

# 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

Monday, 27 July 2020

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **10.00 am** on **Tuesday, 4 August 2020**. This meeting will be held via Microsoft Teams and a recording will be published on the LEP's website following the meeting, 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 - 12)

To confirm the non-exempt minutes of the meeting of the D2 N2 Investment Board (IIB) held on 16 June 2020

4. Capital Programme Overview (Pages 13 - 28)
5. LGF Budget Paper (Pages 29 - 32)
6. Milestones (Pages 33 - 38)
7. Evaluation of LGF
8. Project for Approval - Revitalising the Heart of Chesterfield (Pages 39 - 46)
9. Project for Approval - Toll Bar House, Ilkeston (Pages 47 - 54)
10. 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**

11. Growing Places Fund (GPF) update (Pages 55 - 58)
12. Pipeline Project (Pages 59 - 60)
13. Date of Next Meeting

Wednesday 9 September at 2pm via MS Teams

14. Minutes of the meeting of the D2N2 Investment Board held on 4 August 2020 (Pages 61 - 68)

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Agenda Item 3

**MINUTES** of a meeting of the **D2N2 INVESTMENT BOARD** held on 16 June 2020 via Microsoft Teams

**PRESENT**

D Williams (D2N2 LEP) (In the Chair)

Councillors 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) and J White (Bassetlaw District Council) and J Bradley-Fortune (Inclusion Representative)

Also in Attendance: J Davies (Gedling Borough Council), N Cockrell (Bassetlaw District Council) C Durrant (Chesterfield Borough Council), J Dexter (BEIS), J Gilman (Derby City Council), T Goshawk (D2N2 LEP), R Harding (D2N2 LEP), N McCoy-Brown (Nottinghamshire County Council), S Rose (D2N2 LEP), J Seymour (Derbyshire County Council) N Taylor (Bassetlaw District Council), S Wainwright (Derbyshire County Council), C Williams (Derby City Council) and D Wright (CLGU)..

Apologies for absence were submitted on behalf of E Fagan (D2N2 LEP) and Councillors W J Clarke (Gedling Borough Council), B Lewis (Derbyshire County Council).

**51/20      DECLARATIONS OF INTEREST**

D Williams declared a personal interest in relation to Item 10 Project for Approval - Nursing and Allied health Provision in Mansfield, as a Board member on Nottingham Trent University

J Bradley Fortune declared a personal interest in relation to Item 5, Pipelines Project (YMCA Community and Activity Village) as an independent consultant to the YMCA

Councillor S Webster declared a non-pecuniary interest in relation to Item 9, Project for Approval - Castleward, as a Director of the SCAPE Group

**52/20      MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 11 March 2020.

**53/20      MATTERS ARISING** Project for Approval Chesterfield Station Masterplan (Minute 45/20 refers) It was confirmed the Heads of Terms Agreement had now been received.

It was also noted that that Scrutiny Working Group had met and continued to look at all areas of the LEP's work. The next meeting would start to look more closely at the Strategy area.

## **54/20      LOCAL GROWTH FUND PROGRAMME PERFORMANCE**

**OVERVIEW** Board members were given an overview of the LEPs Local Growth Fund programme. The programme had seen significant affects to delivery through the Covid 19 pandemic situation and therefore the report highlighted the position of the 'live and upcoming' projects in the programme and the mitigation risk where there was one in place. Annex A to the report provided a project change request for Riverside Business Park and Annex B an update on projects including the impact of the Covid 19 pandemic.

Coming into the last year of the programme the LEP had £40,086,356 of its £250.7m Local Growth Fund budget left to spend before the March 2021 deadline. LEP Officers were working closely with project sponsors for all projects that were 'live' and still 'awaiting approval' to monitor the ability to spend by the deadline.

At this moment in time based on the current assessment of the programme and if all the projects were approved as set it was believed that the LEP would be on track to deliver the full programme target by the end of this financial year. The LEP had also over profiled by £2M to provide a buffer against any underspends.

Detailed at Appendix A to the report was a change request from the project sponsor for Riverside Business Park. They were requesting a change to the arrangements to drawdown 100% of costs spent through Local Growth Funding rather than the 50% basis which was agreed at the time of approval. LEP Officers recommended that the request be approved.

The current position of the programme had been affected by the Covid 19 pandemic and the effect this was having on the construction industry. Annex B to the report provided a full update of all projects that were live or due to go live in the next financial year and included the impact from Covid 19 for each project.

In general, the construction industry was initially highly affected by the Covid 19 crisis with several sites closing down completely for a period or reducing the amount of labour on site significantly. These reductions in workforce were still in place in most sites but nearly all were now back on site and operational. Project sponsors were still quantifying the delays to their programmes and the uncertainty over how long the social distancing period would last was likely to cause ongoing delays.

The Crocus Place project had now officially been withdrawn from the LGF programme by Nottingham City Council which would return £3m to the budget that would leave the programme with a potential underspend. This would be addressed in the pipeline projects update report to be considered at this meeting where two pipeline projects were put forward for consideration by the Investment Board to utilise the balance available from the withdrawal of Crocus Place.

The position of Government remained the same with regards for the need to have spent the entirety of the Local Growth Fund Allocation by the 31<sup>st</sup> of March 2021, at this moment in time it was unlikely that this deadline would change. Therefore, the LEP would continue to work with projects to progress and accelerate spend wherever possible to make sure that the programme was fully contracted as soon as possible and the deadline for spend was achieved.

Stephen Jones, Director of the Cities and Local Growth Unit wrote to all LEP Chief Executives to explain that an LGF review would be taking place, and requested a formal submission by the 17<sup>th</sup> of June on the progress to date of the LGF projects in year and the forecasts of spend and commitments in the programme up until March 2021. This review would inform the release of the full funding for this financial year.

In this financial year government had advanced two-thirds of the funding and had withheld the final third pending the review of progress and ability by LEPs to both commit and spend the allocation in the final year.

D2N2 Officers alongside the Accountable Body would directly respond to the review process and submit the requested evidence. A decision on the final third of funding would be confirmed by Ministers and if approved funding would be released by August.

At this point in time the LEP had currently contractually committed 94.7% of its total LGF budget and should the approvals at this meeting be successful this figure would rise to 95.5%.

The LEP were confident that they could both commit their full allocation and spend the funding within the financial year.

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

**RESOLVED** (1) that the change request from the sponsors be approved and that Riverside Business Park are allowed to drawdown 100% of costs through LGF to the total sum of £3.35m. This would not affect the delivery of the project and clawback conditions in the contract would ensure that the private sector contributions would be monitored in future years; and

(2) to note the update for all projects that were live or due to go live in the next financial year including the impact from Covid 19 for each project.

**55/20 PIPELINE PROJECTS** Board members were aware that In January 2020 following the withdrawal of 3 projects from the Local Growth Fund allocation, D2N2 launched a call for new capital projects. Given that the Local Growth Fund programme was coming to an end in March 2021 the projects needed to have a high level of deliverability and be able to demonstrate that they were able to utilise any LGF allocation before the March 2021 deadline.

Projects were scored based on deliverability, financial risk, Market evidence, strategic fit and outputs. Following this process four projects were initially brought forward and granted an allocation of funding which took the programme to a position of overspend to be covered through the Growing Places Fund to ensure the programme fully delivered its spend target by the March 2021 deadline.

Subsequently, one project (Crocus Place) had withdrawn from the programme, as a result £3m of funding had been released to the Local Growth Fund.

Therefore, the LEP had identified and brought forward additional projects from the pipeline that had further progressed since the initial call in March and were now ready to be delivered.

This work had been carried out with independent analysis from Thomas Lister Consultants who had reviewed revised information on the projects to test in particular their strategic fit and deliverability. This process has confirmed that two projects were ready to be brought forward for consideration by the Investment Board.

The two projects have been re-evaluated from their assessment in March and have now achieved the following scores which are above the minimum threshold of 61 to be deemed deliverable:

- **Automation and Robotics Training** – 65 (Green) The project has addressed the concerns raised around its deliverability since the March call. Following the independent assessment of the information presented, West Notts College had now provided sufficient information to demonstrate this gap has been filled in the application.

The Automations and Robotics project has demonstrated that it fits with the strategic aims of the Local Growth Fund, and is delivery ready and classed as low risk, it also represented good value for money in terms of the LGF outputs. The project aligned with the work of the emerging Mansfield Towns Deal to deliver enhanced learning provision across Mansfield

The project sponsor had confirmed that all outputs are additional to those counted through other LGF interventions at West Notts College and that the output delivery on other funded projects is progressing well.

D2N2 officers recommended that the project be invited to continue through the Local Assurance Framework Process and progress to Final Business Case submission subject to the project sponsor continuing to deliver against existing contracted targets

- **YMCA Community and Activity Village** – 65 (Green) The project had addressed the concerns raised around its deliverability and in particular it's planning status that were identified in the March call. Following the independent assessment of the

information presented, YMCA had now provided sufficient information to demonstrate that the project was deliverable by March 2021.

The project originally requested £2.5m of Local Growth Funding towards the development, however D2N2 officers were recommending that the YMCA is allocated £2.2m based on the overall programme position.

Match funding contributions had all been secured and clarified and the project had the relevant planning permissions to be able to proceed with an allocation from D2N2.

D2N2 officers therefore recommended that the project be invited to continue through the Local Assurance Framework Process and progress to Final Business Case submission which will be subject to a full financial due diligence process.

Following the recent letter from Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government, S Rose outlined the LEPs approach.

The request had been made for LEPs to provide by 18 June details of deliverable projects. The LEP had made a call for all Local Authorities, Universities and Colleges to put forward proposals that they believed were deliverable i.e. with planning in place, funding secured and land assembled and that were able to demonstrate a return on investment and a boost for recovery. These would be scored and prioritised against the usual matrix and submitted to Government by Thursday.

**RESOLVED** to approve the two projects identified and that they be invited to proceed to final Business Case delivery.

**56/20      LOCAL GROWTH FUND BUDGET** The current forecast showed that in 2020/21 the programme was under committed by £877k. This was due to the Crocus Place project withdrawing from the programme.

Should a decision be taken by the Investment Board to accept the two projects in the Pipelines report on the Local Growth Fund Allocations list then the programme would currently stand at a position of £2m overspent, This overspend would be covered using the Growing Places Fund

2020/21 was the final year of the Local Growth Fund Programme, the full impact of Covid 19 was not fully realised at the time of writing the report but was expected to have an impact on projects ability to spend before the 31<sup>st</sup> March 2021 deadline and therefore be able to evidence expenditure. The LEP and Accountable Body are working closely with projects and Grant profiles and expenditure figures for the remaining projects would be monitored closely throughout the year to ensure any grant given could be evidenced with expenditure. Government had confirmed that there was no extension to the programme and all monies must be spent by 31 March 2021.

The overall budget position was shown at Appendix 1 to the report with the grant profile for the final year of the programme 2020-21 at Appendix 2.

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

**RESOLVED** that the report be noted.

**57/20      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 some of the promoters at the meeting.

**Becketwell (Derby City Council)** The Investment Board were requested to agree 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.

**Woodville Swadlincote Regeneration Route (Derbyshire County Council)** – The Investment Board were recommended to monitor progress up to the delivery of the Final Business Case which will now be delivered in July 2020 and approval sought from the LEP Board on the 8<sup>th</sup> July 2020.

**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

**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 September.

**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

**Revitalising the Heart of Chesterfield (Chesterfield Borough Council)** - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in July 2020 for both elements of the project

**OMICs Research Facility** - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in September 2020.

**Mushroom Farm** - The Investment Board were requested to accept the new timeline for the project progress of milestones and accept a Business Case in September 2020.

