

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

Tuesday, 27 October 2020

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **10.00 am** on **Wednesday, 4 November 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

AGENDA

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 D2N2 Investment Board (IB) held on 12 October 2020

4. D2N2 Capital Programme Performance Overview (Pages 13 - 16)
5. Capital Programme Budget (Pages 17 - 22)
6. Output Performance Update - Quarter 2 (Pages 23 - 28)
7. D2N2 Milestones Update (Pages 29 - 34)
8. Project for Approval - Glossop Municipal Buildings (Pages 35 - 50)
9. Project for Approval - Centre of Excellence, Modern Construction and Digital Technologies (Pages 51 - 64)
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 65 - 68)
12. Date of Next Meeting
Wednesday 9 December 2020 at 1.00pm
13. Minutes of meeting held on 4 November 2020 (Pages 69 - 78)

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Agenda Item 3

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 12 October 2020 via Microsoft Teams

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors P Gilby (Chesterfield Borough Council), M Holmes (Derby City Council), R Jackson (Nottinghamshire County Council), and J White (Bassetlaw District Council)

Also in Attendance: D Ashcroft (Derbyshire County Council), J Battye (Derbyshire County Council), C Clulow (Nottinghamshire County Council), N Cockrell (Bassetlaw District Council), J Davies (Gedling Borough Council), C Durrant (Chesterfield Borough Council), A Evans (Nottinghamshire County Council), Tim Gregory (Derbyshire County Council), T Goshawk (D2N2 LEP), J Lake (Derbyshire County Council), R Lister (Thomas Lister Ltd), N Mc-Coy Brown (Nottinghamshire County Council), W Morlidge (D2N2 LEP), S Rose (D2N2 LEP), I Sankey (Erewash Borough Council), P Seddon (Nottingham City Council), N Stevens (Nottinghamshire County Council), N Taylor (Bassetlaw District Council) D Tuer (D2N2 LEP), Sarah Wainwright (Accountable Body) C Williams (Derby City Council) and D Wright (CLGU)

Apologies for absence were submitted on behalf of, Councillors W J Clarke (Gedling Borough Council), C Hart (Erewash Borough Council), B Lewis (Derbyshire County Council), S Webster (Nottingham City Council) and D Williams (D2N2 LEP) and J Bradley-Fortune (Inclusion Representative).

91/20 **DECLARATIONS OF INTEREST** There were no declarations of interest

92/20 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 9 September 2020

93/20 **D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW** Board members were given an overview of the LEPs Local Growth Fund programme and Getting Building Fund programme including an update on progress against the financial targets for this year.

Coming into the last year of the Local Growth Fund 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 have recorded £8,977,821 of actual spend in the first financial quarter of the year. Q2 monitoring submissions were being fed in to the LEP currently and a report of the progress on spend would be presented at the next meeting .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 that this figure could be met.

Following the September Investment Board there were now only two projects left to approve in the Local Growth Fund Programme and these were detailed further in the Capital Programme milestones paper to be considered at this meeting.

At this moment in time based on the current assessment of the programme and if all the projects were approved as set out, officers believed that the LEP would be on track to deliver the full programme target by the end of this financial year and had also over profiled by £1.8M to provide a buffer against any underspends.

A full budget breakdown is included within in a separate report t this meeting 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.

No specific projects are being raised as high risk to this meeting of the Investment Board and all projects with spend allocations remaining were continuing to spend to the profile.

Specific highlights to note from the Local Growth Fund programme were:

- **NTU MTIF Centre** – The first phase of the project had now reached practical completion on the NTU Clifton Campus and the facility was now being furnished to be ready for new businesses to move into the facility. Work continues on the Boots Enterprise Zone phase of the project.
- **Museum of Making** – The project had now sourced additional funding to be able to facilitate all the original works to the site as planned and will now be completed ready for an official opening next spring.
- **City Hub** – After minor delays the college would be achieving completion of the build in October and subsequently the remainder of the Enabling works around the site will take place after this. The college were preparing to open the facility to students in January.

The D2N2 Pipeline call closed on the 11th of September and had received 40 applications to the call from 27 project sponsors. All of the projects had been independently scored and assessed and are presented in a separate item to this meeting

On the 21st of September, the D2N2 LEP team and Accountable Body had the Mid-year review of its performance with colleagues from the BEIS Local team to discuss the progress of the LEP and its capital programme. The review incorporated discussions around Strategy, Governance and Delivery to date within this financial year and serves as a check on how well the LEP is performing before the Annual Performance Review which is anticipated to take place in January 2021.

Overall the BEIS Local team were pleased with the performance of the LEP and its Capital Programmes so far within this year and could see that good progress that had been made in particular on the performance of LGF. The discussions also included future planning and forecasting with regards to the Getting Building Fund which would begin to deliver projects in this financial year.

Whilst progress had been good to date the government were still expecting that the LEP would fully utilise its allocation of LGF by the 31st of March 2021 deadline and were keen to see that Getting Building Fund projects were approved and delivered in anticipation of the 31st of March 2022 end date.

Following the announcement of the Getting Building Fund projects in August, D2N2 had now received the formal confirmation of their grant funding with the grant offer letter from MHCLG on the 25th of September. The LEP had been given an even split of funding with £22.2m to spend in the 2020/21 financial year and £22.2m in the 2021/22 financial year.

In line with the final submission sent to Government of the finalised projects list the LEP would not be able to draw down the full Getting Building Fund allocation within this financial year. The LEP would continue to work with project sponsors to accelerate spend where possible and any underspends would be utilised by Derbyshire County Council's capital reserve in line with the Governments acceptance of freedoms and flexibilities in Capital funding management.

Milestones for each project were included within papers to be considered at this meeting and the first two projects were presented for approval at this meeting.

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

RESOLVED to note the current position on the programmes and the update on projects

94/20 **CAPITAL PROGRAMME BUDGET** In relation to the Local Growth Fund current forecasts showed that in 2020/21 the programme was over committed by £1.85 m.

The LEP and Accountable Body continued to work closely with projects regarding grant profiles and expenditure figures for the remaining projects 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 31st March 2020.

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

In relation to the Getting Building Fund, on the 25th September 2020 D2N2 received their grant offer agreement from Government confirming the £44.4m allocation and the payments schedule of £22.2m in 2020/21 and £22.2m in 21/22.

All projects within the programme had now submitted their spend profiles to the LEP and Accountable Body and were detailed at Appendix 3 to the report.

LEP's had been given permission to utilise their freedoms and flexibilities with their Accountable Body to allow any cash underspends in 20/21 to be spent using other capital expenditure from the Accountable Body, with the funding being returned to the LEP in the following year.

The programme was overcommitted by £2.432m which would be funded by using the Growing Places Fund (GPF).

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

RESOLVED that the report be noted.

95/20 **D2N2 MILESTONES - UPDATE** The Board were asked to note the Milestones report on the D2N2 LGF and Getting Building Fund Programmes

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.

Local Growth Fund

Becketwell (Derby City Council) - The Investment Board was advised to note the change to a January Business Case for approval due to the Planning Committee taking place in January and were requested to approve the new January FBC submission date.

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.

Getting Building Fund

Glossop Town Hall (High Peak Borough Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Bridge Court Campus (Bassetlaw District Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Digital Advanced Manufacturing and Engineering Centre (Chesterfield College) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Drakelow Park (Drakelow Developments Limited) - The Investment Board are recommended to note the milestones and await the final business case for approval in December 2020.

UK Electrification of Aerospace Propulsion Facility (University of Nottingham) - The Investment Board are recommended to note the milestones and await the final business case for approval in February 2021.

Transforming Nottingham's Southside (Nottingham City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

MRC Midlands (Derby City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

SmartParc (Derby City Council) - The Board are recommended to note the milestones and await the final business case for approval in October 2021

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.

96/20 PROJECT FOR APPROVAL – TURBINE INNOVATION CENTRE

Members were informed of a request for £592,000 from Nottinghamshire County Council from the Getting Building Fund to support the Turbine Innovation Centre.

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board has now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

The Turbine Innovation Centre (TIC) was located on the Shireoaks Triangle Business Park in Shireoaks near Worksop in North Nottinghamshire. Shire Oaks Triangle was formerly a coalfield site, which transferred as part of a national portfolio

from the Coal Authority to English Partnerships (now Homes England) and following remediation and infrastructure provision has been successfully fully developed out for a range of industrial and business uses. The existing TIC was built over ten years ago by NCC as a managed business centre, offering good quality business units to businesses on a flexible basis. The business centre has performed reasonably well since completion, although having being constructed around ten years ago, lacks modern digital and communications infrastructure necessary to support highly evolving small and growing digital businesses within the local economy and market place.

Funding was therefore being sought from D2N2 to refurbish the TIC to enable upgrade to a comprehensive digital IT infrastructure, to enable the creation of a 5G Innovation Hub. The completed building will provide;

- 5G enabled prototype equipment.
- Demonstrator facilities for 5G capabilities including augmented/virtual extended reality applications (AR, VR and XR).
- Hosting 5G accelerator programmes.
- Providing business innovation workshops and training events.
- Access to modern 5G communications capability, to enable tenants and users of the centre to develop new business innovations and build local digital skills.

