The project will now however deliver 406 homes.	Market conditions have dictated that the site will deliver slower than was originally forecast at the outset of the project. Viability issues have affected the housing delivery numbers due to depressed values and contamination on the sites.	The project will now deliver 1,516 less jobs within the LGF monitoring period. This drop in outputs will have an affect on the programmes overall ability to achieve its outputs by 2035 and will extend the period of overall delivery. The housing delivery for the programme will be delayed however the programme will gain 24 extra homes.	The Investment Board are recommended to accept the change request and D2N2 will continue to work with the City Council to mitigate these circumstances and accelerate delivery where possible.
Vision University Centre	Outputs – the project will now deliver 1,685 new learners by 21/22 compared to 1,534 by 18/19 which was originally agreed.	Changes in the Higher Education (HE) market has shown that Hein Further Education has nationally declined. Whilst the college has been able to expand their 16-18 provision, adult and 16-18 apprenticeships n this has meant a time lag on these students then entering onto HE courses. A new partnership with Nottingham Trent University it is planned that the HE provision in Mansfield will grow.	Whilst these learner are expected later than originally agreed this does not impact on the LEP’s ability to meet their learner targets by 2026 or 2035 and also delivers an additional 151 learners.	The Investment Board are recommended to accept the change request.
A52 Wyvern	Outputs – The project will now deliver 1,335 jobs by 2029/30 compared with the 3,300 job target originally set out.	Changes in market conditions have resulted in the developer partner progressing a different mix of uses on the Derby Triangle site which have a lower job density and therefore deliver less outputs.	The programme will have a reduced job forecast of 1,965 jobs as a result of the change.	The Investment Board are recommended to accept the change request.
N2 Towns Centre	Outputs – The N2 Town Centres project will now return its outputs over a four year period ending in 2022/23 rather than a two year period. The project will now deliver 105 less jobs than originally forecast but will now deliver 172 more homes.	Changes to the individual projects within the programme have meant that housing projects have come forward instead of originally intended job creation schemes.	The change will benefit the homes target which is a larger priority under current forecasting than job creation. The job targets changing will have a minor effect on delivery timescales but will still deliver the same outputs over a slightly longer forecast.	The Investment Board are recommended to accept both changes to the project.

Gedling Access Road	Financial - The Gedling Access Road project will accelerate £1.28m of Local Growth Fund in to 19/20 from the 2020/21 financial year.	Underspend has come forward from other projects in the programme not being able to utilise their allocations in year. The GAR project has spent more than their allocated LGF amount and therefore can utilise further spend in this financial year.	The Gedling Access Road will utilise £3.08m of funding in this financial year which will revise their 2020/21 allocation to £7.22m.	The Board is recommended to accept the change request and accelerate funding to this project in the 2019/20 Financial Year.
Southern Gateway	Financial - The Southern Gateway project will accelerate £5m of Local Growth Fund in to 19/20 from the 2020/21 financial year.	Underspend has come forward from other projects in the programme not being able to utilise their allocations in year. The Southern Gateway project has spent more than their allocated LGF amount and therefore can utilise further spend in this financial year.	The Southern Gateway will utilise the remaining £15m of its LGF allocation in this financial year and will no longer drawdown any funding in the 2020/21 financial year.	The Board is recommended to accept the change request and accelerate funding to this project in the 2019/20 Financial Year.
NTU MTIF Centre	Financial – The NTU MTIF project will accelerate £231,334 of Local Growth Fund in to 19/20 from the 20/21 Financial Year.	Underspend has come forward from other projects in the programme not being able to utilise their allocations in year. The NTU MITF Centre project has spent more than their allocated LGF amount and therefore can utilise further spend in this financial year.	The NTU MTIF Centre will utilise £231,334 of further funding in this financial year. Reducing the amount of grant received in the next financial year to £3.63m.	The Board is recommended to accept the change request and accelerate funding to this project in the 2019/20 Financial Year.

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D2N2 Investment Board Cover Sheet – 11th March 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 11 th March 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**11th March 2020****Local Growth Fund Budget update**

Current forecast shows that in 2019/20 the programme is overcommitted by £22.81m. This will be offset by the money being held by Derbyshire County Council to achieve a balanced budget. However if the change requests for Broadmarsh, Gedling Access Road and MTIF are approved then this will make the overcommitment to £28.971m which utilises all of the previous years underspend.

The overall programme is currently showing an under commitment of £4.69m against the budget. The pipeline call is expected to provide additional projects which will be added to the programme to enable the budget to be balanced.