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

**RESOLVED** to approve the recommendations above, as detailed in the report.

**58/20      OUTPUT PERFORMANCE UPDATE-QUARTER 4** 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.

The LEP had now agreed with BEIS colleagues that there should be two learner targets for D2N2:

- 2,000 'new learners'. This was the number of new learners assisted in courses leading to a full qualification. This would be monitored by the BEIS spreadsheet on a quarterly basis and would form one of the three main outputs.
- 147,000 'learners supported'. This was the number of people engaged in learning activities at the academic institutions where D2N2 had provided funding for capital development, the figures are calculated over the projects lifetime. This figure is not measurable on the BEIS spreadsheet and will be reported as part of the descriptive update on the Dashboard at the end of each financial year, showing progress towards the target which has an end date of the end of the programme, March 2021.

This paper 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.

**Actual delivery to date:** outputs delivered to this date

**Contracted Target with Government:** In return for the LGF contribution from government we were targeted to deliver 29,000 jobs, 10,800 Homes and 2,000 Learners by 2035.

All metrics were detailed in the report for the most up to date quarter where a data return had been received from projects which was Q4 2019/20 financial year, delivery since the start of the programme and the lifetime of the programme.

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

**RESOLVED** to note the update

**59/20      PROJECT FOR APPROVAL – CASTLEWARD** Board Members were informed of a request for Local Growth Funding to support the Castleward project. The project would deliver a new primary and nursery school on the existing Castleward Urban Village site and enable the delivery of 1,628 new residential units on this site and the adjacent former Derbyshire Royal Infirmary site.

Following the review of the business case, the D2N2 Investment Board were recommended to approve the £1,500,000 grant to Derby City Council

The Castleward Urban Village was a 12 Hectare Brownfield Site in Derby City Centre which was an ongoing redevelopment and regeneration project to create a new sustainable community of Homes and Businesses close to Derby Railway Station. The site began delivery of new units in 2013 with the main developer Compendium Living and had proven to be successful in the delivery so far of 164 units, the overall development would deliver 672 more homes upon its completion and a further 792 on the former DRI site.

To be able to create the sustainable urban development that Castleward aspired to be there was a planning obligation for a new school to be delivered, this would enable the full delivery of units on both the Castleward site and the adjacent Former Derby Royal Infirmary (DRI) site. Due to the cost of the school provision not being able to be met by Section 106 contributions from both sites there was a need for LGF intervention to match fund a section of the school's delivery. The City Council needed to now progress the delivery of this two-form entry primary school as the number of units being developed currently had exceeded the amount of homes being delivered from the planning application.

The Castleward and DRI developments both played a vital part in the delivery of new homes in Derby City Centre which were required due to a lack of residential properties currently available on the market. The project formed part of the Derby City Centre Masterplan for 2030 and was seen as a key project for the City Council in delivering their ambitions for the city. The LEPs investment of £1.5m to enable the delivery of 1,628 new homes directly aligned with the Emerging Local Industrial Strategy's aim to support the growth of cities, improving the quality of place and economic prosperity of the region

The funding for the project now was sourced from the following:

| <b>Funding Source</b>                 | <b>TOTAL</b>      |
|---------------------------------------|-------------------|
| Local Growth Fund                     | £1,500,000        |
| Section 106                           | £1,350,000        |
| Derby City Council                    | £750,000          |
| Homes England Housing Investment Fund | £4,500,000        |
| <b>TOTAL</b>                          | <b>£8,100,000</b> |

Details were given of the Approvals, Procurement and State Aid

An Outline Business Case for the project was received and approved in August 2018 and had been independently assessed by Hatch Regeneris who had deemed that the project represented Good VFM.

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

Following a review of the Final Business Case, D2N2 officers confirm that the project complies with the Local Assurance Framework. Hatch Regeneris have conducted an independent review of the business case and have confirmed the project represents Good Value for Money

LEP Officers and the Accountable Body had worked with the project sponsors to understand the potential impacts of Covid-19 on the projects ability to deliver before the 31<sup>st</sup> of March 2021 Deadline. Officers are confident that the programme provided had mitigated any potential impacts of Covid and the project would be able to deliver to the timescales set out, therefore this provided reassurance for the Investment Board to approve this project.

Catherine Williams and John Gilman Derby City Council, attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

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

**RESOLVED** to approve the £1,500,000 grant to Derby City Council to support the Castleward project.

**60/20      PROJECT FOR APPROVAL – NURSING AND ALLIED HEALTH PROVISION IN MANSFIELD** Board Members were informed of a request for £3m of Local Growth Funding to support a request for £580,903 of Local Growth Funding to support the Nursing and Allied Health Provision in Mansfield.

The project was now compliant with the LAF and after a review of the business case, D2N2 recommended that the project be approved by the Investment Board.

The project would establish a nursing and allied health training facility in Mansfield, operated by Nottingham Trent University and designed and delivered in partnership with local healthcare providers including the Sherwood Forest Hospitals NHS Foundation Trust (SFHFT), the East Midlands Ambulance Service (EMAS), Nottinghamshire Healthcare Trust (NHT), Nottingham University Hospital NHS Trust (NUH), and Nottinghamshire County Council (NCC). The project was a stand-alone element of a much wider strategy for NTU in terms of re-imagining and re-positioning itself as an anchor institution for the Mansfield and Ashfield area, creating long-term economic change for residents, promoting social mobility and supporting a positive shift in the health and wellbeing of local people.

Through LGF funding this project would allow new training opportunities to be offered. These would be targeted to those committed to pursuing healthcare careers within the Mansfield and Ashfield locality, in the fields of nursing, ambulance/ paramedic, social work and other allied health professions. Learners would include those from families who did not have a tradition of going into Higher or Further Education and those from disengaged backgrounds. The project would increase the skills and aspirations of local residents and open up access to higher paid jobs in communities with historically low paid employment opportunities.

The project would also help to alleviate the recruitment crisis within frontline nursing and ambulance/ paramedic services which was acute at both the national and local levels

The project would be located at Vision West Notts College, Mansfield to the south of Mansfield town centre. The project would be located in a former Visual Arts Centre, a space previously used for teaching but no longer required by the College after June 2020.

The building was in good condition and the capital works we are requesting funding for primarily relate to re-configuring spaces to bring them up to standard as medical facilities, including the installation of specialist technology and equipment.

The funding for the project is sourced from the following:

| <b>Funding Source</b>                | <b>TOTAL</b>      |
|--------------------------------------|-------------------|
| Nottingham Trent University Reserves | £580,904          |
| Local Growth Fund                    | £580,903          |
| <b>TOTAL</b>                         | <b>£1,161,807</b> |

Details were given of the Approvals, Procurement and State Aid

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

A Full Business Case had now been submitted in line with the approval process. The Accountable Body and D2N2 had assessed the Full Business Case submission and approval is recommended. Hatch Regeneris had conducted an independent review of the business case and had confirmed the project represents Good Value for Money

LEP Officers and the Accountable Body had worked with the project sponsors to understand the potential impacts of Covid-19 on the projects ability to deliver before the 31<sup>st</sup> of March 2021 Deadline. Officers were confident that the programme provided had mitigated any potential impacts of Covid and the project would be able to deliver to the timescales set out, therefore this provided reassurance for the Investment Board to approve this project.

Mark Biggs and Fiona Anderson, Nottingham Trent University attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

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

**RESOLVED** to approve the project and to release the £580,903 of Local Growth Funding.

**61/20      DATE OF NEXT MEETING** The next meeting of the Investment Board would be take place on a date TBC at the beginning of August.

**62/20      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 11 May 2020.

**62/20      EXEMPT MINUTES RESOLVED** to confirm the exempt Minutes of the meeting of the D2N2 Investment Board held 11 May 2020.

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## D2N2 Investment Board – August 2020

Agenda Item 4

|                       |                                     |                                     |  |   |
|-----------------------|-------------------------------------|-------------------------------------|--|---|
| Confidentiality Level | Restricted <input type="checkbox"/> | Controlled <input type="checkbox"/> | Public <input checked="" type="checkbox"/> | Commercially sensitive <input type="checkbox"/> |
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|                  |   |   |  |
|------------------|---|---|--|
| Meeting and Date | D2N2 Investment Board – 4 <sup>th</sup> August 2020 |   |  |
| Subject          | D2N2 Capital Performance Overview                   |   |  |
| Author           | T Goshawk   | Total no of sheets<br>(Excluding cover sheet) |  |

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

| Summary and Recommendations  |
|--|
| <p>The Board are asked to note the progress report on the D2N2 Capital 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**

### **June 2020 D2N2 Capital Programme Update**

#### **Introduction**

The following paper provides an overview of the LEPs Local Growth Fund programme, including an update on progress against the financial targets for this year.

Covid 19 has had an impact on many parts of the programme, therefore this paper highlights the current position of the 'live and upcoming' projects in the programme and the mitigation strategy where there is one in place.

**Annex A** – A paper providing an update to the Getting Building Fund submission

**Annex B** – Project Change Requests – Vesuvius Works

**Annex C** – Copy of the LGF Q4 2019/20 Monitoring Spreadsheet

#### **Performance Update**

Coming into the last year of the programme the LEP has £40,086,356 of its £250.7m Local Growth Fund budget left to spend before the March 2021 deadline. Of the £40m allocated within this year, D2N2 have recorded £7,581,062 in the first financial quarter of the year. LEP Officers are working closely with project sponsors for all projects that are 'live' and still 'awaiting approval' to monitor the ability to spend by the deadline, based on spend to date and forecast spend we are confident this figure can be met.

At this moment in time based on the current assessment of the programme and if all the projects are approved as set out, we believe we will be on track to deliver the full programme target by the end of this financial year. We have also over profiled by £2M to provide a buffer against any underspends.

A full budget breakdown is included within **Item 5** which includes both the financial position of the overall programme from 2015-2021 as well as a breakdown of each projects LGF drawdown for each financial quarter in 2020/21.

The LEP has recently been engaged within a pipeline process to determine projects for submission to the Governments new 'Getting Building Fund'. Following this process 10 projects have been submitted to the Government, next steps at the time of writing are unknown for the fund but D2N2 will engage with the project sponsors once they are known. Further details of the process and projects are included in Annex A.

### **Pipeline Call**

In order to be able to respond to future funding calls with efficiency we are looking to prepare a pipeline of projects which can be called upon to submit to Government. Therefore, we will be looking to announce a new call for projects on the 5<sup>th</sup> of August and will open this to all parties to submit priorities for scoring. Further details around timescales will be provided as part of the call for projects on the 5<sup>th</sup> of August.

## **Annex A – Getting Building Fund**

D2N2 along with all other LEPS were invited by the Secretary of State Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government on the 10<sup>th</sup> June to prepare a list of ‘development ready’ projects to be submitted to MHCLG by the 18<sup>th</sup> of June for consideration as part of a July fiscal announcement.

The key focus was to urgently identify schemes that were immediately deliverable to stimulate economic activity and crucially support job creation in the context of a post-COVID recovery strategy. The LEP undertook a short-term pipeline call to identify projects to submit to Government.

Following this process, the LEP initially identified 19 projects which scored above the 61- point threshold which considers projects to be deliverable.

The total funding requested from D2N2 was **£91.067m** with £38.66m to the accelerated projects list and £52.4m to the new projects list. Five of these projects were included within the accelerated projects list and the other 13 in the new projects list.

On the 1<sup>st</sup> of July it was announced that D2N2 would receive **£44.4m** of funding from the Getting Building Fund. As part of this settlement it was agreed that D2N2 will engage with local leads from the Department for BEIS to submit a finalised list of projects to the Government by the 17<sup>th</sup> of July to be formally approved by Ministers.

In order to be able to submit a finalised list of projects we have undertaken a further assessment of the prioritised projects, with each project requested to submit an Expression of Interest form to the LEP on the 13<sup>th</sup> of July providing additional information to be scored and independently moderated by Thomas Lister to enable the prioritisation.

As a result of this scoring and moderation process, the projects listed in Table 1 is being put forward to Government following approval by LEP Interim Chair as agreed at the 8<sup>th</sup> of July Board meeting, and endorsement by the S151 officer of the Accountable Body as required by government.

This submission contains 10 projects totalling **£46,657,000** and are set out in Table 1. In light of previous experiences in management of the capital programme we have proposed to over programme our Getting Building Fund by £2.257m

which will be managed through changes in viability or any slippage. Any remaining over programme will be met by from the Growing Places Fund in the same way we currently manage the Local Growth Fund.