The completed building would remain in the ownership of Nottinghamshire County Council (NCC) who had partnered 5G Connected Forest Project Consortium Partners and the Department of Digital, Culture, Media and Sport both in designing proposals for the centre, providing a network for connectivity to the wider 5G Connected Forest Project and to provide ongoing support services, training and events to all users of the centre. The outcomes from the project had been identified as;

- Realised benefits for existing 40+ current businesses within the building accommodating around 350 staff in addition to those utilising meeting rooms within the building.
- Improving retention rates of jobs and skills to Worksop.
- Increase the attractiveness of Worksop and the centre as a destination for digitally evolving businesses.
- Provide an environment for showcasing the latest 5G related technologies and attracting industry leaders to events in the area all through hosting major events online.
- Supporting businesses across all sectors.
- Building collaboration with local schools and colleges around 5G related technologies.
- Address a social mobility cold spot as identified by the Social Mobility Commission in North Nottinghamshire, through promoting technical

collaboration and innovation within the existing business network and to help create new high value jobs.

The project was ready to proceed subject to completing final site surveys and design work over a period of four weeks. The refurbishment and installation of 5G technology within the building will follow on-site around January 2021 due to extend over a period of five months completing around May 2021.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

Ceren Clulow (Nottinghamshire County 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.

Following a review of the business case alongside the independent assessment, D2N2 LEP recommended that the Investment Board approve the request of £592,000 of Getting Building Fund to be released to Nottinghamshire County Council.

The project had been tested against the conditions of the Local Assurance Framework and fully complied with the document and is therefore eligible for funding to be released.

Strategically the project aligned with the delivery plans and strategic documentation from the LEP. In particular the project supported the Emerging Recovery Strategy in supporting the growth of our towns and economic corridors, along with D2N2's emerging Digital Strategy and Government policy objectives. The grant funding requested for this intervention would result in the delivery of a business centre at the forefront of latest IT and technological advancements, for the benefit of existing businesses and the wider surrounding communities. The scheme will also capitalise and expand upon the facilities and benefits being delivered by the established 5G Connected Forest Hub.

The recommendations attached to the request for the project to be approved primarily related to updated information to reflect the passage of time since the business case was originally drafted. The recommendations were considered unlikely to identify any showstoppers; however, were required to provide comprehensive timescales for the delivery of the scheme and meeting any cost overruns. The conditions were summarised below:

- i. An updated programme for the delivery of the project and drawdown of GBF is provided by NCC prior to commencement of the project.
- ii. Written confirmation by NCC that any cost overruns will be met by NCC so as to enable delivery of the project as detailed within this paper.

- iii. Any matters which were identified during the final survey work to be undertaken to be immediately reported to D2N2, along with proposals as to how any such issues will be resolved, if this results in a variation to the project and/or outputs to be delivered.
- iv. An updated risk register to be provided once contracts had been awarded for the implementation of the scheme.

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

RESOLVED to approve the project and to release the £592,000 of GBF grant to Nottinghamshire County Council, subject to the conditions listed.

97/20 **PROJECT FOR APPROVAL - LINDHURST, MANSFIELD** Members were informed of a request for £3m from Nottinghamshire County Council from the Getting Building Fund to support the Lindhurst, Mansfield.

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board had now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

Board Members were informed that this was a £250 million investment. The Lindhurst Mansfield Development off the Mansfield and Ashfield Regeneration Route, was a sustainable urban development strategic housing site. Overall, the Lindhurst Development would deliver:

- up to 1,700 new homes, including 30% affordable
- 188,000 m² of employment floorspace
- 31,000 m² of commercial space
- a Local Centre
- a Community Park
- local bus links and green routes
- a local school
- up to 4,000 jobs

The government-backed scheme received £8.5 million in loan funding from the Homes and Communities Agency (now Homes England) in 2017 enabling infrastructure works for the first phase of development to be launched that year. Housebuilders such as Avant Homes moved on site shortly after. Phase 1 to deliver 530 units is 87% complete and progressing to timescale.

A £3 million grant from the Getting Building Fund would secure Phase 2 to proceed, unlocking not just 475 homes but also community facilities of the Local Centre, school and bus routes. With local unemployment expected to rise significantly through 2020, Phase 2 was primed for delivery, and includes some much-needed jobs.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

Andy Evans (Nottinghamshire County 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.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £3.3m of Getting Building Fund to be released to Nottinghamshire County Council.

The project had been tested against the conditions of the Local Assurance Framework and fully complies with the document and is therefore eligible for funding to be released.

Strategically the project aligned with the delivery plans and strategic documentation from the LEP. In particular the project supported proposition 3.3 of the Emerging Recovery Strategy in supporting the growth of our towns and economic corridors. The grant funding requested for this intervention unlocked the delivery of space for housing and job creation in the LEP area.

No specific recommendations or caveats were attached to the request for the project to be approved.

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

RESOLVED to approve the project and to release the £3m of GBF grant to Nottinghamshire County Council.

98/20 **PIPELINE PROJECTS** Board Members were informed of the results of the D2N2 Pipeline call which was announced in August 2020. The aim of the call was to build a pipeline of strong projects which could either act as reserve projects for the existing Capital Programme or could be utilised to present to Government should any further short term funding calls be announced.

Each project that was submitted had been independently appraised using the help of Thomas Lister Ltd to provide external scrutiny and expertise to the process. The projects are being presented to the Investment Board at this meeting for consideration and endorsement on to the reserve list.

All projects are subject to funding being available and a full business case.

D2N2 had received 40 applications from 27 prospective project applicants, with a total funding ask of £160m against total development values of £1.3 Billion

All projects were independently scored and verified by Thomas Lister Ltd in conjunction with the D2N2 LEP and were scored based on their expression of Interest. The projects were scored on the following 4 key overarching themes of criteria:

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

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

Following consideration by the Investment Board, all projects will receive formal feedback based on their submissions.

Where projects had shown good strategic fit but were not yet delivery ready, the LEP team would continue to work with the project applicant to see if the barriers to delivery can be progressed towards being ready and re-assessed accordingly.

All projects that scored 61 and above following the pipeline review process were deemed to be deliverable by the LEP. As stated in the report the LEP would still stress test each submission before being formally invited to submit a full business case for funding.

From the submissions there were 11 out of 40 submissions that scored over 61 and this accounted for a total ask to the LEP of £14.21 million. These projects come from across the region and collectively would deliver 677 Jobs, 1,275 learners and up to 1,300 homes cumulatively.

Appended to the report was a list of all the submissions made to the current D2N2 Pipeline Call alongside a brief project description and their final score from the evaluation process.

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

RESOLVED to approve that the proposed projects detailed in the appendix to the report would make up the D2N2 Capital Programme Pipeline and would act as reserve projects to the existing capital programme and could be utilised as potential submissions to any future funding calls from Government.

99/20 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on 4 November 2020 at 10.00am

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D2N2 Investment Board – November 2020

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 4 th November 2020		
Subject	D2N2 Capital Performance Overview		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	3

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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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 Local Growth Fund and Getting Building Fund.</p>

D2N2 INVESTMENT BOARD

November 2020 D2N2 Capital Programme Update

Introduction

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

Local Growth Fund Performance Update

Financial performance

Coming into the last year of the Local Growth Fund 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 £16,617,586 of actual spend in the first two financial quarters 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.

There are now only two projects left to approve in the Local Growth Fund Programme and these are detailed further in the Capital Programme milestones paper.

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 £1.8M 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.

Project specific performance

No specific projects are being raised as high risk to this meeting of the Investment Board and all projects with spend allocations remaining are continuing to spend to the profile.

Specific highlights to note from the Local Growth Fund programme are:

- **Vesuvius** – After delays due to contractor issues and Covid delays, the promoter has now confirmed that the new Asda store on site has opened and the first tranche of jobs should be registered shortly.
- **Buxton Crescent** – The newly restored Buxton Crescent Hotel and Spa has been opened to the public and is completed and starting its monitoring process for outputs.

- **A57/A60 Worksop** – The project reported in its recent Q2 monitoring the creation of 200 new jobs to the D2N2 area through the delivery of a new premises for DHL on the associated Manton wood site.

Getting Building Fund progress update

Following the announcement of the Getting Building Fund projects in August, D2N2 have now received the formal confirmation of their grant funding with the grant offer letter from MHCLG on the 25th of September. The LEP have been given an even split of funding with £22.2m to spend in the 2020/21 financial year and £22.2m in the 2021/22 financial year.

In line with the final submission sent to Government of the finalised projects list the LEP will not be able to facilitate full use of the Getting Building Fund allocation within this financial year. The LEP will continue to work with project sponsors to accelerate spend where possible and any underspends will be utilised by Derbyshire County Council's capital reserve in line with the Governments acceptance of freedoms and flexibilities in Capital funding management.

Milestones for each project are included within these Investment Board papers and the first two projects were presented and successfully approved by the Investment Board in October. Two further projects are presented to this meeting for approval.

Covid Risk

LEP Officers are currently undertaking an exercise with all projects that are deemed as 'live' in the programme to review the risk profile and exposure to Covid risk following the recent announcements and tiering system being put in place across the region.

LEP Officers will work with our partnering organisations to gain the most up to date risk information and the levels of expenditure risk this may cause to the programme. Once this information has been received and fully processed the findings will be shared with the Investment Board and any potential mitigations explored.

Q2 Dashboard

See below the Dashboard which for Quarter 2 which forms part of the LEP's quarterly submission to Government.