Local Growth Fund 6 year Grant/Expenditure sheet 14/02/2020								
	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					0.81	2.54	3.35	Ongoing
NTU MIF Centre			0.46	1.52	3.86	3.86	9.70	Ongoing
Derby New Assembly Rooms							0.00	withdrawn
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	-0.37		0.00	withdrawn
A61 Corridor-Clowne North							0.00	withdrawn
A46 Corridor, Rushcliffe-Phase 3 Castleward						0.75	0.75	Not yet commenced
Woodville-Swadlincote Regeneration route						1.51	1.51	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-Ilkeston						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	40.23	41.56	246.02	
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	22.81	1.47		
Overall Overspend							-4.69	

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Public

Item 6

D2N2 Investment Board - March 2020

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 – 11 th March 2020		
Subject	D2N2 Milestones Update		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	8

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	December 2020	£2.7 Million		450 Jobs 280 homes	The planning permission for the site was originally submitted to Derby City Council on the 22 nd of August. Following further market testing for funding of the development the developers of the site have decided to revise the planning application to better suit market conditions.	Outline planning - February 2020 (Achieved) Reserved Matters submission – May 2020 Reserved Matters Decision – September 2020

Recommendation – The board is requested to agree the changes to the Milestones for the Becketwell project and continue to monitor the status of the new planning application through to Final Business Case delivery.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Castleward Derby City Council	May/June 2020		£1.51 Million	200 Homes	The additional funding required has been identified. The target cost for the school has been revised. Procurement has been carried out for the project through the framework. Additional homes will now be included as part of the final submission. Following consultations and stakeholder engagement, revisions have been made to the planning application which has delayed the	Match funding to be confirmed at Cabinet - September 2019 (Complete) Contractor Appointed – November 2019 (Complete) Planning submission – 13th January 2020 Complete (Original – November 2019)

					programme two months. This is expected to have a minor delay on the construction programme.	Planning Granted – May 2020
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Recommendation – The Investment Board are recommended to agree the revised milestones and target a new Business Case delivery date of May/June 2020. This will have little impact on the program as spend has been profiled for the 2020/21 delivery year.

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	May 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. The CPO inquiry took place in January with a positive outcome. 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 - September 2019 (Complete) CPO enquiry for the project to take place – January 2019 (Complete)

Recommendation – The Investment Board are recommended to monitor progress up to the delivery of the Final Business Case which will now be delivered in May 2020. The project through sunk costs and expected profile of spend is still confident of full delivery of spend before March 2021.

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	November 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. Consultations have slipped the timelines for delivery from a September to November start.	Detailed Design complete – December 2019 (Complete) Planning permission Secured - April 2020 Tender out to contractors – August 2020 Tenders in and contractor appointed – October 2020

Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in November 2020. The applicant is still confident of spend before the end of the programme and D2N2 will continue to work with the project to ensure that this is achieved.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Overview of A61 Corridor Programme <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	The programme is made up of five inter-related A61 projects and Clowne North. See below for details.	

				deliver 2,500 jobs and 1,800 homes.		
Chesterfield Station Masterplan Delivery of Hollis Lane Link Road and Lordsmill Roundabout upgrade to maximise economic growth in close proximity to Chesterfield Rail Station and take opportunities presented by HS2.	March 2020 (Revised May 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 - July 2019. (Submitted) In principle agreements on land assembly – September 2019 Planning application to be determined - November 2019 Full Business Case submission for March 2020 (Revised May 2020)

Recommendation:

- **Chesterfield Station Masterplan** – The board is recommended to monitor progress and await the business case 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
Heathcoat Immersive Incubator Nottingham City Council	July 2020		£0.16m	9 Jobs	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Outline Business Case submitted – March 2020 Tender process begins – April 2020 Tenders returns received – June 2020 Start on Site – August 2020

Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in July.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Smarter Connected Campus Nottingham Trent University	September 2020		£0.8m	45 Jobs	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Design complete – June 2020 Procurement Complete – August 2020 Build contract – September to November 2020

Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in September 2020.

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Tollbar House Erewash Borough Council	July 2020		£0.43m	90 Jobs	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Tenders out to Contractors – April 2020 Appoint Design and Build contractor – June 2020 Detailed Design complete – July 2020 Construction Works – August to December 2020

Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in July 2020

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Nursing and Allied Health Provision in Mansfield NTU	May 2020			316 Learners	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Design completed - January 2020 Procurement Completed – March 2020 Construction Contract Awarded – April 2020

						Construction Works – May to Autumn 2020
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Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in May 2020

Project Details	FBC Approval to Board	19/20 Profile	20/21 Profile	Outputs	Current Position	Milestones to track
Revitalising the Heart of Chesterfield (Outdoor Market) £0.35m Chesterfield Borough Council	November 2020		£0.35m	17 Jobs Created 110 Jobs Safeguarded	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Design Complete – July 2020 Procurement complete – September 2020 Final Planning approved – October 2020 Construction works – November 2020 to April 2021
Revitalising the Heart of Chesterfield (Public Realm) £0.3m Chesterfield Borough Council	July 2020		£0.3m	48 Jobs Created	The project was presented to the Investment Board on the 7 th of January to be placed on the Capital Programme. D2N2 have been working with the project sponsors to confirm the milestones of the project through to Final Business Case Delivery.	Design Complete – April 2020 Section 278 Agreement agreed – June 2020 Construction Works – October to December 2020

Recommendation (Outdoor Market) – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in November 2020

Recommendation (Public Realm) – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in July 2020.