All projects being put forward are still subject to final approval by the Minister and will need to deliver a full business case compliant with the Local Assurance Framework, addressing any issues highlighted during the initial assessment.

All projects that are not being taken forward through this specific funding call (Listed in Table 2), will continue to be progressed and will remain on the pipeline of projects to be considered for any future funding awards if they are able to address the issues flagged through the assessment.

A brief explanation on the rationale for the revised score is included in the table.

**Table 1 – Projects for submission**

| <b>Project Name and Location</b>                      | <b>Description</b>  | <b>Bid Value</b> | <b>Project Type</b> | <b>Score</b> | <b>Summary of Assessment</b>  |
|---|---|------------------|---------------------|--------------|---|
| <b>Berry Hill, Mansfield</b>                          | The Berry Hill site forms an urban extension to the Mansfield district. Work is well underway on phase 1. To accelerate phase 2, funds are requested towards the spine road, which will unlock the site to create new homes, school, shops, Green Infrastructure and Employment Land. | £3million        | Housing             | 75           | <ul style="list-style-type: none"> <li>- The project will continue on the delivery of the first phase which has proved successful with Homes England Intervention</li> <li>- The second phase is delivery ready and can progress quickly once funding is awarded</li> <li>- The project represents good Value for Money in return for investment</li> </ul> |
| <b>Digital Advanced Manufacturing and Engineering</b> | The project will fund the development of a centre of excellence at Chesterfield College to support  | £0.5million      | Skills              | 71           | <ul style="list-style-type: none"> <li>- The project has been well developed and evidence of both need and demand for courses has been included in the EOI</li> </ul>   |

| Project Name and Location   | Description  | Bid Value   | Project Type | Score | Summary of Assessment  |
|---|--|-------------|--------------|-------|--|
| <b>Centre, Chesterfield</b>   | learners to develop much needed digital skills and the practical skills for modern construction techniques. The new centre will deliver higher-level skills within the industry and meet the demands of the local area.  |             |              |       | <ul style="list-style-type: none"> <li>- The project can deliver quickly and presents very low delivery risk</li> <li>- The outputs for the project are good in return for the level of investment</li> </ul>  |
| <b>UK Electrification of Aerospace Propulsion Facility, Nottingham University</b> | Part of a £1bn+ vision for the East Midlands to regain its pre-eminence as the world's foremost location for aerospace innovation - protecting the 40,000-aerospace supply-chain jobs in the region. This national facility will support a green recovery for the UK aerospace industry through the development of sustainable and competitive electrified propulsion systems. | £7.6million | Innovation   | 70    | <ul style="list-style-type: none"> <li>- The project can deliver quickly and capital equipment purchases give confidence of delivery</li> <li>- The University of Nottingham have engaged well with business and have identified industry partners to support and collaborate with in the project</li> <li>- The project offers good value for money and targets key sectors of D2N2 as well as LIS objectives for clean growth</li> </ul> |
| <b>Bridge Court Campus, Worksop</b>   | The regeneration of Bridge Court will facilitate the delivery of a state-of-the-art University campus in Worksop town centre in  | £3.5million | Skills       | 68    | <ul style="list-style-type: none"> <li>- The project will deliver learning in subject areas of need and has engaged well with the appropriate industries to deliver this training</li> </ul>   |

| Project Name and Location              | Description  | Bid Value   | Project Type           | Score | Summary of Assessment   |
|--|--|-------------|------------------------|-------|---|
|  | partnership with the University of Derby and Doncaster & Bassetlaw Hospitals Trust. This Campus will address a training need in the health sector, enable the upskilling of young people and carers, and increase the engagement of local people in higher education.  |             |                        |       | <ul style="list-style-type: none"> <li>- Evidence of demand for the learning places has been well presented</li> <li>- The project can deliver quickly and presents low delivery risk to the LEP</li> </ul>   |
| <b>Digital Turbine Centre, Worksop</b> | This project will establish a 5G Innovation Hub in the Turbine Centre in Worksop, providing enhanced digital connectivity throughout the centre. It will also enable the prototyping and launching of the world's first 5G devices from the Hub and the delivery of certified business engagement and digital training on 5G & related technologies. | £0.5million | Digital Infrastructure | 65    | <ul style="list-style-type: none"> <li>- The project meets the objectives of innovation and will target business productivity in alignment with the LIS</li> <li>- The project is highly deliverable and presents minimal risk in delivery</li> <li>- The project will help to safeguard jobs alongside the benefits from innovation</li> </ul> |
| <b>Glossop Town Hall, Glossop</b>      | The renovation and repurposing of Glossop Town Hall, Market Hall   | £2million   | Regeneration           | 65    | <ul style="list-style-type: none"> <li>- The projects first phase is ready to commence and can utilise GBF allocations quickly</li> </ul>   |

| Project Name and Location              | Description  | Bid Value    | Project Type | Score | Summary of Assessment  |
|--|--|--------------|--------------|-------|--|
|  | and Municipal Buildings for use as business start-up space, with a focus on creative industries, and modern multi-use event space accommodating food and drink businesses, general and specialist retail.  |              |              |       | <ul style="list-style-type: none"> <li>- The project provides a joint partnership working model with the private sector and looks to develop spaces for growing SMEs, with evidence of demand</li> <li>- The value for money generated from outputs is good against the investment required</li> </ul>   |
| <b>Drakelow Park, South Derbyshire</b> | Infrastructure project on the road network to support a larger bridge/bypass scheme including bypass bridge to Burton and better road traffic links between South Derbyshire, East Staffordshire and the wider West Midlands. This is linked to the regeneration of the former Drakelow Power Station site enabling 2239 homes (193 built) and up to 30 acres of industrial and commercial use land. | £2.6million  | Regeneration | 64    | <ul style="list-style-type: none"> <li>- The project delivers significant amounts of outputs for the level of GBF required.</li> <li>- The project will work in partnership with Stoke and Staffs LEP to deliver a joint growth priority for the two areas. Stoke and Staffs LEP are also contributing £5m to the overall scheme</li> <li>- The LEP will continue to monitor the viability of the project and will utilise external expertise to make sure the right level of grant intervention is given to the project.</li> </ul> |
| <b>MRC Midlands, Derby</b>             | The MRC Midlands will be the first project of its kind in the region. It will spearhead innovation-led   | £6.85million | Innovation   | 63    | <ul style="list-style-type: none"> <li>- The project will deliver good outcomes for the entirety of the D2N2 area and delivers on the</li> </ul>   |

| Project Name and Location                              | Description  | Bid Value     | Project Type | Score | Summary of Assessment  |
|--|--|---------------|--------------|-------|--|
|  | advanced manufacturing to boost the resilience of Derby's economy. Through providing access to cutting edge research and development facilities, the project will create jobs, transform supply chains and enable business growth. |               |              |       | <p>innovation and productivity themes of the LIS</p> <p>- The project sponsor has formed strong partnerships to deliver the project and is working to establish both strong research and industry collaborations.</p>  |
| <b>Transforming Nottingham's Southside, Nottingham</b> | Demolition and rebuilding of the former Intu site, and enabling infrastructure which will bring forward new additional job creation on the site and surrounding areas as well as new homes in the City Centre.                     | £7.99 Million | Regeneration | 61    | <p>- The project provides clear additional outputs including 733 additional jobs and 868 homes to the related project previously funded from the Local Growth Fund.</p> <p>-Match funding secured through transforming cities fund</p> <p>- The project works to deliver on a significant priority for the City and LEP area.</p> <p>- The project will enable significant additional private sector investment into the region.</p> |

Table 2 – Projects not being submitted to Government

| Project Name, Sponsor and Location  | Description  | Bid Value    | Project Type           | Score | Summary of Assessment   |
|---|--|--------------|------------------------|-------|---|
| <b>Digital Business Growth - Better Broadband for Nottinghamshire (Phase 3 extension)</b> | Driving business growth and job creation by extending fast and reliable broadband services. High levels of ultrafast coverage would support new investment and act as a catalyst for new business start-ups, support home-working and micro businesses.                        | £2 million   | Digital Infrastructure | 59    | <ul style="list-style-type: none"> <li>- The project could potentially enable the delivery of Broadband to areas where this resource is not available</li> <li>- Delivery risks surround the project as take up from the open market may not be met through the scheme which poses a risk</li> <li>- The project involves funding of a voucher scheme and therefore doesn't directly deliver infrastructure as previous similar projects</li> </ul> |
| <b>D2N2 Emergency Growth Fund</b>   | Pace, flexibility and scale are key to maintain business confidence. We will create a LEP-wide capital grant and loan fund that has the scale to support meaningful job creation. It will be flexible and be tailored to each city or area's sectoral mix and opportunity set. | £6.5 million | Enterprise             | 58    | <ul style="list-style-type: none"> <li>- The project presents a good opportunity to enable businesses to deliver on capital purchases</li> <li>- Uncertainty remains over the ability to spend the GBF allocation in the timeframe given its reliant on demand from the private sector</li> <li>- A potential issue was found around the use of capital funding for Research and Development under a section 31 grant</li> </ul>                    |
| <b>DRIIVE (Derbyshire Rail Industry)</b>  | The project capitalises on opportunities presented by HS2 and the rail sector in   | £0.5million  | Skills                 | 58    | <ul style="list-style-type: none"> <li>- The project fits well with the strategic objectives of the LEP and</li> </ul>  |

| Project Name, Sponsor and Location                          | Description   | Bid Value    | Project Type | Score | Summary of Assessment  |
|---|---|--------------|--------------|-------|--|
| <b>Innovation Vehicle)<br/>Chesterfield</b>                 | Chesterfield, including investment from Talgo, who, as part of its 'All Britain Strategy' is seeking to develop a modern rail innovation and training centre focussed on green technologies. The DRIIVE centre will facilitate growth in the supply chain and create a pipeline of skilled workers for the rail industry. |              |              |       | <p>would provide good employment and training opportunities.</p> <ul style="list-style-type: none"> <li>- Planning permission and match funding for the development are still required to be completed which presents a risk to delivery.</li> <li>- The project is at too early a stage for funding with delivery risks in place and needs to continue to be worked upon to achieve a funding award.</li> </ul> |
| <b>The Avenue, North East Derbyshire</b>                    | Provision of a new roundabout on the A61 including a link road. This will enable the development of dependent elements of the Avenue site delivering local employment, residential development and public open space.   | £6.3 Million | Regeneration | 57    | <ul style="list-style-type: none"> <li>- The project presents a good strategic opportunity to aid the development of a major mixed-use development in the area.</li> <li>- The project still needs to finalise revised designs and secure land and negotiate S106 in order to deliver therefore still has a number of risks on its ability to meet the timelines in its current state</li> </ul>                 |
| <b>Zero Carbon Demonstrator – Top Wighay Farm, Hucknall</b> | The Top Wighay development will bring significant housing, green and digital infrastructure plus regional facilities to Ashfield and Hucknall. To unlock its full potential and   | £5.95million | Regeneration | 57    | <ul style="list-style-type: none"> <li>- The project aligns well with the strategic aims of the LIS and would aid the clean growth agenda</li> <li>-Market demand assessments for the project were not clear</li> </ul>  |

| Project Name, Sponsor and Location  | Description  | Bid Value | Project Type                     | Score | Summary of Assessment   |
|---|--|-----------|----------------------------------|-------|---|
|   | stimulate green economic growth, funding is sought to bring forward a new Community Workspace Hub as a Zero Carbon demonstrator for the region. The new hub will offer employment space, full fibre digital and public facilities, including renewable energy generation.                |           |                                  |       | - The project is deliverable with NCC as the landowner and match funder but is currently underdeveloped to be put forward for submission at this point in time.   |
| <b>Whitwell Colliery Reclamation - mine water project to create district heating system, Bolsover</b> | A low carbon energy district heating system powered by mine water is proposed as part of the reclamation of a former spoil heap to prepare the site for development. The subsequent development of the site will include 600 houses, 5 hectares of employment land and new country park. | £4million | Clean Energy/Resource Efficiency | 56    | <p>- The project presents a delivery risk to spending the allocation of GBF requested due to the later start of the project with all spend in the last quarter of 2022.</p> <p>- Potential issues with relation to State Aid were identified within the assessment process relating to the delivery of the commercial development</p> |
| <b>Southern Link Road /Land South of Newark</b>   | Construction of the Southern Link Road (SLR), unlocking and accelerating the delivery of 2,550 homes, 5,000 jobs, a new country park, new  | £9million | Housing                          | 53    | - The project is fully costed and partially delivered however there remains to be a gap in the match funding to accompany the GBF.  |

| Project Name, Sponsor and Location | Description   | Bid Value | Project Type | Score | Summary of Assessment   |
|------------------------------------|---|-----------|--------------|-------|---|
|                                    | primary school, and community facilities. The project has political, community, and public authority support. |           |              |       | <ul style="list-style-type: none"> <li>- The project presented delivery risk in terms of timing for any GBF allocation to be utilised.</li> <li>- Work has not been completed with regards to the finalised viability appraisal for the project.</li> </ul> |