LEP Name

Derby, Derbyshire, Nottingham and Nottinghamshire

This Quarter:

Q2_2021

Deliverables Progress

	This Quarter	Financial Year						Total
		15-17	17-18	18-19	19-20	20-21	21-25	
Housing								
Houses Completed	46	128	589	474	325	77	-	1,593
Forecast for year	2,260	878	1,140	1,150	510	2,260	1,393	7,331
Progress towards forecast	2%	52%	41%	64%	3%	-	-	22%
Jobs								
Jobs Created	347	373	1,295	2,043	6,736	418	-	10,865
Apprenticeships Created*	0	0	0	0	0	0	-	0
Jobs including Apprenticeships	347	373	1,295	2,043	6,736	418	-	10,865
Forecast for year	6,505	375	2,002	2,156	4,961	6,505	16,593	32,592
Progress towards forecast	5%	65%	95%	136%	6%	0%	-	33%
* 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	15,490	5,430	13,500	0	0	15,490	0	34,420
Progress towards forecast	0%	100%	-	-	0%	-	-	61%
Number of New Learners Assisted	168	0	344	212	1,566	209	-	2,331
Forecast for year	1,226	0	381	642	398	1,226	871	3,518
Progress towards forecast	14%	90%	65%	33%	393%	17%	-	66%
Transport								
Length of Road Resurfaced	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	-	-	2.0
Length New Cycle Ways	0.0	0.0	1,186.0	-921.5	-132.4	3.9	-	136.0

Project RAG Ratings

Project Name	Previous Quarter	This Quarter	Project Name	Previous Quarter	This Quarter
	Q1_2021	Q2_2021		Q1_2021	Q2_2021
Infinity Park Derby	AG	AG	HS2 Toton	G	G
Bioscience Expansion, Nottingham	G	G	HS2 Staveley	G	G
Nottingham Skills Hub	AR	AG	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	G	G	Sherwood Visitor Centre	AG	AG
Hawthorn Access Road	AG	AG	Sherwood Energy Village	G	G
Derby Placemaking-The Spot	G	G	Slk Mill World Heritage Site	AR	AG
Nottingham Cycle City Ambition Package	G	G	N2 Towns	AG	A
Newark Southern Link Road	R	R	MTIF	G	G
Seymour Link	G	G	Gedling Access Road	AG	AG
A57/A60 Junction Worksop	AG	G	Nottingham Castle	G	G
Nottingham Broadband	G	G	Vesuvius	AG	G
Derbyshire Broadband	G	G	Technology Hub	G	G
Our City Our River	A	A	Rail and Research Centre	G	G
LEP Management & Feasibility Funds	G	G	Riverside Business Park	A	A
D2N2 Sustainable Transport	G	G	New Assembly Rooms	NA	NA
A61 Programme	AR	AR	HS2 Strategic sites	G	G
Enterprise Zone Sustainable transport	G	G	Ashbourne Airfield	AG	AG
A52 Wyvern	A	A	Castleward	G	G
A46 Corridor, Rushcliffe	A	A	Nursing and Allied Health provision in mansfield	G	G
Buxton Crescent	A	G	Top Wighay Farm	G	G
Institute for Advanced Manufacturing	G	G	Revisiting the Heart of Chesterfield	NA	G
Becketwell	G	G	Tollbar house	NA	G
Medicity	G	G	Mushroom Farm	-	G
Coalite	G	G	Smart Wireless Innovation Facility	NA	G
Ada Lovelace House	G	G	YMCA Activity Village	-	G
Bulwell Market	G	G	-	-	-
Dakeyne Street	G	G	-	-	-
Southern Growth Corridor	G	G	-	-	-

Growth Deal Performance

Area lead comments

Financial Progress

LGF Award	Financial Year						Total
	2015-16	2016-17	17-18	18-19	19-20	20-21	
	£39,050,000	£55,400,830	£66,388,375	£32,359,889	£17,424,093	£40,086,356	£250,709,642
LGF Outturn							
Actual	£ 9,259,284	£ 83,696,630	£ 34,868,738	£ 45,662,035	£ 46,395,884	£ 11,838,685	£ 222,461,972
Forecast for year	£ 36,844,901	£ 83,696,630	£ 34,872,601	£ 52,126,241	£ 47,503,269	£ 36,844,901	£ 255,043,642
Progress towards forecast	22%	100%	88%	89%	98%	32%	87%
LGF Expenditure							
Actual	£ 7,639,764	£ 73,291,620	£ 29,400,573	£ 42,132,101	£ 54,054,308	£ 16,617,586	£ 215,496,188
Forecast for year	£ 36,844,901	£ 83,696,630	£ 34,872,601	£ 52,126,241	£ 47,503,269	£ 36,844,901	£ 255,043,642
Progress towards forecast	21%	84%	81%	114%	45%	84%	
Non-LGF Expenditure							
Actual	£ 32,027,749	£ 88,876,483	£ 71,755,207	£ 53,312,119	£ 85,242,996	£ 50,205,973	£ 349,392,778
Forecast for year	£ 144,199,943	£ 77,471,352	£ 77,471,352	£ 77,471,351	£ 176,958,385	£ 144,199,943	£ 476,101,030
Progress towards forecast	22%	93%	69%	48%	35%	73%	
Total LGF + non-LGF Expenditure							
Actual	£ 39,667,514	£ 162,168,103	£ 101,155,780	£ 95,444,221	£ 139,297,304	£ 66,823,559	£ 564,888,966
Forecast for year	£ 181,044,844	£ 83,696,630	£ 112,343,953	£ 129,597,592	£ 224,461,654	£ 181,044,844	£ 731,144,672
Progress towards forecast	22%	+90%	+74%	+62%	+37%	77%	

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	£ 19,843,755	£ 250,710,000
Variance	+43%	-56%	+48%	-58%	-43%	-0%

Commentary

Outputs - The Nottinghamshire Broadband project has connected an additional 301 premises to Superfast broadband. 347 jobs were achieved in the Quarter 2 monitoring period against a total forecast of 59. 168 learners have been delivered in Quarter 2. 513 were forecast, the Vision learner figures will be included in Q3 due to Covid. 46 homes were delivered against a forecast of 25 this quarter.

Outturn/Expenditure – in quarter 2 3 projects have received more grant than LGF expenditure, SWIF, Toll Bar House and HS2 Strategic Sites due to slower spend because of Covid during the quarter. Further discussions with these projects are taking place to ensure full LGF expenditure can be achieved before March 2021.

Commitments – At the end of quarter 2 the programme was 100% contractually committed.

Regular dialogue continues with promoters with a close eye being kept on the changing restrictions within the D2N2 area and the impacts these could have on the projects ability to complete their LGF spend within the next 6 months.

However, the majority of projects which have LGF grant this year are still reporting that their projects can spend their allocations by the 31st March 2021.

RAG Rating – Covid 19 has clearly had an effect on the programme with projects expected to take longer and costs expected to rise. The RAG rating has been based upon updates from promoters but as previously mentioned it is still too early to be able to fully assess the impacts of Covid 19. Two projects have been changed from AR to AG as whilst they were predicting additional costs and later completion times due to the delays, Nottingham Skills Hub has now been completed and will open in January and the Slk Mill World Heritage Site has secured additional funding to ensure completion. The A57/A60 has increased from AG to G after a promising quarter evidencing job outputs. The Buxton Crescent project has moved from A to G following its opening on the 1st October. N2 Towns has moved from AG to A following increased Covid restriction in the Nottinghamshire districts, this may have an effect on work still to be completed. Vesuvius has moved from AG to G as the Asda store on site has opened in October.

LEP Chief Executive Approved

Name: Sajeda Rose

Signature: *[Signature]*

Date: 23/10/2020

Section 151 Officer Approved

Name: PETER HANDFORD

Signature: *[Signature]*

Date: 23/10/2020



D2N2 Investment Board Cover Sheet – 4th November 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 4 th November 2020		
Subject	Capital Programme Budget		
Author	S Wainwright	Total no of sheets	4

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

D2N2 INVESTMENT BOARD**4th November 2020****Capital Programme Budget update****Local Growth Fund**

Current forecast shows that in 2020/21 the programme is over committed by £1.81 m.

The LEP and Accountable Body continue to work closely with projects regarding grant profiles and expenditure figures for the remaining projects 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 31st 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.

Getting Building Fund

On the 25th September D2N2 received their grant offer agreement from Government confirming the £44.4m allocation and the payments schedule of £22.2m in 2020/21 and £22.2m in 21/22. Also an additional £87,500 capacity funding has now been allocated, grant conditions for this funding has yet to be provided by Government.

All projects within the programme have now submitted their spend profiles to the LEP and Accountable Body, see appendix 3. LEP's have been given permission to utilise their freedoms and flexibilities with their Accountable Body to allow any cash underspends in 20/21 to be spent using other capital expenditure from the Accountable Body, with the funding being returned to the LEP in the following year.

The programme is overcommitted by £2.455m which will be funded by using the Growing Places Fund (GPF).