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D2N2 Investment Board Cover Sheet – 11th March 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 11 th March 2020		
Subject	Outputs Review		
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>The Investment Board are asked to note the review of outputs.</p>

11th March 2020

Outputs Review

During recent discussions at the Investment Board regarding outputs, officers have undertaken a review of all outputs and when they are expected to be delivered. The three targets we have with Government are:

	Jobs	Homes	Learners
Target up to 2035	29,000	10,700	147,000*

*under review with Government

Jobs

Jobs can be defined as direct, indirect or safeguarded. Following the review forecasts show that 37,403 jobs are expected to be created or safeguarded by 2035.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Direct jobs	1,033	581	3,936	1,120	6,670
Indirect jobs	2,975	2,352	9,419	15,783	30,529
Safeguarded jobs		94	110		204
Total	4,009	3,027	13,465	16,903	37,403

This shows we are on track to meet the target set by Government. There is also an additional 1,734 jobs which are expected to be delivered after 2035.

Homes

Following the review forecasts show that 9,387 homes are expected to be built or unlocked by 2035.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Homes	1,546	435	3,393	4,013	9,387

This shows we are on not on track to meet the target set by Government. There is also an additional 1,441 which are expected to be delivered after 2035.

Learners

Following the review forecasts show that there will be 6645 new learners, in course which lead to a full qualification.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Learners	944	2,038	2,028	1,635	6,645

Until a new learners figure is agreed with Government we cannot confirm if the target can be achieved.

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PUBLIC

Agenda Item 3

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 11 March 2020 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), R Jackson (Nottinghamshire County Council), S Webster (Nottingham City Council), J Bradley-Fortune (Inclusion Representative) J White (Bassetlaw District Council) and D Williams (D2N2 LEP)

Also in Attendance: J Battye (Derbyshire County Council), M Collins (Bentley Project Management), J Davies (Gedling Borough Council), E Dennis (Bassetlaw District Council), C Durrant (Chesterfield Borough Council), A Evans (Nottinghamshire County Council), S Freek (Highways England), T Goshawk (D2N2 LEP), Rob Harding (D2N2 LEP), C Henning (Nottingham City Council), H Muncaster (Derbyshire County Council), R North (Derby City Council), S Rose (D2N2 LEP), I Sankey (Erewash Borough Council), J Sayer (Derby City Council), L Sharp (Chesterfield Borough Council), N Stevens (Nottinghamshire County Council) N Taylor (Bassetlaw District Council), S Wainwright (Derbyshire County Council), and C Williams (Derby City Council).

Also in attendance as observers were Councillors N Barker, B Bingham, T Kemp and Mrs J Twigg, & R Savage (IS Officer) as members of the Improvement and Scrutiny – Resources - Working Group who were carrying out a review of the D2N2 LEP.

Apologies for absence were submitted on behalf of B Lewis (Derbyshire County Council)

28/20 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 30 January 2020.

29/20 **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 7 project change requests for Infinity Park Derby, Vision University Centre, A52 Wyvern, N2 Town Centres, Gedling Access Road, Southern Gateway and NTU MTIF Centre. The first four listed were all requesting a change to their output figures following changes in circumstances to the projects, whilst Gedling Access Road, Southern Gateway and NTU MTIF Centre were making

financial change requests due to underspends coming forward from other projects, which would accelerate Local Growth funding in to 19/20 from the 2020/21 financial year.

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 paper showing the overall status of output delivery and forecasting for the programmes lifetime would be considered as a separate item at this meeting.

The 4 projects below presented output reprofiles to the meeting including:

- A52 Wyvern
- Infinity Park
- Vision University Centre

- N2 Towns Centre

D2N2 had now received a final report of the evaluation review undertaken by Focus Consultants Limited. Due to the time available on the Investment Board Agenda for this meeting, the presentation from the consultants would be presented to the next Investment Board

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 the Infinity Park Derby, A52 Wyvern, Vision University Centre, N2 Town Centres, Gedling Access Road, Southern Gateway and NTU MTIF Centre projects, as detailed in the report. With the Infinity Park Derby and A52 Wyvern subject to passing a VFM assessment based on their new output profile. If they don't pass, clawback of the funding will be considered.