### **Annex B – Project Change Request**

| Project Name/<br>Promoter and<br>description           | Change Description  | Reason for the<br>Change  | Impact of the<br>change   | Officer<br>Recommendation   |
|--|---|---|---|---|
| Vesuvius Works<br><br>Dooba<br>Developments<br>Limited | <b>Outputs</b> – 95 jobs to move from Q1 2020/21 to Q3 2020/21. | The main contractor on the site was put in to administration in December 2019 which caused delays to the project. Following this and the Covid 19 outbreak there has been a reduced workforce on the site and the opening of the new food store is delayed as a result. | The project will deliver its first 95 jobs two quarters later than profiled however this will still return the job delivery in this financial year so won't affect programme outputs. | The Investment Board are recommended to accept the change request and D2N2 will continue to work with the sponsor to mitigate these circumstances and accelerate delivery where possible. |



### Annex C –LGF Q4 2019/20 Monitoring Spreadsheet

**LEP Name**

## Derby, Derbyshire, Nottingham and Nottinghamshire

**This Quarter:**

Q4\_1920

| Deliverables Progress                                     |              |  |       |                |        |        |        |        |   |        |
|---|--------------|--|-------|----------------|--------|--------|--------|--------|---|--------|
|   |              |  |       | Financial Year |        |        |        |        |   |        |
| Housing   | This Quarter |  | 15-17 | 17-18          | 18-19  | 19-20  | 20-21  | 21-25  |   | Total  |
| Houses Completed  | -30          |  | 128   | 589            | 474    | 325    | 0      | -      | - | 1,516  |
| Forecast for year   | 510          |  | 878   | 1,140          | 1,150  | 510    | 2,260  | 1,393  |   | 7,331  |
| Progress towards forecast                                 | -6%          |  |       | 52%            | 41%    | 64%    | 0%     | -      | - | 21%    |
| Jobs  |              |  |       |                |        |        |        |        |   |        |
| Jobs Created  | 6,438        |  | 373   | 1,295          | 2,043  | 6,736  | 0      | -      | - | 10,447 |
| Apprenticeships Created*                                  | 0            |  | 0     | 0              | 0      | 0      | 0      | -      | - | 0      |
| Jobs including Apprenticeships                            | 6,438        |  | 373   | 1,295          | 2,043  | 6,736  | 0      | -      | - | 10,447 |
| Forecast for year   | 4,961        |  | 375   | 2,002          | 2,156  | 4,961  | 6,505  | 16,593 |   | 32,592 |
| Progress towards forecast                                 | 130%         |  |       | 65%            | 95%    | 136%   | 0%     | 0%     | - | 32%    |
| Apprenticeships included within jobs totals prior to 2017 |              |  |       |                |        |        |        |        |   |        |
| Skills  |              |  |       |                |        |        |        |        |   |        |
| Area of new or improved floorspace (m2)                   | 0            |  | 5,430 | 13,500         | 2,000  | 0      | 0      | -      | - | 20,930 |
| Forecast for year   | 0            |  | 5,430 | 13,500         | 0      | 0      | 15,490 | 0      |   | 34,420 |
| Progress towards forecast                                 | -            |  |       | 100%           | -      | -      | 0%     | -      | - | 61%    |
| Number of New Learners Assisted                           |              |  |       |                |        |        |        |        |   |        |
| Number of New Learners Assisted                           | 1,178        |  | 0     | 344            | 212    | 1,566  | 0      | -      | - | 2,122  |
| Forecast for year   | 398          |  | 0     | 381            | 642    | 398    | 1,226  | 871    |   | 3,518  |
| Progress towards forecast                                 | 296%         |  |       | 90%            | 33%    | 393%   | 0%     | -      | - | 60%    |
| Transport   |              |  |       |                |        |        |        |        |   |        |
| Length of Road Resurfaced                                 | 0.0          |  | 0.0   | 0.0            | 0.0    | 0.0    | 0.0    | -      | - | 0.0    |
| Length of Newly Built Road                                | 0.0          |  | 2.0   | 0.0            | 0.0    | 0.0    | 0.0    | -      | - | 2.0    |
| Length New Cycle Ways                                     | 0.7          |  | 0.0   | 1,186.0        | -921.5 | -132.4 | 0.0    | -      | - | 132.1  |

| Project RAG Ratings                     |                             |                         |                               |                             |                         |
|---|-----------------------------|-------------------------|-------------------------------|-----------------------------|-------------------------|
| Project Name                            | Previous Quarter<br>Q3_1920 | This Quarter<br>Q4_1920 | Project Name                  | Previous Quarter<br>Q3_1920 | This Quarter<br>Q4_1920 |
| Infinity Park , Derby                   | AG                          | AG                      | HS2 Toton                     | G                           | G                       |
| Bioscience Expansion, Nottingham        | G                           | G                       | HS2 Staveley                  | G                           | G                       |
| Nottingham Skills Hub                   | G                           | AR                      | Sutton Indoor Market          | G                           | G                       |
| Nottingham Broadmarsh                   | G                           | G                       | Derby Cycling and Placemaking | G                           | G                       |
| Chesterfield Centre Higher Level Skills | G                           | G                       | Midland Mainline              | G                           | G                       |
| Vision University Centre, Mansfield     | A                           | G                       | Sherwood Visitor Centre       | G                           | AG                      |
| Harworth Access Road                    | G                           | AG                      | Sherwood Energy Village       | G                           | G                       |
| Derby Placemaking-The Spot              | G                           | G                       | Silk Mill World Heritage Site | G                           | AR                      |
| Nottingham Cycle City Ambition Package  | G                           | G                       | N2 Towns                      | AG                          | AG                      |
| Newark Southern Link Road               | R                           | R                       | MTIF                          | G                           | AG                      |
| Seymour Link                            | G                           | G                       | Gedling Access Road           | G                           | AG                      |
| A57/A60 Junction Workshop               | G                           | AG                      | Nottingham Castle             | G                           | G                       |
| Nottingham Broadband                    | G                           | G                       | Vesuvius                      | AG                          | AG                      |
| Derbyshire Broadband                    | G                           | G                       | Technology Hub                | G                           | G                       |
| Our City Our River                      | AG                          | A                       | Rail and Research Centre      | G                           | G                       |
| LEP Management & Feasibility Funds      | G                           | G                       | Riverside Business Park       | G                           | A                       |
| D2N2 Sustainable Transport              | G                           | G                       | New Assembly Rooms            | G                           | N/A                     |
| A61 Programme                           | AR                          | AR                      | HS2 Strategic sites           | N/A                         | G                       |
| Enterprise Zone Sustainable transport   | G                           | G                       | Ashbourne Airfield            | N/A                         | N/A                     |
| A52 Wyvern                              | A                           | A                       | -                             | -                           | -                       |
| A46 Corridor, Rushcliffe                | A                           | A                       | -                             | -                           | -                       |
| Buxton Crescent                         | G                           | A                       | -                             | -                           | -                       |
| Institute for Advanced Manufacturing    | G                           | G                       | -                             | -                           | -                       |
| Becketwell                              | G                           | G                       | -                             | -                           | -                       |
| Medicity                                | G                           | G                       | -                             | -                           | -                       |
| Coalite                                 | AG                          | G                       | -                             | -                           | -                       |
| Ada Lovelace House                      | G                           | G                       | -                             | -                           | -                       |
| Bulwell Market                          | G                           | G                       | -                             | -                           | -                       |
| Dakeyne Street                          | G                           | G                       | -                             | -                           | -                       |
| Southern Growth Corridor                | G                           | G                       | -                             | -                           | -                       |

### Growth Deal Performance

Area lead comments

| Financial Progress              |               |                        |                        |                      |                      |                      |                      |                       |
|---------------------------------|---------------|------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| LGF Award                       |               | 2015-16<br>£39,050,000 | 2016-17<br>£55,400,930 | 17-18<br>£66,388,375 | 18-19<br>£32,359,889 | 19-20<br>£17,424,093 | 20-21<br>£40,086,356 | Total<br>£250,709,642 |
| LGF Outturn                     | This Quarter  |                        | 15-17                  | Financial Year       |                      |                      |                      | Total                 |
|                                 |               |                        | 17-18                  | 18-19                | 19-20                | 20-21                |                      |                       |
| Actual                          | £ 17,251,652  |                        | £ 83,696,630           | £ 34,868,738         | £ 45,662,035         | £ 46,395,884         | £ -                  | £ 210,623,287         |
| Forecast for year               | £ 47,503,269  |                        | £ 83,696,630           | £ 34,872,601         | £ 52,126,241         | £ 47,503,269         | £ 36,844,901         | £ 255,043,642         |
| Progress towards forecast       | 36%           |                        |                        | 100%                 | 88%                  | 98%                  | 0%                   | 83%                   |
| LGF Expenditure                 |               |                        |                        |                      |                      |                      |                      |                       |
| Actual                          | £ 20,449,553  |                        | £ 73,291,620           | £ 29,400,573         | £ 42,132,101         | £ 54,054,308         | £ -                  | £ 198,878,602         |
| Forecast for year               | £ 47,503,269  |                        | £ 83,696,630           | £ 34,872,601         | £ 52,126,241         | £ 47,503,269         | £ 36,844,901         | £ 255,043,642         |
| Progress towards forecast       | 43%           |                        |                        | 84%                  | 81%                  | 114%                 | 0%                   | 78%                   |
| Non-LGF Expenditure             |               |                        |                        |                      |                      |                      |                      |                       |
| Actual                          | £ 26,411,733  |                        | £ 88,876,483           | £ 71,755,207         | £ 53,312,119         | £ 85,242,996         | £ -                  | £ 299,186,804         |
| Forecast for year               | £ 176,958,385 |                        |                        | £ 77,471,352         | £ 77,471,351         | £ 176,958,385        | £ 144,199,943        | £ 476,101,030         |
| Progress towards forecast       | 15%           |                        | -                      | 93%                  | 69%                  | 48%                  | 0%                   | 63%                   |
| Total LGF + non-LGF Expenditure |               |                        |                        |                      |                      |                      |                      |                       |
| Actual                          | £ 46,861,286  |                        | £ 162,168,103          | £ 101,155,780        | £ 95,444,221         | £ 139,297,304        | £ -                  | £ 498,065,407         |
| Forecast for year               | £ 224,461,654 |                        | £ 83,696,630           | £ 112,343,953        | £ 129,597,592        | £ 224,461,654        | £ 181,044,844        | £ 731,144,672         |
| Progress towards forecast       | 21%           |                        |                        | +90%                 | +74%                 | +62%                 | +0%                  | 68%                   |

| Contractual Commitments (manual entry) |  |  |               |              |              |              |              |               |
|--|--|--|---------------|--------------|--------------|--------------|--------------|---------------|
|  |  |  | 15-17         | 17-18        | 18-19        | 19-20        | 20-21        | Total         |
| Forecast                               |  |  | £ 83,700,000  | £ 34,870,000 | £ 51,510,000 | £ 46,000,000 | £ 34,630,000 | £ 250,710,000 |
| Actual                                 |  |  | £ 119,383,080 | £ 15,760,970 | £ 76,444,220 | £ 19,277,975 |              | £ 230,866,245 |
| Variance                               |  |  | +43%          | -55%         | +48%         | -19%         | -100%        | -8%           |

### Commentary

Outputs - The Nottinghamshire Broadband project has connected an additional 169 premises to Superfast broadband and the Derbyshire Broadband programme has connected an additional 2,294 premises. 6,420 jobs were achieved in the Quarter 4 monitoring period against a total of 5031, which is a higher than expected figure due to the two broadband projects. In October 2017, the broadband projects and the LEP commissioned Regeneris to undertake a review of the impact on the economy of investment into superfast broadband. This report evidences a methodology which calculates the jobs created using Gross Value Added (GVA) from 4 types of benefits which are created by investment in superfast broadband; productivity benefits, innovation benefits, business start ups and flexible working benefits.