Appendix 1

Local Growth Fund 6 year Grant/Expenditure sheet 21/10/2020										
	2015/16	16/17	17/18	18/19	19/20	20/21				
Project Name	Annual	Annual	Annual	Annual	Annual	Annual	Actual 20/21	Total	Status	Date to be completed
Chesterfield Centre for Higher Level Skills	3.48						0.00	3.48	Project Finished	
Vision University Centre, Mansfield	2.61						0.00	2.61	Project Finished	
Bioscience Expansion, Nottingham	6.50						0.00	6.50	Project Finished	
The Spot	0.75		-0.04				0.00	0.71	Project Finished	
Medicity		0.74					0.00	0.74	Project Finished	
Ada Lovelace House		0.14					0.00	0.14	Project Finished	
Bulwell Market		0.10					0.00	0.10	Project Finished	
Dakeyne Street		0.18					0.00	0.18	Project Finished	
Sutton Indoor Market		0.38					0.00	0.38	Project Finished	
Sherwood Energy Village			0.50				0.00	0.50	Project Finished	
Harworth Access Road		1.10			-0.40		0.00	0.70	Project Finished	
Seymour Link	2.02	0.50					0.00	2.52	Project Finished	
Cycle City Ambition package in Nottingham	4.16	1.94					0.00	6.10	Project Finished	
A57/A60 Junction Worksop	0.92	0.92					0.00	1.83	Project Finished	
Institute for Advanced Manufacturing		5.00					0.00	5.00	Project Finished	
Sherwood Visitor Centre			0.50				0.00	0.50	Project Finished	
Southern Growth Corridor		2.00	4.12				0.00	6.12	Project Finished	
Rail Research and Innovation Centre				0.90			0.00	0.90	Project Finished	
Derby College Technology Hub				1.30			0.00	1.30	Project Finished	
Enterprise zone sustainable transport package		0.80	5.20				0.00	6.00	Project Finished	
A46 Corridor, Rushcliffe-Phase 1 and 2		2.00	1.00				0.00	3.00	Project Finished	
Derby Cycling and Placemaking			0.84	0.71	0.09		0.00	1.65	Project Finished	Mar-20
Infinity Park, Derby	3.45	4.00	3.35	2.195			0.00	13.00	Ongoing	Mar-21
Nottingham Broadmarsh/Southern Gateway	6.79	0.71	0.35	2.45	15.00		0.00	25.30	Ongoing	Mar-21
Newark Southern Link Road	1.00	6.00					0.00	7.00	Ongoing	tbc
Our City Our River, Derby	2.00	2.50	2.50	2.50	2.50		0.00	12.00	Ongoing	tbc
L&P Management & feasibility funds	0.56	0.18	0.16	0.19	0.19	0.16	0.00	1.43	Ongoing	
Broadbands-Derbyshire	2.19						0.00	2.19	Ongoing	project extended until June 2020
Broadbands-Nottinghamshire	2.63						0.00	2.63	Ongoing	project extended until Sept 2026
D2N2 Sustainable Travel programme		2.48	2.38	0.95			0.00	5.80	Ongoing	Mar-20
A52 Wyvern		1.50	5.22				0.00	6.72	Ongoing	Dec-21
Tudor Cross (former Coalite)		5.80					0.00	5.80	Ongoing	2024
Midland Mainline			5.00				0.00	5.00	Ongoing	Mar-21
Buxton Crescent		2.00					0.00	2.00	Ongoing	Apr-20
Silk Mill World Heritage Site			0.52	2.53	0.65		0.00	3.70	Ongoing	Feb-21
Nottingham City Hub		0.19	2.03	13.79	12.73		0.00	28.74	Ongoing	Feb-21
Nottingham City Hub - Enabling Works			0.22	0.57	0.00	0.46	0.00	1.26	Ongoing	Feb-21
N2 Town Centres				2.13	2.75	2.75	0.50	7.63	Ongoing	Mar-21
Nottingham Castle				5.00			0.00	5.00	Ongoing	Feb-21
Vesuvius				4.49			0.00	4.49	Ongoing	Mar-21
Riverside Business Park					0.75	2.60	0.28	3.35	Ongoing	Dec-26
NTU MTF Centre			0.46	1.52	4.09	3.63	0.00	9.70	Ongoing	Dec-21
A61 Corridor-21st Century Transport		0.08		0.60	1.17	1.17	0.00	3.00	Ongoing	Mar-21
A61 Corridor-Standard Gauge		0.33		0.89	0.47		0.00	1.69	Ongoing	Dec-20
Cedling Access			0.50		3.08	7.22	2.00	10.80	Ongoing	Dec-22
Ashbourne Airfield					1.00		0.00	1.00	Ongoing	Dec-20
HS2 Strategic Sites						2.40	0.45	2.40	Ongoing	Mar-26
A61 Corridor-Chesterfield Station MasterPlan				0.29		3.52	0.00	3.81	Ongoing	Dec-21
Top Wighay Farm						3.00	0.00	3.00	Ongoing	Mar-21
Castleward						1.51	0.47	1.51	Ongoing	Sep-21
Woodville-Swadincote Regeneration route						6.40	0.00	6.40	Ongoing	Sep-21
Nursing & Allied Health Provision-Mansfield							0.58	0.58	Ongoing	Dec-20
Revitalising the Heart of Chesterfield							0.65	0.65	Ongoing	Nov-21
Tollbar House-Ilkeston							0.43	0.43	Ongoing	Mar-21
Smart Wireless Innovation Facility (SWIF)							0.80	0.80	Ongoing	Apr-21
Mushroom Farm Court Industrial Estates							0.16	0.16	Ongoing	May-21
Facility for OMICs Research in Metabolism Automation and Robotics							0.85	0.85	Ongoing	Sep-21
YMCA Community and Activity Village							0.67	0.67	Ongoing	Mar-21
Derby New Assembly Rooms							2.20	2.20	Ongoing	Dec-21
A61-The Avenue		0.10		0.27	-0.37		0.00	0.00	withdrawn	
A61 Corridor-Clowne North							0.00	0.00	withdrawn	
Crocus Place							0.00	0.00	withdrawn	
Heathcoat Immersive Incubator-Nottingham							0.00	0.00	withdrawn	tbc
Becketwell		3.00	0.05	2.38	2.70		0.00	8.12	Pre-Compliance	tbc
A46 Corridor, Rushcliffe-Phase 3							0.75	0.75	Not yet commenced	tbc
DCC Capital Programme		10.75	31.52						DCC projects used for u/s	
Total LGF Commitments	39.05	55.40	66.39	45.66	46.40	41.90	3.69	252.52		
Total LGF funding	39.05	55.40	66.39	32.36	17.42	40.09		250.71		
Annual (under)/over commitments (EM) based on current profiles	0.00	0.00	0.00	13.30	28.98	1.81				
Overall Overspend								1.81		

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				463,131.00	463,131.00
N2 Town Centres	500,000.00	500,000.00	745,444.00	1,000,000.00	2,745,444.00
Riverside Business Park	155,927.00	464,950.67	1,093,128.00	881,156.00	2,595,161.67
NTU MTIF Centre		3,628,472.54			3,628,472.54
A61 Corridor-21st Century Transport			1,165,791.00		1,165,791.00
Goodling Access	2,000,000.00	2,000,000.00	2,000,000.00	1,220,000.00	7,220,000.00
S2 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				160,000.00	160,000.00
Woodville-Swadlincote Regeneration route		2,200,000.00	2,700,000.00	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					
Smart Wireless Innovation Facility (SWIFt)		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			1,389,722.84	814,113.62	2,203,836.46
	3,571,361.00	10,400,739.21	18,083,404.84	9,882,852.62	41,938,357.67

Appendix 3

Getting Building Fund	20/21			2021/22				Grand Total £m	Status	Date to be completed	Promoter
	Q3	Q4	Total £m	Q1	Q2	Q3	Q4				
Bridge Court Campus, Worksop	0.35	0.5	0.85	1	0.75	0.5	0.4	2.65	3.5		Bassetlaw District Council
Digital Advanced Manufacturing and Engineering		0.5	0.5					0	0.5		Chesterfield College
Digital Turbine Centre, Worksop	0.059	0.362	0.421	0.171				0.171	0.592		Nottinghamshire County Council
Drakelow Park, South Derbyshire		0.2	0.2	0.8	0.8	0.8		2.4	2.6		Private Sector
Food Innovation Parc			0				12	12	12		Derby City Council
Glossop Town Hall, Glossop	0.129954	0.354112	0.484066	0.344118	0.99271	0.179106		1.515934	2		High Peak Borough Council
LEP Management		0.011125	0.011125				0.2	0.2	0.2111253		
Lindhurst, Mansfield	0.151386	0.326751	0.478137	1.217684	1.215784	0.088395		2.521863	3		Nottinghamshire County Council
MRC Midlands, Derby		0.095	0.095	1.997	2.608	2.15		6.755	6.85		Derby City Council
Transforming Nottingham's Southside	0.567	1.072	1.639	2.591854	2.631854	1.127292		6.351	7.99		Nottingham City Council
UK Electrification of Aerospace Propulsion Facility	0.101902	2.212955	2.314857	2.371548	2.834677	0.078918		5.285143	7.6		University of Nottingham
Total GBF Commitments	1.359242	5.633943	6.993185	10.4932	11.83303	16.92371	0.6	39.84994	46.8431253		
Capacity funding			0.0875								
Capital GBF funding			22.2								
Total GBF funding			22.2875					22.2	44.4875		
Annual (under)/over commitments			-15.2068					17.64994			
								Overall overspend	2.3556253		

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D2N2 Investment Board Cover Sheet – 4th November 2020

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 4 th November 2020		
Subject	Output Performance Update-Quarter 2		
Author	T Goshawk/S Wainwright	Total no of sheets	5

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

D2N2 INVESTMENT BOARD**4th November 2020****Local Growth Fund Output Performance Update-Quarter 2**

As part of the contractual commitment for the £250m of Local Growth Funding, D2N2 have a series of output targets as a mechanism of measuring the impact on the economy. The LEP are committed to deliver 29,000 Jobs, 10,700 Homes and 2,000 Learners over the projects lifetime which runs up to 2035, which is beyond the financial end of the programme in 2021 recognising that most of the activities will generate impact much later than the initial investment.