30/20 **LOCAL GROWTH FUND BUDGET** The current forecast showed that in 2019/20 the programme was overcommitted by £22.81m. This would be offset by the money being held by Derbyshire County Council to achieve a balanced budget. However if the change requests for Broadmarsh, Gedling Access Road and MTIF were approved at this meeting then this would make an overcommitment to £28.971m which utilised all of the previous years underspend.

The overall programme was currently showing an under commitment of £4.69m against the budget. The pipeline call was expected to provide additional projects which would be added to the programme to enable the budget to be balanced.

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

RESOLVED that the report be noted.

31/20 **D2N2 MILESTONES UPDATE** The Board were asked to note the Milestones report on the D2N2 LGF programme.

The report showed the Milestones that were agreed within the last year and detailed the progress against the delivery of those milestones. Details of each individual project were provided at the meeting and recommendations followed each project giving their milestone progress. Further verbal updates were given by the promoters at the meeting.

Becketwell (Derby City Council) The Investment Board were requested to note the changes to the Milestones for the Becketwell project and would continue to monitor the status of the new planning application through to Final Business Case delivery.

Castleward (Derby City Council) –The Investment Board were requested to note the revised milestones and target a new Business Case delivery date of May/June 2020. This would have little impact on the program as spend had been profiled for the 2020/21 delivery year.

Woodville Swadlincote Regeneration Route (Derbyshire County Council) – The Investment Board were requested to monitor progress up to the delivery of the Final Business Case which would now be delivered in May 2020. The project through sunk costs and expected profile of spend was still confident of full delivery of spend before March 2021.

A46 Corridor (Phase 3) (Rushcliffe Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in November 2020. The applicant was still confident of spend before the end of the programme and D2N2 would continue to work with the project to ensure .

Chesterfield Station Masterplan (Derbyshire County Council) - The Investment Board were requested to await the Final Business Case which was on track for May 2020

Heathcoat Immersive Incubator (Nottingham City Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in July.

Smarter Connected Campus (Nottingham Trent University) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in September 2020

Tollbar House (Erewash Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in July 2020

Nursing & Allied Health Provision in Mansfield (NTU) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in May 2020

Revitalising the Heart of Chesterfield (Outdoor Market) (Chesterfield Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in November 2020.

Revitalising the Heart of Chesterfield (Public Realm) (Chesterfield Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in July 2020.

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

RESOLVED to approve the recommendations as detailed in the report.

32/20 **OUTPUTS REVIEW** During recent discussions at the Investment Board regarding outputs, officers had undertaken a review of all outputs and when they were expected to be delivered. The three targets the D2N2 LEP had with Government were:

	Jobs	Homes	Learners
Target up to 2035	29,000	10,700	147,000*

*under review with Government (meeting with government arranged for 20 March 2020)

Jobs

Jobs can be defined as direct, indirect or safeguarded. Following the review forecasts show that 37,403 jobs are expected to be created or safeguarded by 2035.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Direct jobs	1,033	581	3,936	1,120	6,670
Indirect jobs	2,975	2,352	9,419	15,783	30,529
Safeguarded jobs		94	110		204
Total	4,009	3,027	13,465	16,903	37,403

This shows the D2N2 were on track to meet the target set by Government. There is also an additional 1,734 jobs which are expected to be delivered after 2035.

Homes

Following the review, forecasts show that 9,387 homes were expected to be built or unlocked by 2035.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Homes	1,546	435	3,393	4,013	9,387

This showed that the D2N2 were not on track to meet the target set by Government. There is also an additional 1,441 which are expected to be delivered after 2035.

Learners

Following the review forecasts show that there will be 6645 new learners, in course which lead to a full qualification.

	2015-21		2021-26	2026-35	Total
	Actual	Forecast	Forecast	Forecast	Forecast
Learners	944	2,038	2,028	1,635	6,645

Until a new learners figure is agreed with Government we cannot confirm if the target can be achieved.

RESOLVED to note the report.

33/20 **DATE OF NEXT MEETING** The next meeting of the Investment Board would be an additional meeting to take place on a day to be confirmed in May 2020

34/20 **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 January 2020.
2. To consider the report on Pipeline Projects (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
3. To consider the report on Project for Approval – Local Growth Fund – HS2 Strategic Sites (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
4. To consider the report on Project for Approval – Enterprise Zones – Project Mulberry (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
5. To consider the report on Project for Approval – Enterprise Zones - Nuclear Advanced Manufacturing Research Centre (NAMRC) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
6. 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)).