Not all projects have been able to report job outputs due to businesses being closed at the end of March, it is hoped these figures can be reported at a later date in the year. 1,178 learners have been delivered in Quarter 4, this large figure is mainly due to the reporting of the cumulative figures for Vision, following the reconciliation of their own learner numbers for the review and reprofile that took place in March. The target of -670 is a result of this reprofile to ensure the Vision project is showing the correct target figure for the end of quarter 4. All 3 learner projects continue to report close to target figures and overall learners are delivering 124% against its target (target 1709/actual 2122). Housing outputs had to be corrected this quarter due to an error on the Harworth project reported last quarter and therefore showing a distorted view of delivery on quarter 4. However they are still behind on their targets due to the Newark project. This continues its discussions with Homes England regarding funding and is working towards a resolution to solve the output delivery issues.

Additional outputs to be reported this quarter are 153 new cyclists from the D2N2 Sustainable Transport project.

The cumulative position on the number of learners supported who are defined as 'people engaged in learning activities' is that we have achieved 111,674 against a target for the programme of 147,000 to 2035.

Forecasts for projects who have had a reprofile approved have been updated.

Outturn/Expenditure – All projects have expenditure higher than grant given. All of the previous years underspend has been spent and we move into the 20/21 financial year with just

LEP Chief Executive Approved

|      |              |
|------|--------------|
| Name | Sajeeda Rose |
|------|--------------|

Signature \_\_\_\_\_

Date 24/07/2020

## Section 151 Officer Approved

|      |                |
|------|----------------|
| Name | Peter Handford |
|------|----------------|

Signature \_\_\_\_\_

Date 24/07/2020

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D2N2 Investment Board Cover Sheet – 4<sup>th</sup> August 2020

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

|                  |  |                    |   |
|------------------|--|--------------------|---|
| Meeting and Date | Investment Board 4 <sup>th</sup> August 2020 |                    |   |
| Subject          | Local Growth Fund Budget                     |                    |   |
| Author           | S Wainwright                                 | Total no of sheets | 3 |

|                          |                                   |                                     |   |
|--------------------------|-----------------------------------|-------------------------------------|---|
| 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****16<sup>th</sup> June 2020****Local Growth Fund Budget update**

Current forecast shows that in 2020/21 the programme is over committed by £2m following the approval onto the programme of the Automation and Robotics and YMCA Community and Activity Village at the last Investment Board.

2020/21 is the final year of the Local Growth Fund Programme, the full impact of Covid 19 is not fully realised at the time of writing but is expected to have an impact on projects ability to spend before the 31<sup>st</sup> March 2021 deadline and therefore be able to evidence expenditure. The LEP and Accountable Body are working closely with projects and grant profiles and expenditure figures for the remaining projects are being discussed and will be monitored closely throughout the year to ensure any grant given can be evidenced with expenditure. Government have confirmed there is no extension to the programme and all monies must be spent by 31<sup>st</sup> March 2020.

The overall budget position is shown in Appendix 1. The grant profile for the final year of the programme 20-21 is shown in Appendix 2.

## Appendix 1

| Local Growth Fund 6 year Grant/Expenditure sheet 21/07/2020           |              |              |              |              |              |              |                          |                           |                                  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|---------------------------|----------------------------------|
|   | 2015/16      | 16/17        | 17/18        | 18/19        | 19/20        | 20/21        |                          |                           |                                  |
| Project Name  | Annual       | Annual       | Annual       | Annual       | Annual       | Annual       | Total                    | Status                    | Date to be completed             |
| 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          |                                  |
| Enterprise zone sustainable transport package                         |              | 0.80         | 5.20         |              |              |              | 6.00                     | Project Finished          |                                  |
| A46 Corridor, Rushcliffe-Phase 1 and 2                                |              | 2.00         | 1.00         |              |              |              | 3.00                     | Project Finished          |                                  |
| Infinity Park, Derby  | 3.45         | 4.00         | 3.35         | 2.195        |              |              | 13.00                    | Ongoing                   | Mar-21                           |
| Nottingham Broadmarsh/Southern Gateway                                | 6.79         | 0.71         | 0.35         | 2.45         | 15.00        |              | 25.30                    | Ongoing                   | Mar-21                           |
| Newark Southern Link Road   | 1.00         | 6.00         |              |              |              |              | 7.00                     | Ongoing                   | tbc                              |
| Derby Cycling and Placemaking   |              |              | 0.84         | 0.71         | 0.09         |              | 1.65                     | Ongoing                   | Mar-20                           |
| Our City Our River, Derby   | 2.00         | 2.50         | 2.50         | 2.50         | 2.50         |              | 12.00                    | Ongoing                   | tbc                              |
| LEP Management & feasibility funds                                    | 0.56         | 0.18         | 0.16         | 0.19         | 0.19         | 0.20         | 1.47                     | Ongoing                   |                                  |
| Broadbands-Derbyshire   | 2.19         |              |              |              |              |              | 2.19                     | Ongoing                   | project extended until June 2020 |
| Broadbands-Nottinghamshire  | 2.63         |              |              |              |              |              | 2.63                     | Ongoing                   | project extended until Sept 2026 |
| D2N2 Sustainable Travel programme                                     |              | 2.48         | 2.38         | 0.95         |              |              | 5.80                     | Ongoing                   | Mar-20                           |
| A52 Wyvern  |              | 1.50         | 5.22         |              |              |              | 6.72                     | Ongoing                   | tbc                              |
| Tudor Cross (former Coalite)  |              | 5.80         |              |              |              |              | 5.80                     | Ongoing                   | 2024                             |
| Midland Mainline  |              |              | 5.00         |              |              |              | 5.00                     | Ongoing                   | Mar-21                           |
| Buxton Crescent   |              | 2.00         |              |              |              |              | 2.00                     | Ongoing                   | Apr-20                           |
| Silk Mill World Heritage Site   |              |              | 0.52         | 2.53         | 0.65         |              | 3.70                     | Ongoing                   | Feb-21                           |
| Nottingham City Hub   |              | 0.19         | 2.03         | 13.79        | 12.73        |              | 28.74                    | Ongoing                   | Feb-21                           |
| Nottingham City Hub - Enabling Works                                  |              |              | 0.22         | 0.57         | 0.00         | 0.46         | 1.25                     | Ongoing                   | Feb-21                           |
| N2 Town Centres   |              |              |              | 2.13         | 2.75         | 2.75         | 7.63                     | Ongoing                   | Mar-21                           |
| Nottingham Castle   |              |              |              | 5.00         |              |              | 5.00                     | Ongoing                   | Feb-21                           |
| Vesuvius  |              |              |              | 4.49         |              |              | 4.49                     | Ongoing                   | Mar-21                           |
| Riverside Business Park   |              |              |              |              | 0.75         | 2.60         | 3.35                     | Ongoing                   | Dec-26                           |
| NTU MTIF Centre   |              |              | 0.46         | 1.52         | 4.09         | 3.63         | 9.70                     | Ongoing                   | tbc                              |
| A61 Corridor-21st Century Transport                                   |              | 0.08         |              | 0.60         | 1.17         | 1.17         | 3.00                     | Ongoing                   | Mar-21                           |
| A61 Corridor-Standard Gauge   |              | 0.33         |              | 0.89         | 0.47         |              | 1.69                     | Ongoing                   | Dec-20                           |
| Gedling Access  |              |              | 0.50         |              | 3.08         | 7.22         | 10.80                    | Ongoing                   | Dec-22                           |
| Ashbourne Airfield  |              |              |              |              | 1.00         |              | 1.00                     | Ongoing                   | Dec-20                           |
| HS2 Strategic Sites   |              |              |              |              |              | 2.40         | 2.40                     | Ongoing                   | Mar-26                           |
| A61 Corridor-Chesterfield Station MasterPlan                          |              |              |              | 0.29         |              | 3.52         | 3.81                     | Ongoing                   | Dec-21                           |
| Top Wighay Farm   |              |              |              |              |              | 3.00         | 3.00                     | Ongoing                   | Mar-21                           |
| Castleward  |              |              |              |              |              | 1.51         | 1.51                     | Ongoing                   | Sep-21                           |
| Woodville-Swadlincote Regeneration route                              |              |              |              |              |              | 6.40         | 6.40                     | Ongoing                   | Sep-21                           |
| Nursing & Allied Health Provision-Mansfield                           |              |              |              |              |              | 0.58         | 0.58                     | Ongoing                   | Dec-20                           |
| Derby New Assembly Rooms  |              |              |              |              |              |              | 0.00                     | withdrawn                 |                                  |
| A61-The Avenue  |              | 0.10         |              | 0.27         | -0.37        |              | 0.00                     | withdrawn                 |                                  |
| A61 Corridor-Clowne North   |              |              |              |              |              |              | 0.00                     | withdrawn                 |                                  |
| Crocus Place  |              |              |              |              |              |              | 0.00                     | withdrawn                 |                                  |
| Becketwell  |              | 3.00         | 0.05         | 2.38         | 2.70         |              | 8.12                     | Pre-Compliance            | tbc                              |
| A46 Corridor, Rushcliffe-Phase 3                                      |              |              |              |              |              | 0.75         | 0.75                     | Not yet commenced         | tbc                              |
| Revitalising the Heart of Chesterfield                                |              |              |              |              |              | 0.65         | 0.65                     | Not yet commenced         | Nov-21                           |
| Heathcoat Immersive Incubator-Nottingham                              |              |              |              |              |              | 0.16         | 0.16                     | Not yet commenced         | tbc                              |
| The Smarter Connected Campus-NTU                                      |              |              |              |              |              | 0.80         | 0.80                     | Not yet commenced         | tbc                              |
| Tollbar House-Ilkeston  |              |              |              |              |              | 0.43         | 0.43                     | Not yet commenced         | Mar-21                           |
| Mushroom Farm Court Industrial Estates                                |              |              |              |              |              | 0.16         | 0.16                     | Not yet commenced         | tbc                              |
| Facility for OMICs Research in Metabolism                             |              |              |              |              |              | 0.85         | 0.85                     | Not yet commenced         | tbc                              |
| Automation and Robotics   |              |              |              |              |              | 0.67         | 0.67                     | Not yet commenced         | tbc                              |
| YMCA Community and Activity Village                                   |              |              |              |              |              | 2.20         | 2.20                     | Not yet commenced         | tbc                              |
| DCC Capital Programme   |              | 10.75        | 31.52        |              |              |              |                          | DCC projects used for u/s |                                  |
| <b>Total LGF Commitments</b>  | <b>39.05</b> | <b>55.40</b> | <b>66.39</b> | <b>45.66</b> | <b>46.40</b> | <b>42.09</b> | <b>252.71</b>            |                           |                                  |
| <b>Total LGF funding</b>  | <b>39.05</b> | <b>55.40</b> | <b>66.39</b> | <b>32.36</b> | <b>17.42</b> | <b>40.09</b> | <b>250.71</b>            |                           |                                  |
| <b>Annual (under)/over commitments (£M) based on current profiles</b> | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>13.30</b> | <b>28.98</b> | <b>2.00</b>  |                          |                           |                                  |
|   |              |              |              |              |              |              | <b>Overall Overspend</b> | <b>2.00</b>               |                                  |