This paper provides an update on the following metrics:

- **Contracted output figures:** The output targets agreed between the project promoter and the LEP at the point of approving a Final Business Case.
- **Actual delivery to date:** outputs delivered to this date
- **Contracted Target with Government:** In return for the LGF contribution from government we are targeted to deliver 29,000 jobs, 10,700 Homes and 2,000 Learners by 2035.

All metrics will be shown for the 2020/21 financial year, delivery since the start of the programme and the lifetime of the programme

Delivery to Date – Up to Q2 2020/2021

These figures show the Contracted target and delivery for the programme from 2015 to Q2 2020/21. The programme so far has achieved 104% of jobs.

Homes remain at 39%. Overall this actual figure is still low due to the large numbers contracted but yet to be delivered at the Newark Southern Link Road due to an ongoing funding gap in the scheme.

105% of the learner target has been achieved to date.

	Jobs	Homes	Learners
Contracted Target to Q2 2020/21	10,352	4,086	2,222
Actual to Date (Up to and including Q2 2020/21)	10,864	1,593	2,331
Percentage	105%	39%	105%

2020/21 Financial Year

This shows the position for the full financial year.

	Jobs	Homes	Learners
Forecast for the year	2,430	455	1,261
Actual to Date (To Quarter 2 2020/21)	418	77	209
Percentage achieved against forecast for the year	17%	17%	16%

So far within the first two financial quarters of the year we have delivered consistently across our output metrics. In line with the projections provided by applicants a significant amount of output delivery is expected to take place in Q4 of this financial year and therefore the position around percentages achieved will improve. We are in line with the figures expected to be achieved based on the conversations and forecasting with project sponsors from the beginning of the financial year.

Overall Programme

These figures show the output targets and delivery for the entirety of the Local Growth Fund Programme. These targets will be delivered over the lifetime (To 2035) of the Local Growth Fund. The progress against targets to date is in line with forecasts and we are still on track to deliver the contracted target with Government up to 2035.

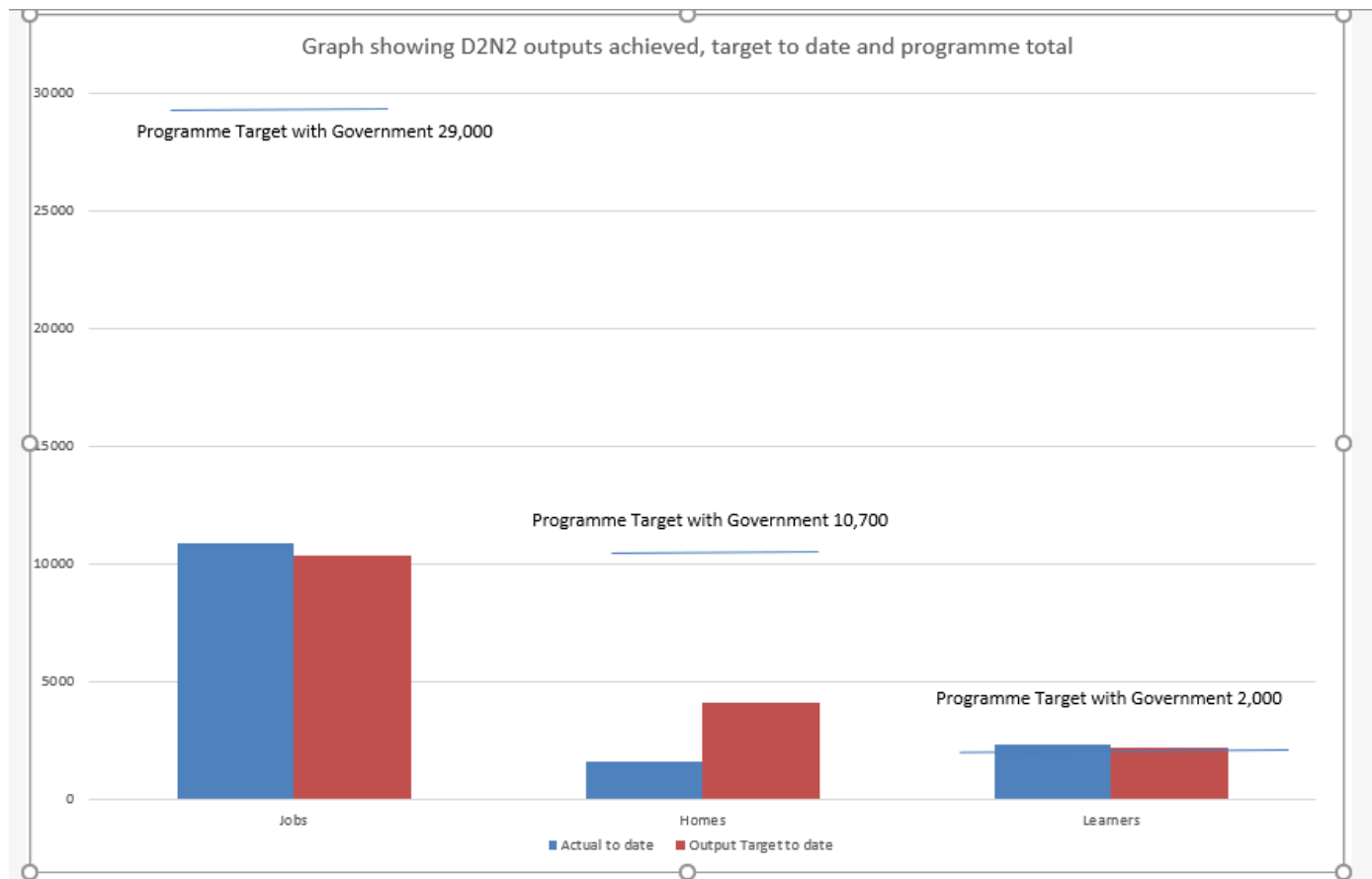
	Jobs	Homes	Learners
Contracted Target with Government up to 2035	29,000	10,700	2,000
Forecast to the end of 2035	43,108	10,771	9,481
Actual to Date against contracted (Up to and including Quarter 2 20/21)	10,864	1,593	2,331
Percentage against contracted	37%	15%	117%

Analysis has been undertaken by the Accountable Body and the LEP to review each projects outputs and we believe that the targets set by Government can be achieved by all the projects including the unapproved projects. However, a review will take place considering the effects of Covid and a revised position will be brought back to the December Investment Board.

Appendix A shows the outputs achieved compared to the contracted up until Quarter 1 2020/21.

Appendix B shows analysis of the outputs by project.

Appendix A



Appendix B

Project	Quarter 2 2020/21						Cumulative to date					
	Jobs		Homes		Learners		Jobs		Homes		Learners	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
A46 Corridor Employment Units							246	47	370	463		
A46 Cotgrave Town Centre							70	89				
A52 Wyvern		0					300					
A57/A60 Worksop		218		40			781	904	173	254		
Ada Lovelace House							7	11				
Bioscience Expansion, Nottingham							210	377				
Bulwell Market	2	6					73	28				
Buxton Crescent		103					140	106				
Chesterfield Higher Level Skills	8	1			393	168	42	52.36			1049	1087
Coalite							0	0				
Daykene St							6	5				
Derby Cycling and Placemaking							35	35				
Derbyshire Broadband							200	3621				
Gedling Access Road			25	6					235	192		
Harworth		0					1549	535	180	379		
Infinity Park							1261	107				
Institute of Advanced Manufacturing							35	74.25			100	285
Medicity	20	15					145	334				
MTIF		3					2	8				
N2 Town Centres	3						39					
Newark Southern Link Road							1000	0	2450	177		
Nottinghamshire Broadband							388	3116				
OCOR							2545	514	678	128		
Riverside		0					10					
Seymour Link							1015	684				
Sherwood Energy Village							32	67				
Sherwood Visitor Centre	3.1						23.37	41.47				
Sutton Indoor Market							53	73				
Technology Hub							6	10			188	194
The Silk Mill	23	1					33	14				
The Spot							10.6	11				
Vision University					120		0	0			885	765
Vesuvius							95	0				
	59	347	25	46	513	168	10352	10864	4086	1593	2222	2331

D2N2 Investment Board – November 2020

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 4 th November 2020		
Subject	D2N2 Milestones Update		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>The Board are asked to note the Milestones report on the D2N2 Local Growth Fund and Getting Building Fund programmes.</p> <p>The report shows the Milestones that each project will be held accountable to and will be continuously monitored through to Final Business Case delivery.</p> <p>Recommendations will follow each project and their milestone progress.</p>

Local Growth Fund Milestones

Project Details	FBC Approval to Board	20/21 Profile	Outputs	Current Position	Milestones to track
Becketwell Derby City Council	January 2021 (Revised December 2020)	Allocation utilised	250 Jobs 224 homes	The reserved matters submission has been submitted to Derby City Council in September. Originally a decision was due in December 2020 however Derby City Council will now not have a planning committee until the 7 th of January. Derby City Council are due to submit the FBC to the LEP in November.	Outline planning - February 2020 (Achieved) Reserved Matters submission – September 2020 (Complete) Reserved Matters Decision – January 2021 (Revised December 2020)

Recommendation – The Board is advised to note the submission in January and await the Final Business Case from Derby City Council.

Project Details	FBC Approval to Board	20/21 Profile	Outputs	Current Position	Milestones to track
A46 Corridor (Phase 3) Rushcliffe Borough Council	December 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 granted in April. The promoter is in regular contact with the LEP and tenders returns are expected imminently.	Detailed Design complete – December 2019 (Complete) Planning permission Secured - April 2020 (Granted) Tender issued – September 2020 (Complete)

					Contractor approved and Business case for decision – December 2020
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Recommendation – The Investment Board are requested to monitor the progress of milestones and await the submission of the FBC in November for a December IB decision.

Getting Building Fund Milestones

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
Bridge Court Campus Bassetlaw District Council	November 2020 (Revised December 2020)	£3.5m	300 Learners 40 Jobs	Bassetlaw District Council are continuing to work with partners towards the submission of a Final Business Case for the project. Details over the learner projections are being worked through between Bassetlaw and the LEP and this will delay the Business Case submission.	Final Business Case to the LEP – October 2020 (Revised November 2020)

Recommendation – The Board are recommended to approve the change of dates for the business case approval.

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
Drakelow Park Drakelow Developments Limited	December 2020	£2.2m	2,046 Homes 1,100 Jobs	The project promoter has convened a working group of all parties involved with the project to drive the milestones. Discussions around obtaining the appropriate certificates for the bridge are underway with the Highways Authority and are progressing. Legal discussions are ongoing surrounding the development and the business case is anticipated on time.	Confirmation of Highways approvals – November 2020 Identification of contractor – November 2020 Final Business Case to the LEP – November 2020 Start on site – December 2020

Recommendation – The Board are recommended to note the milestones and await the final business case for approval in December 2020

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
UK Electrification of Aerospace Propulsion Facility University of Nottingham	February 2021	£7.6m	300 Jobs 150 Learners	The procurement process has been initiated by the University and all timescales are showing that the returns will be received in early 2021. The project is on track to deliver a Final Business Case to the Investment Board in February.	Tenders out for equipment – September 2020 (Complete) Contracts Issued to suppliers – January 2021 Final Business Case to the LEP – January 2021

Recommendation – The Board are recommended to note the milestones and await the final business case for approval in February 2021

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
Transforming Nottingham's Southside Nottingham City Council	March 2021	£7.99m	868 Homes 733 Jobs	Works to gain vacant possession on the site are ongoing and discussions have been engaged with business owners. The master planning exercise for the site is due to start and D2N2 have held a meeting with the project sponsor to monitor progress. This will continue through to Final Business Case and beyond to ensure that the project delivers on the outcomes profiled.	Initiation of Master planning and technical team appointment– October 2020 (Complete) Contractor Cost proposals received – December 2020 Final Business Case to the LEP – February 2021 Start on site – April 2021

Recommendation – The Board are recommended to note the milestones and await the final business case for approval in March 2021

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
MRC Midlands Derby City Council	March 2021	£6.85m	70 Jobs 50 Learners	Derby City Council are continuing to work through the development stages of the project and confirmed their match funding for the development at their September cabinet meeting. The	Confirmation of Match funding – September 2020 (Complete) Planning permission approved – January 2021

				project sponsor will continue to work through to a planning approval in January 2021.	Final Business case submission – February 2021
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Recommendation – The Board are recommended to note the milestones and await the final business case for approval in March 2021

Project Details	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
SmartParc Derby City Council	October 2021	£12m	2,300 Jobs	Derby City Council are continuing to work through the development of the project with due diligence and planning submission preparations taking place. The LEP are meeting with the City Council and potential occupier to discuss the development plans and the steps forward. This will happen on an ongoing basis until the Final Business Case is delivered.	Derby City Council Cabinet Approval – December 2020 Outline Business Case submitted – December 2020 Site Due Diligence complete – January 2021 Hybrid Planning submission – January 2021 Planning Determination – April 2021 Phase 1 remediation and infrastructure construction – July 2021

Recommendation – The Board are recommended to note the milestones and await the final business case for approval in October 2021

D2N2 Investment Board – November 2020

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 4 th November 2020		
Subject	Project for Approval – Glossop Municipal buildings		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	15

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

In July 2020, D2N2 was allocated £44.4 million from the governments Getting Building Fund towards the delivery of a range of projects across the region to stimulate economic activity and aid recovery from the impacts of Covid-19 on the region. The funding is subject to each of the 10 identified projects submitting a business case that is fully compliant with the D2N2 Local Assurance Framework (LAF).

In order to support D2N2 and the accountable body, independent expertise has been procured from Thomas Lister Ltd and Amion consultants to assess each of the projects against the requirements of the local assurance framework.

This project being put before the Investment board has now been assessed and is being recommended for consideration and approval based on its full compliance with the LAF.

Following an approval D2N2 will release £2m of Getting Building Fund to High Peak Borough Council.

D2N2 Investment Board

Glossop Municipal Buildings Final Business Case – Project for Decision

Getting Building Fund

Project Name	Glossop Town Hall, Market Hall and Municipal Buildings	Project Applicant	High Peak Borough Council
Construction Start Date	Phase 1 – commenced on-site on 31 st August 2020. Phase 2 to commence 11 th October 2021.	Construction End Date	Phase 1, 28 th May 2021. Phase 2, 15 th July 2022.
Getting Building Fund Requested	£2,000,000	Total Project cost and Sources of funding	£5,482,247 High Peak Borough Council will invest £2,482,247 from their Capital Programme. Private sector operator investment of £1,000,000.
Benefit Cost Ratio	5.94:1 BCR	Expected Outputs	<ul style="list-style-type: none"> • Public investment levered -£2,482,247 • Private Investment leveraged - £1,000,000. • New jobs created - 105. • Jobs safeguarded is 56. • Floorspace constructed 490 sq m. • Floorspace refurbished 2,465 sq m. • Businesses assisted - 20

1.0 Project Description

The project is located within the market town of Glossop in High Peak in Derbyshire. The Town Hall, Market Hall and Municipal Buildings are a complex of linked buildings located in the heart of the town. The Municipal buildings front onto the main town centre car park and the Town Hall faces onto the landscaped town square. The Market Hall sits between these buildings with access from the car park

and outdoor market area via the town hall arcade entrance on the High Street. The complex of buildings are well connected being less than 200 metres from the town's railway station. The three buildings have all been used as civic buildings since their construction in the early 20th century and are now primarily vacant and in need of refurbishment and repurposing.

The complex of buildings in a prime town centre location are not fulfilling their potential as a focal point and economic driver for the town and feasibility studies over time have demonstrated the need for significant public investment in order to bring these buildings back into beneficial use.

The scheme will involve the refurbishment of existing space along with the addition of a mezzanine floor to the Market Hall within the building in order to provide small micro office space for entrepreneurs and SMEs.

In addition, the previous uses of the Market Hall are to be replaced, with a variety of food and drink businesses, along with general and specialist retail. The facility will be open seven days a week and will include an indoor courtyard with central seating and flexible space to accommodate events and fairs.

The Town Hall arcade will be refurbished to provide flexibility for a range of retail/leisure uses, whilst the upper floors of the Town Hall will be refurbished to accommodate a larger event space to compliment the food court operation along with some further flexible workspace.

A new access is to be provided through all three buildings to create a pedestrian flow between the car park, central shopping areas and station, thereby increasing footfall including week day trade for the food court.

Existing IT infrastructure within the building (including broadband) will also be upgraded and LED lighting provided. Existing suspended ceilings are to be removed to let daylight into the Market Hall.

Lifts will either be replaced or upgraded as will the disabled access and improved WC provision.

It is intended on completion that a private sector operator, (which has been subject to formal market testing) will be formally procured to operate the completed facility excluding potentially the office space and is anticipated to invest around £1m in fitting out the building.

2.0 Summary of Strategic Case/Fit

The project supports the following strategies;

- i. D2N2 Vision 2030 – the subject scheme supports the Vision by investing in infrastructure to boost the local economy, creating a vibrant town centre, supporting businesses to start and grow. Opportunities will be maximised for

inclusive social and cultural interactions, thereby bringing about sustainable economic growth.

The project also supports the following investment priorities;

- Realise the high growth potential sectors and grow the stock of high value businesses within the area through start-ups, spinouts and inward investment – contributing to output growth across all sectors of the economy.
- The provision of multi-use space available on flexible terms including retail, studio, leisure and office uses provide for a quality environment for businesses to start and grow and thus supports this theme.
- Quality of Place – this theme is supported in that the project will help provide an attractive mix of retail, leisure and commercial uses, transforming high streets within towns and villages.

ii. Local Industrial Strategy - The project aligns with this strategy as follows;

- Upskilling for productivity – the scheme will assist to enhance the capacity and capability of local and new firms, to help them remain competitive through providing new high quality and digitally enabled spaces, linked to a skilled workforce and the universities, via the Greater Manchester universities cluster.
- Clean growth – the project is to repurpose an existing vacant building into a high quality and sustainable scheme incorporating a range of features to reduce energy and carbon.
- Delivery connectivity led growth to all parts of the region. This principle is supported by helping to ensure that people can access employment, by unlocking local development opportunities and bolstering of the visitor economy. The project also supports growth of towns and economic corridors to improve place and economic prosperity in the wider region.

iii. High Peak Borough Council Adopted Local Plan.