## Appendix 2

| 20-21 Final Year of LGF programme            |              |               |               |              |               |
|--|--------------|---------------|---------------|--------------|---------------|
|  | Quarter 1    | Quarter 2     | Quarter 3     | Quarter 4    | Total         |
| LEP Management & feasibility funds           |              |               |               | 200,000.00   | 200,000.00    |
| Nottingham City Hub - Enabling Works         | 110,000.00   | 300,131.00    | 46,000.00     |              | 456,131.00    |
| N2 Town Centres                              | 500,000.00   | 500,000.00    | 745,444.00    | 1,000,000.00 | 2,745,444.00  |
| Riverside Business Park                      | 110,105.00   | 803,250.00    | 1,283,625.00  | 398,180.00   | 2,595,160.00  |
| NTU MTIF Centre                              |              | 3,628,472.54  |               |              | 3,628,472.54  |
| A61Corridor-21st Century Transport           |              |               | 1,165,791.00  |              | 1,165,791.00  |
| Gedling Access                               | 2,000,000.00 | 2,000,000.00  | 2,000,000.00  | 1,220,000.00 | 7,220,000.00  |
| H62 Strategic Sites                          | 445,666.00   | 570,000.00    | 1,200,000.00  | 184,334.00   | 2,400,000.00  |
| A61 Corridor-Chesterfield Station MasterPlan |              |               | 1,758,500.00  | 1,758,500.00 | 3,517,000.00  |
| Top Wighay Farm                              |              | 400,000.00    | 2,500,000.00  | 100,000.00   | 3,000,000.00  |
| Castleward                                   | 469,768.00   | 502,616.00    | 502,616.00    | 35,000.00    | 1,510,000.00  |
| Mushroom Farm Court Industrial Estates       |              |               |               | 155,000.00   | 155,000.00    |
| Woodville-Swadlincote Regneration route      |              | 3,400,000.00  | 1,500,000.00  | 1,500,000.00 | 6,400,000.00  |
| Nursing & Allied Health Provision-Mansfield  |              |               | 580,903.00    |              | 580,903.00    |
| Revitalising the Heart of Chesterfield       |              | 45,000.00     | 82,000.00     | 523,000.00   | 650,000.00    |
| Tollbar House-Ilkeston                       |              | 39,700.00     | 385,300.00    |              | 425,000.00    |
| Heathcoat Immersive Incubator-Nottingham     |              |               | 115,000.00    | 45,000.00    | 160,000.00    |
| The Smarter Connected Campus-NTU             |              | 50,000.00     | 750,000.00    |              | 800,000.00    |
| Facility for OMICs Research in Metabolism    |              |               |               | 850,000.00   | 850,000.00    |
| A46 Corridor, Rushcliffe-Phase 3             |              |               | 750,000.00    |              | 750,000.00    |
| Automation and robotics                      |              |               | 480,000.00    | 193,618.00   | 673,618.00    |
| YMCA Community and Activity Village          |              |               | 1,203,836.46  | 1,000,000.00 | 2,203,836.46  |
|  | 3,635,539.00 | 12,239,169.54 | 17,049,015.46 | 9,162,632.00 | 42,086,356.00 |

### D2N2 Investment Board - June 2020

Agenda Item 6

|                       |                                     |                                     |  |   |
|-----------------------|-------------------------------------|-------------------------------------|--|---|
| 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 – 4 <sup>th</sup> August 2020 |   |  |
| Subject          | D2N2 Milestones Update                              |   |  |
| Author           | T Goshawk   | Total no of sheets<br>(Excluding cover sheet) |  |

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

| 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 | 20/21 Profile       | Outputs                   | Current Position  | Milestones to track   |
|---|-----------------------|---------------------|---------------------------|---|---|
| <b>Becketwell</b><br><br>Derby City Council | December 2020         | Allocation utilised | 250 Jobs<br><br>224 homes | The planning permission for the site was originally submitted to Derby City Council on the 22 <sup>nd</sup> 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 - <b>February 2020 (Achieved)</b><br><br>Reserved Matters submission – <b>September 2020</b><br><br>Reserved Matters Decision – <b>December 2020</b> |

**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 | 20/21 Profile | Outputs  | Current Position  | Milestones to track  |
|---|-----------------------|---------------|----------|---|--|
| <b>A46 Corridor (Phase 3)</b><br><br>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 – <b>December 2019 (Complete)</b><br><br>Planning permission Secured - <b>April 2020 (Granted)</b><br><br>Tender out to contractors – <b>July 2020</b><br><br>Tenders in and contractor appointed – <b>October 2020</b> |

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

| Project Details   | FBC Approval to Board | 20/21 Profile | Outputs | Current Position   | Milestones to track   |
|---|-----------------------|---------------|---------|--|---|
| <b>Heathcoat Immersive Incubator</b><br><br>Nottingham City Council | September 2020        | £0.16m        | 9 Jobs  | The project was presented to the Investment Board on the 7 <sup>th</sup> of January to be placed on the Capital Programme. The project has seen a 1-month delay to the programme however the procurement process is due to begin this month. The project will still deliver before March 2021. | Outline Business Case submitted – <b>March 2020 (Submitted)</b><br><br>Tender process begins – <b>May 2020 (Complete)</b><br><br>Tenders returns received – <b>July (Complete)</b><br><br>Start on Site – <b>September 2020</b> |

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

| Project Details  | FBC Approval to Board | 20/21 Profile | Outputs | Current Position  | Milestones to track  |
|--|-----------------------|---------------|---------|---|--|
| <b>Smarter Connected Campus</b><br><br>Nottingham Trent University | September 2020        | £0.8m         | 45 Jobs | The project was presented to the Investment Board on the 7 <sup>th</sup> 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 – <b>July 2020</b><br><br>Procurement Complete – <b>August 2020</b><br><br>Build contract begins – <b>September 2020</b> |

**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 | 20/21 Profile | Outputs                     | Current Position   | Milestones to track  |
|---|-----------------------|---------------|-----------------------------|--|--|
| <b>OMICs Research Facility</b><br><br>University of Derby | September 2020        | £850k         | 833 Learners<br><br>27 Jobs | The project was presented to the 11 <sup>th</sup> of March 2020 Board as part of the four projects that were adopted on to the Capital Programme. The University of Derby are continuing to progress the project and issue the tenders for the equipment purchases in May. | Tenders published – <b>May 2020 (Complete)</b><br><br>All Tenders Awarded – <b>August 2020</b><br><br>LGF Financial Completion – <b>January 2021</b> |

**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              | 20/21 Profile | Outputs | Current Position  | Milestones to track   |
|--|------------------------------------|---------------|---------|---|---|
| <b>Mushroom Farm</b><br><br>Broxtowe Borough Council | June 2020 (Revised September 2020) | £0.15m        | 6 Jobs  | The project was presented to the 11 <sup>th</sup> of March 2020 Board as part of the four projects that were adopted on to the Capital Programme. Broxtowe BC have received tenders but will now go back to the market to get new costings following higher than expected prices from the exercise. | Tenders out to Contractors – <b>April 2020 (Complete)</b><br><br>New Tenders Received- <b>August 2020 (Complete July 2020)</b><br><br>FBC to Investment Board – <b>September 2020</b> |

**Recommendation** – The Investment Board are requested to accept the new timeline for the project and accept a business case in September 2020.

| Project Details  | FBC Approval to Board | 20/21 Profile | Outputs      | Current Position   | Milestones to track   |
|--|-----------------------|---------------|--------------|--|---|
| <b>Automation and Robotics</b><br><br>West Notts College | September 2020        | £673,618      | 470 Learners | The project was brought on to the LGF Pipeline at the 16 <sup>th</sup> of June Investment Board meeting and will be presented to the September 2020 meeting. | Tenders out to Contractors – <b>April 2020 (Complete)</b><br><br>New Tenders Received- <b>August 2020 (Complete)</b><br><br>FBC to Investment Board – <b>September 2020</b> |

**Recommendation** – The Investment Board are requested to accept the new timeline for the project and accept a business case in September 2020.

| Project Details  | FBC Approval to Board | 20/21 Profile | Outputs                        | Current Position   | Milestones to track  |
|--|-----------------------|---------------|--------------------------------|--|--|
| <b>YMCA Community and Activity Village</b><br><br>YMCA | September 2020        | £2.2m         | 200 Jobs<br><br>2,150 Learners | The project was brought on to the LGF Pipeline at the 16 <sup>th</sup> of June Investment Board meeting and will be presented to the September 2020 meeting. | FBC Submitted to the LEP – <b>August 2020</b><br><br>FBC to Investment Board – <b>September 2020</b> |

**Recommendation** – The Investment Board are requested to accept the new timeline for the project and accept a business case in September 2020.

Agenda item 8

D2N2 Investment Board (IB) Cover Sheet – 4<sup>th</sup> August 2020

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

|                  |  |                    |   |
|------------------|--|--------------------|---|
| Meeting and Date | 4 <sup>th</sup> August 2020                            |                    |   |
| Subject          | Approval of the Revitalising the Heart of Chesterfield |                    |   |
| Author           | T Goshawk/S Wainwright                                 | Total no of sheets | 7 |

|                          |  |                                     |                                      |
|--------------------------|--|-------------------------------------|--------------------------------------|
| Papers are provided for: | Approval <input checked="" type="checkbox"/> | Discussion <input type="checkbox"/> | Information <input type="checkbox"/> |
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|  |
|--|
| Summary and Recommendation(s)  |
| <p>This paper sets out a request for £650,000 of Local Growth Funding to support the Revitalising the Heart of Chesterfield.</p> <p>The project is now compliant with the LAF and after a review of the business case, D2N2 recommends that the project is approved by the Investment Board.</p> |

## **D2N2 INVESTMENT BOARD**

**4<sup>th</sup> August 2020**

### **Revitalising the Heart of Chesterfield**

#### **1.0 Background**

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 54 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

#### **2.0 Scheme Overview**

Revitalising the Heart of Chesterfield comprises of two elements; the reconfiguration of the town centre outdoor market to make it a more attractive proposition for both traders and shoppers; and the delivery of an enhanced public realm in the town's Northern Quarter. D2N2 funding provides the opportunity to add value to this scheme by enabling an upgrade of the improvement works to the outdoor market and an extension of the public realm works to include Packers Row, a key pedestrian route way in the town centre and to upgrade the market to a better specification using the D2N2 funding.

Changing patterns of retailer and consumer behaviour are combining to create challenging market conditions for Chesterfield town centre. In response to these challenges, the Council is seeking to strengthen the overall appeal of the town centre, to make it a place that more people want to visit and enjoy spending longer periods of time in. This scheme supports this aim by delivering a high quality public realm and re-establishing the outdoor market as a key footfall attractor for the town centre.

Funding from the Council will enable the delivery of the level 1 lowest cost option. These works will include: the retention and repair of existing stall structures; new tensile covers and guttering for the stalls; improved lighting and power; improved access and stall configuration; general paving repairs; and new flexible trading areas created. The cost of option 1 is £800k. Additional funding of £350k from D2N2 will enable the market redevelopment to be 'upgraded' to the level 2 option. This would be as option 1, plus the construction of new stall beds (and further adaptation of stall structures) to allow greater flexibility in market configuration. Instead of just reducing the total number of stall rows to improve sight lines and accessibility for shoppers (as per option 1), option 2 will allow two stall rows to be aligned side by side, increasing the area of wet weather protection for traders and shoppers, as well as allowing for 360 degree trading, instead of single row trading (where it is not always clear which is the front and which is the back of the stall) as is the case at present.

The current public realm scheme is focused on providing an appropriate setting for the redevelopment of the town centre's 'northern quarter'. Upgraded public realm will not only boost investor / occupier confidence in the area (this is seen as a particular requirement to attract new food and drink uses), but also create an attractive pedestrian routeway between the significant level of car-parking provision in the northern quarter and the retail core. To achieve this, the projects public realm design seeks to reduce vehicular dominance by re-proportioning road and footpath widths, re-balancing the street in favour of the pedestrian. This enables streetscene activation through greater use of pavement space including outdoor seating for restaurants and cafes. Street furniture will be rationalised and trees added to improve air quality and enhance the town's existing green infrastructure. Key pedestrian crossing points will be improved to better manage traffic flow and give a greater priority to pedestrians. These works relate specifically to Elder Way and Knivesmithgate, however D2N2 funding provides the opportunity to now extend these works along Packers Row, providing a high quality pedestrian link to the retail core and an upgraded public realm as a basis for attracting new retail investment.

The funding for the project is sourced from the following:

| <b>Funding Source</b>                 | <b>TOTAL</b>      |
|---------------------------------------|-------------------|
| Chesterfield Borough Council          | £350,000          |
| Derbyshire Business Rates Growth Fund | £1,050,000        |
| Sheffield City Region (SCRIF)         | £1,200,000        |
| Local Growth Fund                     | £650,000          |
| <b>TOTAL</b>                          | <b>£3,250,000</b> |

### **3.0 Approvals**

Approval of the project was given by the Council at the Council meeting on the 17<sup>th</sup> July, item 15. The delivery of the project is included as a key milestone in the Council Plan 2019-2023 and Delivery Plan for 20/21 which was approved by Cabinet on the 25<sup>th</sup> February 2020, item 106.

### **4.0 Procurement**

Chesterfield Borough Council are a partner in a Shared Procurement Unit with other local authorities that is led by Chesterfield Hospital NHS Trust. For the public realm works the Northern Gateway Board will officially appoint the construction contractor on the 28<sup>th</sup> July 2020.

### **5.0 State Aid**

The promoter has confirmed the project is State Aid compliant and advice has been sort by the Chesterfield Borough Council legal section

## **6.0 Business Case**

The business case has been forwarded to Regeneris Hatch and they have confirmed that the project represents Good Value for Money.

## **7.0 Delivery Programme**

Public Realm works begin on site-October 2020

Public Realm works complete-May 2021

Market Place fully designed-June 2021

Market Place works begin-August 2021

Market Place works complete-November 2021

## **8.0 Outputs and Outcomes**

66 new jobs

80 safeguarded jobs

## **9.0 Spending profile**

20/21 £650,000

## **10.0 Local Assurance Framework**

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 £650,000 of LGF.

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

## Appendix 1

### Local Assurance Framework

#### Final stage Approval Check List:

|   |  |
|---|--|
| 1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.  | A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.   |
| 2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.  | A Value for Money assessment has been carried out and the project is confirmed as offering Good Value for Money.   |
| 3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.   | No planning consents are required  |
| 4. Confirmation that any Section 106 or other agreements have been entered into.  | The S278 agreement between Chesterfield Borough Council and Derbyshire County Council will be agreed before the end of July 2020.  |
| 5. Confirmation of the results of the procurement exercise detailing:<br>-the tenders received (along with detailed costs)<br>-the tender accepted (along with timescales/conditions) | An open tender procurement has taken place using the Shared Procurement Unit which is led by Chesterfield Hospital NHS Trust.  |
| 6. Details of the construction contract to be entered into by the promoter detailing:<br>-start date<br>-completion date<br>-liquidated damages/cost over runs                        | The contract awarded will be a JCT Intermediate Build Contract with Contractor Design 2016 with schedule of works and CBC Amendments.<br>Any cost overruns will be covered by Chesterfield Borough Council |

Appendix 1

|  |  |                       |               |
|--|--|-----------------------|---------------|
| 7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.      | Chesterfield Borough Council has confirmed they will be responsible for any cost overruns  |                       |               |
| 8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.  | Final designs will be agreed with Derbyshire County Council as Highways Authority before the end of July 2020.   |                       |               |
| 9. Details of any outstanding points preventing/delaying the start-up of the construction contract.  | n/a  |                       |               |
| 10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC. | n/a  |                       |               |
| 11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.                | All funding is in place. Grant agreements have been entered into for the SCRIF and Business Rates grants. Funding from Chesterfield Borough Council was agreed at Council on 17 <sup>th</sup> July 2019. |                       |               |
| 12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project   | The Packers Row land is highways land and owned by the County Council. A S278 is to be entered into to allow work to be completed.   |                       |               |
| 13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.  |  | Safeguarded jobs (80) | New jobs (66) |
|  | Year 2021  | 80                    | 22            |
|  | Year 2022  |                       | 22            |

Appendix 1

|   |   |    |    |
|---|---|----|----|
|   | Year 2023   |    | 22 |
|   | total   | 80 | 66 |
|   |   |    |    |
| 14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan. | A risk register has been provided including any mitigations |    |    |

Agenda item 9

D2N2 Investment Board (IB) Cover Sheet – 4<sup>th</sup> August 2020

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

|                  |   |                    |  |
|------------------|---|--------------------|--|
| Meeting and Date | 4 <sup>th</sup> August 2020                               |                    |  |
| Subject          | Approval of the Revitalising the Toll Bar House, Ilkeston |                    |  |
| Author           | T Goshawk/S Wainwright                                    | Total no of sheets |  |

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

|  |
|--|
| Summary and Recommendation(s)  |
| <p>This paper sets out a request for £425,000 of Local Growth Funding to support Toll Bar House, Ilkeston.</p> <p>The project is now compliant with the LAF and after a review of the business case, D2N2 recommends that the project is approved by the Investment Board.</p> |

**D2N2 INVESTMENT BOARD****4<sup>th</sup> August 2020****Toll Bar House, Ilkeston****1.0 Background**

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 54 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

**2.0 Scheme Overview**

The Toll Bar House project will upgrade, redevelop and revitalise this iconic building set on a prominent location on the gateway to Ilkeston town. The building has recently become vacant after its long time public sector tenant vacated and has little prospect of finding a new occupier in its current form. The proposal is to futureproof the building with a programme of upgrades and redevelopment to make it into an energy and water efficient building to help combat climate change. The refurbishment will make accommodation suitable for small and growing companies where office space is constrained in Ilkeston.

Toll Bar House is redundant in its current form. It is a large office which has historically only ever been occupied by public sector tenants. There is no demand for accommodation in the area from this kind of organisation. Additionally the building's energy efficiency survey indicated below average rating. Investment is needed now to repurpose this iconic building for the future and prevent it being mothballed and becoming a burden to the public sector.

## Agenda item 9

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

The project aligns with the LEPs strategic ambitions to develop our places and improve the economic prosperity of the town of Ilkeston. Alongside this ambition to improve the economy of the town, this project aligns to the clean growth ambition by repurposing this space to become an energy efficient building.

The programme of refurbishment will include reconfiguring the space to form:

- 22 Managed offices with shared meeting rooms and kitchen and bathroom facilities
- The flexibility to combine spaces as required to create larger letting units
- Development of the old garages to form a workshop

The funding for the project is sourced from the following:

| <b>Funding Source</b>   | <b>TOTAL</b>    |
|-------------------------|-----------------|
| Erewash Borough Council | £425,000        |
| Local Growth Fund       | £425,000        |
| <b>TOTAL</b>            | <b>£850,000</b> |

### **3.0 Approvals**

Funding for the project was approved by the Council Executive on the 2<sup>nd</sup> June 2020.

### **4.0 Procurement**

Agenda item 9

Using the framework Fusion21, the Council has selected a preferred supplier. The Fusion21 framework is a compliant route to market as it is open to all local authorities to utilise providing an access agreement is completed, this was completed in February 2020 for Erewash Borough Council.

## **5.0 State Aid**

The project has been confirmed as State Aid compliant by Erewash Borough Council's Monitoring Officer.

## **6.0 Business Case**

The business case has been forwarded to Hatch Regeneris and they have confirmed that the project represents Good Value for Money.

## **7.0 Delivery Programme**

On site works begin-September 2020

Service isolation and strip put-September/October 2020

First fix and external brickwork repair-October/November 2020

Suspended Ceilings and external concrete repairs-November/December 2020

Heating, lighting and window installation-November 2020/February 2021

Decorate throughout-January/February 2021

Occupation-March 2021

## **8.0 Outputs and Outcomes**

92 new jobs

1,106m<sup>2</sup> refurbishment employment space

23 businesses accommodated

## **9.0 Spending profile**

20/21 £425,000

## **10.0 Local Assurance Framework**

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 £425,000 of LGF.

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

## Appendix 1

### Local Assurance Framework

#### Final stage Approval Check List:

|   |  |
|---|--|
| 1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.  | A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.       |
| 2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.  | A Value for Money assessment is currently being carried out by external consultants and the project represents good Value for Money. |
| 3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.   | Planning permission to replace the windows was given on the 12 <sup>th</sup> March 2020.   |
| 4. Confirmation that any Section 106 or other agreements have been entered into.  | n/a  |
| 5. Confirmation of the results of the procurement exercise detailing:<br>-the tenders received (along with detailed costs)<br>-the tender accepted (along with timescales/conditions) | The promoter has used the Fusion21 framework, a preferred contractor has been selected.  |
| 6. Details of the construction contract to be entered into by the promoter detailing:<br>-start date<br>-completion date<br>-liquidated damages/cost over runs                        | The construction contract will be a JCT Constructing Excellence contract.  |
| 7. Confirmation that the promoter will be responsible for any variations to the contract price and that once  | The promoter has confirmed they will be responsible for any cost overruns.   |

Appendix 1

|  |   |
|--|---|
| entered into, the contract will be completed in line with the details submitted.   |   |
| 8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.  | The project is fully designed   |
| 9. Details of any outstanding points preventing/delaying the start-up of the construction contract.  | n/a   |
| 10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC. | n/a   |
| 11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.                | Funding was agreed by Erewash Borough Council at the Council Executive on the 2 <sup>nd</sup> June 2020.  |
| 12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project   | All land is in the ownership of Erewash Borough Council   |
| 13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.  | Current tenant vacates-4 <sup>th</sup> August 2020<br>On site works begin-September 2020<br>Service isolation and strip put-September/October 2020<br>First fix and external brickwork repair-October/November 2020 |

Appendix 1

|   |  |
|---|--|
|   | <p>Suspended Ceilings and external concrete repairs-<br/>November/December 2020</p> <p>Heating, lighting and window installation-November<br/>2020/February 2021</p> <p>Decorate throughout-January/February 2021</p> <p>Occupation-March 2021</p> |
| 14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan. | A risk register has been provided including mitigations  |

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PUBLIC

Agenda Item 3

**MINUTES** of a meeting of the **D2N2 INVESTMENT BOARD** held on 4 August 2020 via Microsoft Teams

**PRESENT**

D Williams (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) and J White (Bassetlaw District Council) and J Bradley-Fortune (Inclusion Representative)

Also in Attendance: J Battye (Derbyshire County Council) J Davies (Gedling Borough Council), N Cockrell (Bassetlaw District Council) C Durrant (Chesterfield Borough Council), T Goshawk (D2N2 LEP), N Johnson (Chesterfield Borough Council), S Rose (D2N2 LEP), P Seddon (Nottingham City Council), J Stuart (Erewash Borough Council) C Williams (Derby City Council) and D Wright (CLGU).

Apologies for absence were submitted on behalf of E Fagan (D2N2 LEP)

**64/20      DECLARATIONS OF INTEREST** There were no declarations of interest

**65/20      MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 16 June 2020.

**66/20      D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW** Board members were given an overview of the LEPs Local Growth Fund programme.

Covid 19 had had an impact on many parts of the programme and the report highlighted the current position of the 'live and upcoming' projects in the programme and the mitigation strategy where there was one in place. Annex A to the report provided an update to the Getting Building Fund submission; Annex B outlined a project change request for Vesuvius Works; and Annex C provided a copy of the LGF Q4 2019/20 Monitoring Spreadsheet.