The project has been identified to support a number of objectives and policies in the Local Plan including;

- Supporting the local economy by providing sites for existing and new businesses, including the creative industries.
- Supporting the sustainability of town centres and specifying policies that address changing business needs.
- Ensuring towns and village centres within the plan area continue to be vibrant and attractive.
- Strengthen the vitality and viability of town centres by adapting to changing consumer habits in retail and leisure.
- Continued consideration of design and investment in town centre environments to help increase trade.

- To build on Glossop’s growing reputation as a destination for high quality food and drink to provide an appropriate mix of retail and leisure opportunities in an appealing environment.
- Supporting improvements to the range and quality of town centre retail and services in Glossop town centre.

iv. High Peak Borough Council Corporate Plan

The project supports Aim 3 of the Council’s Corporate Plan, which is to protect and create jobs by supporting economic growth, development and regeneration.

This project seeks to;

- Encourage business start-ups and enterprises.
- Work to create flourishing town centres and thriving high streets that support the local economy.
- Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges.

The project also has linkages to various government policies including a recognition and need to revitalise town centres across the country as these have become synonymous with decline.

In addition, expanding the UK’s digital and technology base and ensuring that the country capitalises latest technological advancements also recognised as crucial for the UK to remain competitive.

Furthermore, the onset of the COVID-19 pandemic has changed the way that people now live and work and there is a fundamental need for the built environment to respond to these changes and challenges, some of which may well be permanent.

Assessors Comments	The project has been demonstrated to align with and have strong strategic fit to both D2N2 strategic objectives, those of the Council and wider Government Policy and directives.
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3.0 Summary of Economic Case and expected outcomes

The Economic Case starts by outlining the **Market Failure** - the commercial investment market is primarily driven by evidence of lease turnover, rather than by evidence of occupation.

The analysis continues to detail a set of **Critical Success Factors** against which the options was assessed. To help formulate the long-list the applicant looked at the individual components: (i) Municipal Buildings; (ii) Market Hall; and (iii) Town Hall. These components informed the actual **long-list**:

Option 1: Reference Case / Do Nothing – this would require no Get Building funding. The project would not be taken forward and the project objectives would not be met.

Option 2: Mixed use – this is the preferred option and would involve a mixture of interventions to maximise the commercial viability of the complex whilst also providing flexibility to support a wide range of economically viable uses.

Option 3: Fully commercial – this is the maximum option whereby the investment in the building is fully focused on maximising the commercial attractiveness of the complex

Option 4: Minimum intervention – whereby existing uses are retained with minimum intervention and vacant spaces are made available for community use

In terms of the key assumptions that underpin the economic appraisal, they include:

- **Optimism bias of 15%** has been applied to the capital expenditure
- applicant projected that the project would support a total of **161 jobs**.
- adopted matrix to quantify **multiplier** outcomes from job generation projects on re-spend in the local economy
- **Deadweight 10.3%; Leakage 17.3%; Displacement 38.7%; Multiplier 1.33%** which are based HCA's Additionality Guide

Benefit-Cost-Ratio 5.94:1

Other **wider benefits** the applicant referenced the regeneration of Glossop, opportunities to retain talent locally as well as attracting new talent to the area both as a result of providing high quality business space and as part of an overall strategy to deliver a revitalised town centre. Also, the enhanced ability to support existing and attract new creative industries to the town, will in turn attract audiences as new visitors.

The BCR was robust enough to ensure VFM when calibrating for these sensitivities.

Assessors Comments

The Economic Case follows the standard Green Book approach.

More specifically, the long-list is sensible and proportionate, which helpfully follows the three buildings. The Critical Success Factors are clearly identified and scored against the components.

The VFM assessment is introduced by detailing the assumptions that underpin the analysis. These are consistent with the Green Book.

The resultant BCR is a healthy **5.94:1** when looking at all costs. If looking at just the GBF the BCR is **11.1:1**. Both BCRs would be classified as **“Very High”** VFM by D2N2 and Central Government. If an approach using wage premium and other

	externalities is applied, the BCR would still be expected to exceed 2:1.
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4.0 Summary of Commercial Case

The commercial case has been prepared to demonstrate that the preferred option will result in the delivery of a viable and sustainable project. The commercial case is therefore considered the following key elements;

- i. The Council commissioned independent surveyors to provide an assessment of commercial demand relevant to the conversion of Glossop Town Hall, Market Hall and Municipal Buildings.

The assessment explored a number of uses including flexible office space, retail units and town centre markets.

The key findings from the assessment identified that there was a severe lack of commercial office supply in the town centre with commensurate high levels of demand for flexible workspace from existing businesses and operators.

In addition, the town experiences low vacancy rates amongst retail units, restaurants, cafés and pubs. This is alongside a thriving leisure scene for visitors created by numerous independent outlets.

Consultations with local businesses identified demand for workspace within Glossop. This has been accelerated by the impact of Covid 19 and businesses seeking more local provision. Which was identified in a recently commissioned report for demand in workspace which takes in to account the impacts and changes as a result of Covid.

Ultimately, the report summarised that there was significant demand for flexible and modern workspace to support small and local businesses. Flexible workspaces would be further complimented by an enhanced market offering and nearby retail units. A Hub environment could therefore be created where town centre facilities are supported with food and beverage provisions. In turn, this could attract an increased number of office occupiers and visitors to the town centre, for retail leisure uses.

- ii. Ability to Procure an Operator to the Completed Facility.

In addition to the market assessment undertaken for general demand and supply conditions, soft market testing with market operators was undertaken by Focus consultants on behalf of the council. This work identified three potential operators interested in operating the Glossop Market Hall. The key findings of the consultations with these operators were;

- Those parties approached were operators of numerous indoor and outdoor markets and there was an awareness of Glossop Market with some interest previously shown in operating this facility.
- It was noted that current trends in food halls and street food may be time limited. Therefore, there would need to be consideration about the longevity of any similar offer that would be included within the Market Hall.
- The operators were keen to work with the council in terms of what final operating arrangements might look like however, a balanced and varied offer would ensure wide appeal.
- Operators generally required a minimum five year agreement in terms of any operating contract to allow the offer to become established and allow growth.
- Operators were also interested in the Town Hall (currently proposed as offices) in being able to offer a wider offer within the scheme.

iii. Viability – identifying a viable option has been a longstanding challenge faced by the council in seeking to repurpose the buildings, given limited funding available. This has been identified as being a major barrier in being able to secure both private sector investment and an operator for the buildings.

The market testing undertaken over a number of years has demonstrated that there is insufficient interest from the private sector given the viability issues and also to operate the complex as a whole, the report further established that with sufficient levels of grant funding, the project could be retained under public sector management with a private operator in place providing that a quality refurbishment scheme could enable sufficient income to be generated.

The detailed market assessment work has established proposals for the completed scheme in terms of appropriate uses along with how a private sector partner might be procured, subject to public investment being leveraged to address the viability gap.

Therefore, the scheme has been proposed to provide an appropriate scale of facilities to be attractive to the private sector, whilst also ensuring that the complex continues to play an important role for the community of Glossop.

A business plan for the scheme has been produced which anticipates that income of circa £160,000 per annum from the workspace element and around £100,000 from the market operator by way of a five year operational contract could be generated. This equates to a total income of circa £260,000 and the total payback for the project for High Peak Council is therefore projected to be twenty years.

It is also acknowledged that the private sector investment would come from the operator in terms of fitting out the Market Hall for the intended uses, as oppose to contributing to the works to reconfigure and refurbish the buildings to core and shell.

Assessors Comments	The project has been subject to significant market assessment, testing and feasibility over a number of years, with the preferred
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	<p>option supported with a robust evidence base as to how the scheme will address market failure and potentially be sustainable in the long term.</p> <p>The areas that are less certain and do present some element of risk at this time relate to the fact that the project is at a relatively early stage of design, which could impact on costs and programme for the scheme as this progresses. Clearly this will be monitored by the council going forward and the project will either be required to fit the budget and the promoter has confirmed that any cost overruns are the responsibility of High Peak Borough Council.</p> <p>The other potential risk relates to finding an operator for the Market Hall. Although the market testing has identified strong levels of interest, until an operator is secured this remains a risk. In addition, income generated from an operational lease to the market operator at £1,000,000 is estimate only at this time and could vary dependent on the negotiations concluded with the operator of the scheme. If lesser investment or revenue is received from the Market Hall operator, then the figures presented within the Full Business Case, this may mean a lesser amount of match funding is received and a lower level of income receivable by the Council and extended payback period. This risk has been mitigated however by High Peak Borough Council who have confirmed they will underwrite this commitment if it cannot be identified.</p> <p>The council are also to confirm in writing that if the revenue generated from the Market Hall or the workspace elements of the project, which result in a longer payback period will not create any issues for the council or prevent them in taking forward this project.</p>
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5.0 Summary of Financial Case

The financial case prepared by the council is somewhat brief; however, in part is reflected on the level of feasibility work already undertaken and the fact that listed building consent has been secured for the Phase 1 works with this contract now let and underway.