Coming into the last year of the programme the LEP had £40,086,356 of its £250.7m Local Growth Fund budget left to spend before the March 2021 deadline. Of the £40m allocated within this year, D2N2 had recorded £7,581,062 in the first financial quarter of the year. LEP Officers were working closely with project sponsors for all projects that were 'live' and still 'awaiting approval' to monitor the ability to spend by the deadline, based on spend to date and forecast spend officers were confident this figure could be met.

At this moment in time based on the current assessment of the programme and if all the projects were approved as set out, it was believed that the LEP would be on track to deliver the full programme target by the end of this financial year. The LEP had also over profiled by £2M to provide a buffer against any underspends.

A full budget breakdown was included in a separate paper at the meeting which includes both the financial position of the overall programme from 2015-2021 as well as a breakdown of each project's LGF drawdown for each financial quarter in 2020/21.

The LEP had recently been engaged within a pipeline process to determine projects for submission to the Government's new 'Getting Building Fund'. Following this process 10 projects totalling £46,657,000 had been submitted to the Government, although next steps at the time of writing the report were unknown for the fund, D2N2 would engage with the project sponsors once they were known. Further details of the process and projects were highlighted in Annex A to the report, which board members had received in advance of the meeting. All projects put forward were still subject to final approval by the minister and would need to deliver a full business case compliant with the Local Assurance Framework, addressing any issues highlighted during the initial assessment.

In order to be able to respond to future funding calls with efficiency the LEP were looking to prepare a pipeline of projects which could be called upon to submit to Government. Therefore, a new call for projects would be announced on the 5<sup>th</sup> of August and will open this to all parties to submit priorities for scoring. Further details around timescales will be provided as part of the call for projects on the 5<sup>th</sup> of August.

Detailed at Appendix B to the report was a change request from the project sponsor for Vesuvius works. They were requesting a change for 95 jobs to move from Q1 2020/21 to Q3 2020/21. The main contractor on the site was put in to administration in December 2019 which caused delays to the project. Following this and the Covid 19 outbreak there had been a reduced workforce on the site and the opening of the new food store is delayed as a result. The project would deliver its first 95 jobs two quarters later than profiled however this would still return the job delivery in this financial year so won't affect programme outputs. LEP Officers recommended that the request be approved and D2N2 will continue to work with the sponsor to mitigate these circumstances and accelerate delivery where possible.

Annex C provided a copy of the LGF Q4 2019/20 Monitoring Spreadsheet.

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

**RESOLVED** (1) to note the current position on the programme and the update on each of the projects;

(2) that the change request from the sponsors of Vesuvius Works for 95 jobs to move from Q1 2020/21 to Q3 2020/21 be approved; and

(3) that the link to the decision on the GBF bid be forwarded to Board Members.

**67/20      LOCAL GROWTH FUND BUDGET** Current forecast showed that in 2020/21 the programme was over committed by £2m following the approval onto the programme of the Automation and Robotics and YMCA Community and Activity Village at the last Investment Board

2020/21 was the final year of the Local Growth Fund Programme, the full impact of Covid 19 was not fully realised at the time of writing the report but was expected to have an impact on projects ability to spend before the 31<sup>st</sup> March 2021 deadline and therefore be able to evidence expenditure. The LEP and Accountable Body were working closely with projects and grant profiles and expenditure figures for the remaining projects were being discussed and would be monitored closely throughout the year to ensure any grant given could be evidenced with expenditure. Government had confirmed there was no extension to the programme and all monies must be spent by 31<sup>st</sup> March 2021.

The overall budget position was detailed in Appendix 1 to the report with the grant profile for the final year of the programme 2020/21, shown at Appendix 2

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

**RESOLVED** that the report be noted.

**68/20      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 some of the promoters at the meeting.

**Becketwell (Derby City Council)** The Investment Board were requested to agree 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.

**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

**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 September.

**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.

**OMICs Research Facility** - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in September 2020.

**Mushroom Farm** - The Investment Board were requested to accept the new timeline for the project and accept a Business Case in September 2020.

**Automation and Robotics** - The Investment Board were requested to accept the new timeline for the project and accept a Business Case in September 2020.

**YMCA Community and Activity Village** - The Investment Board were requested to accept the new timeline for the project and accept a Business Case in September 2020.

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

**RESOLVED** to approve the recommendations above, as detailed in the report.

**69/20**      **EVALUATION OF LGF** Heather Frecklington, Focus Consultants attended the meeting presented the Board with the findings of the Local Growth Fund Mid Term Evaluation, which had looked at 21 completed or near completed projects.

The evaluation provided, completed project maps, geographical analysis, outputs, and economic and social impacts.

In conclusion it was considered that:

- The approach to higher spending in the city areas may be something that could be further investigated in the emerging Local Industrial Strategy;
- Overall progress against outputs was positive. In many cases, project outputs had already been achieved or in several cases exceeded;
- Other projects still had significant progress to make including Derby College Technology Hub, Harworth Access Road, Infinity Park Derby, Vision University Centre and the Rail Research and Innovation Centre;
- It was not unusual for project output achievements to trail behind programme expenditure but the analysis did demonstrate the variance between the different types of projects in terms of output achievement;

- The cost per output analysis demonstrated that sometimes smaller levels of investment could offer better value for money than larger investments, particularly in the short to medium term;
- The economic impact showed that once all of the outputs forecast by the projects had been achieved there was the potential to bring additional economic benefits worth circa £1.2bn per annum;
- To date we can calculate that the project has created circa 3,264 jobs for D2N2, which has the potential to generate an additional £186 million GVA for the local economy per annum; and
- value for money and return on investment are strong

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

**RESOLVED** (1) to note the Local Growth Fund Mid Term Evaluation; and

(2) that the presentation slides and full reports be circulated to Board Members

**70/20      PROJECT FOR APPROVAL – REVITALISING THE HEART OF CHESTERFIELD** Board Members were informed of a request for £650,000 of Local Growth Funding to support the Revitalising the Heart of Chesterfield Project. The project comprised of two elements; the reconfiguration of the town centre outdoor market to make it a more attractive proposition for both traders and shoppers; and the delivery of an enhanced public realm in the town's Northern Quarter. D2N2 funding provided the opportunity to add value to the scheme by enabling an upgrade of the improvement works to the outdoor market and an extension of the public realm works to include Packers Row, a key pedestrian route way in the town centre and to upgrade the market to a better specification using the D2N2 funding.

Changing patterns of retailer and consumer behaviour were combining to create challenging market conditions for Chesterfield town centre. In response to these challenges, the Council was seeking to strengthen the overall appeal of the town centre, to make it a place that more people wanted to visit and enjoy spending longer periods of time in. The scheme supported this aim by delivering a high quality public realm and re-establishing the outdoor market as a key footfall attractor for the town centre.

Funding from the Council would enable the delivery of the level 1 lowest cost option. These works would include: the retention and repair of existing stall structures; new tensile covers and guttering for the stalls; improved lighting and power; improved access and stall configuration; general paving repairs; and new flexible trading areas created. The cost of option 1 was £800k. Additional funding of £350k from D2N2 would enable the market redevelopment to be 'up-graded' to the

level 2 option. This would be as option 1, plus the construction of new stall beds (and further adaptation of stall structures) to allow greater flexibility in market configuration. Instead of just reducing the total number of stall rows to improve sight lines and accessibility for shoppers (as per option 1), option 2 will allow two stall rows to be aligned side by side, increasing the area of wet weather protection for traders and shoppers, as well as allowing for 360 degree trading, instead of single row trading (where it was not always clear which was the front and which was the back of the stall) as is the case at present.

The current public realm scheme is focused on providing an appropriate setting for the redevelopment of the town centre's 'northern quarter'. Upgraded public realm would not only boost investor / occupier confidence in the area (this was seen as a particular requirement to attract new food and drink uses), but also created an attractive pedestrian routeway between the significant level of car-parking provision in the northern quarter and the retail core. To achieve this, the projects public realm design sought to reduce vehicular dominance by re-proportioning road and footpath widths, re-balancing the street in favour of the pedestrian. This enables streetscene activation through greater use of pavement space including outdoor seating for restaurants and cafes. Street furniture would be rationalised and trees added to improve air quality and enhance the town's existing green infrastructure. Key pedestrian crossing points would be improved to better manage traffic flow and give a greater priority to pedestrians. These works related specifically to Elder Way and Knifemithgate, however D2N2 funding provided the opportunity to now extend these works along Packers Row, providing a high quality pedestrian link to the retail core and an upgraded public realm as a basis for attracting new retail investment.

The funding for the project now was sourced from the following:

| <b>Funding Source</b>                 | <b>TOTAL</b>      |
|---------------------------------------|-------------------|
| Local Growth Fund                     | £1,500,000        |
| Section 106                           | £1,350,000        |
| Derby City Council                    | £750.000          |
| Homes England Housing Investment Fund | £4,500,000        |
| <b>TOTAL</b>                          | <b>£8,100,000</b> |

Details were given of the Approvals, Procurement and State Aid

A Business Case for the project had been forwarded to Hatch Regeneris who had deemed that the project represented Good VFM.

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

The project was now compliant with the LAF and after a review of the business case, D2N2 recommended that the project be approved by the Investment Board

A McCormick and P Middleton, Chesterfield Borough Council, attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

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

**RESOLVED** to approve the project and to release the £650,000 of LGF grant to Chesterfield Borough Council.

**71/20      PROJECT FOR APPROVAL – TOLL BAR HOUSE, ILKESTON** Board Members were informed of a request for £425,000 of Local Growth Funding to support the Toll Bar House, Ilkeston project. The Toll Bar House project would upgrade, redevelop and revitalise the iconic building set on a prominent location on the gateway to Ilkeston town. The building had recently become vacant after its long time public sector tenant vacated and has little prospect of finding a new occupier in its current form. The proposal is to futureproof the building with a programme of upgrades and redevelopment to make it into an energy and water efficient building to help combat climate change. The refurbishment would make accommodation suitable for small and growing companies where office space was constrained in Ilkeston.

Toll Bar House was redundant in its current form. It was a large office which had historically only ever been occupied by public sector tenants. There was no demand for accommodation in the area from this kind of organisation. Additionally the building's energy efficiency survey indicated below average rating. Investment was needed now to repurpose this iconic building for the future and prevent it being mothballed and becoming a burden to the public sector.

The proposal for Toll Bar House was to update and refurbish this art deco landmark building to make it suitable for modern, high value office requirements. The project would include upgrading the heating and lighting systems, fitting more energy efficient windows, insulation and water systems. These would be more economical for the occupants to run, help limit climate change and improve the appeal of the letting offer.

The project aligned with the LEPs strategic ambitions to develop our places and improve the economic prosperity of the town of Ilkeston. Alongside this ambition to improve the economy of the town, this project aligns to the clean growth ambition by repurposing this space to become an energy efficient building.

The programme of refurbishment would include reconfiguring the space to form:

- 22 Managed offices with shared meeting rooms and kitchen and bathroom facilities
- The flexibility to combine spaces as required to create larger letting units
- Development of the old garages to form a workshop

The funding for the project is sourced from the following:

| <b>Funding Source</b>   | <b>TOTAL</b>    |
|-------------------------|-----------------|
| Erewash Borough Council | £425,000        |
| Local Growth Fund       | £425,000        |
| <b>TOTAL</b>            | <b>£850,000</b> |

Details were given of the Approvals, Procurement and State Aid

A Business Case for the project had been forwarded to Hatch Regeneris who had deemed that the project represented Good VFM.

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

The project was now compliant with the LAF and after a review of the business case, D2N2 recommended that the project be approved by the Investment Board

I Sankey and O Dove, Erewash Borough Council attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

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

**RESOLVED** to approve the project and to release the £425,000 of LGF grant to Erewash Borough Council

**72/20      DATE OF NEXT MEETING** The next meeting of the Investment Board would be take place on 9 September 2020.

**73//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 consider the report on Growing Places Fund (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
2. Pipeline Project (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).