This along with the fact that the council have owned the buildings for many years and have a good understanding of the condition of the building and works required, means that there is a good level of intelligence in relation to the buildings.

For the Phase 2 Scheme, this is yet to complete the concept and detailed design stages and it is noted that listed building consent has not yet been secured.

Therefore, based upon the level of information known in relation to the Town Hall, Market Hall and Municipal Buildings thus far, indicative specification and costs have been prepared by Focus consultants, which has estimated that total costs excluding the Phase 1 roof works are in the region of £5,482,247.

Given early stage of design of the scheme, there is considerable scope that costs as currently estimated for the scheme could be subject to change. Therefore, as a condition of investment it is recommended that in the event costs are higher than currently anticipated, that the council will underwrite any additional costs so as to ensure that the project can proceed.

Furthermore, if any changes are made to the scheme which will vary the outputs being delivered, D2N2 are to be informed accordingly as this may necessitate a review of the value for money and BCR generated by the scheme.

With regard to the operator and private sector match funding, this also remains uncertain at this time and is based upon initial estimations as to potential fitout costs that would be undertaken by the operator upon completion of the main works to the buildings. Therefore, this element of the scheme is also subject to some uncertainty and D2N2 will be required to be notified of any changes to the amount of match funding that is invested in the scheme by the private operator.

The Business Case provides a brief cashflow for the project through the construction phase which shows a start on-site in October 2021 and practical completion in July 2022.

This project cashflow and drawdown of D2N2 funding will need to be monitored once a detailed programme is finalised for delivery of Phase 2.

In terms of the income to be generated by the scheme, a breakdown of annual revenue generated from each year from 2023/24 until 2027/28 has been prepared reflecting that it may take three years for the building to achieve a sustainable level of occupation.

The revenues have been estimated based upon advice provided by CBRE and Focus consultants as to market levels for each individual type of use achievable within the market.

The Business Case does not contain a detailed cashflow for the completed scheme to show all income and expenditure typically produced for a period of 20 years.

It is acknowledged at this time that until the detailed design of the scheme has completed and an operator procured for the market hall, that firm income and expenditure projections cannot be established. It is therefore a further recommendation of any investment that the council be required to prepare a detailed business plan for the scheme to demonstrate that this is a sustainable and viable project in the medium and long term and that the outputs and benefits will thus be sustained to Glossop and the wider High Peak area.

<p>Assessors Comments</p>	<p>The Financial Case has been submitted by the council and is, reflective of the extensive feasibility that has been undertaken thus far in order to formulate the project; however, the scheme does need to complete the detailed design stage which will establish a much more detailed and certain financial position for the scheme.</p> <p>A series of recommendations have been identified in terms of the information that the council will need to provide to D2N2 as an assurance that any funding invested in the physical structure of the building will culminate in the delivery of the outputs as proposed.</p>
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6.0 Summary of Management Case

Both Phase 1 and Phase 2 of this project are to be directly managed and delivered by High Peak Borough Council. The council have appointed Focus consultants as project managers and quantity surveyors to support the internal project management arrangement and provide initial costings for the scheme.

A Project Board has been assembled including a number of representatives from various departments within the council along with Focus consultants. In addition, the operator for the Market Hall will also comprise be represented on The Project Board and will therefore have an input into the scheme as soon as the operator is appointed. The Project Board currently assembled meets monthly in terms of the Phase 1 works and will meet more frequently and as required as the project progresses, the project board will consider all aspects of the scheme from planning, procurement, delivery and through to being fully operational.

The Project Board are to put in place formal control procedures and decision making protocols to ensure effective management from feasibility to completion and operation. A programme will be put in place for meeting specific milestones along with facilitating transparency of all management systems and procedures for audit purposes. The Board will focus time, quality and cost objectives for the project along with putting in place effective risk identification and mitigation systems and will ultimately review the performance of the project through each respective stage.

As noted, the council will be responsible for the operation and maintenance of the project post completion of the works and will utilise revenues generated by the scheme to cover costs of ongoing maintenance.

There will also be a contract in place between the private sector operator and the council which will be managed by the service commissioning team.

The council are intending to be responsible for the overall project marketing and communications during the delivery stage and will promote the project through its social media presence, council website and press releases.

Prior to completion, the procured operator will also input into marketing for the scheme, community spaces and the workspace as well as promoting specific events and activities.

In terms of budgetary management, the project will be governed by the Council's Financial Regulations and Policies relating to financial control.

The overall budget for the project will be the responsibility of the project team lead who is supported by the independent project manager and quantity surveyor to assist with budget management. All claims for funding will be ratified by the council's finance team. The accounting system utilised for all activities including projects is wholly compliant with Public Sector Financial Regulation and has been used for previously audited publicly funded project and programmes and is therefore deemed sufficient for this project.

Monitoring and evaluation arrangements are in place through all aspects of the remaining detailed design and planning process and for the physical delivery of the capital works on-site as well as performance post practical completion. The council have confirmed that all evaluation information will be made available to D2N2 as a requirement of the Getting Building Fund.

In terms of risk, a risk register has been prepared and will be managed by the project manager on a day to day basis. The Project Board will be collectively responsible for identifying all risks throughout the project to ensure that an appropriate mitigation strategy is implemented. The risk register will be reviewed monthly at the Project Board meetings.

Assessors
Comments

The management case information and proposed structure for delivery, management and evaluation of the scheme are considered to be robust with all aspects of the scheme, from detailed design to practical completion and operation being subject to scrutiny by an established Project Board.

It is considered that the role of the Project Board is going to be essential in terms of enabling the project can come forward for delivery both on time and within budget given that at this time, the project is at an initial stage of design and requires detailed design process to be completed and listed building consent to be secured. Both of these matters could significantly impact on budget and costs, which will need to be rigorously managed and monitored to ensure that the scheme can be delivered along with the outputs that are proposed.

7.0 Assessors Recommendation

The following recommendations are proposed as a condition of any award of Getting Building Fund to this project;

- i. The outcome of the procurement process to secure an operator for the scheme to be confirmed once completed. However, this contribution has been

- underwritten by High Peak Borough Council and the project can progress should this not be completed.
- ii. A detailed programme for delivery of the second phase of the scheme to be provided once the procurement process for a contractor has completed and delivery timescales can be crystallised.
 - iii. High Peak Borough Council will be required to update their Detailed Business Plan and cashflow for the scheme once an operator has been procured, detailed design complete.

8.0 Officer's Recommendations

Strategically the project aligns with the aligns with the LEPs Emerging Recovery Strategy and other local and national policy. In particular this project looks to support the growth of our towns and economic corridors and by investing into this key site in Glossop Town Centre we are emphasising the need to support these areas. The grant funding requested will be used to renovate and refurbish the existing floorspace in the town and this space providing new uses and a long-term usage to key sites in the town centre.

The project sponsor has provided significant and robust market evidence from September 2020 to provide the LEP with the assurances needed for this type of development with the circumstances around Covid-19 present. CBRE have provided independent advice which reaffirms the usages presented with the business case.

The project has been tested against the conditions of the Local Assurance Framework and fully complies with the document for phase 1 of the project and is therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £2,000,000 of Getting Building Fund to be released to High Peak Borough Council.

D2N2 officers will ensure that the project is held to a contractual obligation to fulfil the delivery of phase 2 of the project. These conditions will include ensuring that High Peak Borough Council continue to progress the development through to delivery of the phase two elements and track significant milestones such as Listed Building Consent, procurement of the private sector operator and procurement of the phase 2 contractor. These conditions will be guaranteed within the Grant Offer letter and tracked through the monitoring processes of the programme.

Getting Building Fund Checklist

<p>1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model. 'The Checklist¹' published by HM Treasury is a useful one page guidance paper.</p>	<p>The promoter has submitted a compliant business case which aligns with HM Treasury's 5 case Green Book Model.</p>
<p>2. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.</p>	<p>The projects Value for Money has been independently scrutinised by Amion Consulting and has been confirmed to provide High Value for Money.</p>
<p>3. Details confirming that all planning consents have been granted and that all prestart conditions have been met.</p>	<p>The project does not require planning permission for either phase of the development. The listed building consents for the first phase been concluded and approved.</p>
<p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>	<p>N/A</p>
<p>5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</p>	<p>The phase 1 works for the project were tendered through an open tender exercise and Messengers Construction were chosen as the preferred contractor. The second phase of development will follow a similar open tender exercise.</p>
<p>6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs</p>	<p>Following the tendering exercise, the project sponsor and main contractor have agreed a JCT intermediate contract for the works which will follow the following dates.</p> <ul style="list-style-type: none"> - Start Date – October 2020 - End Date – May 2021

Item 8

<p>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. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent.</p>	<p>The promoter has confirmed that they will be responsible for any cost overruns on the project.</p>
<p>8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</p>	<p>The project has been designed to RIBA stage 4 for the first phase of the development.</p>
<p>9. Details of any outstanding points preventing/delaying the start-up of the construction contract.</p>	<p>There are no outstanding issues which would delay the start of the phase 1 contract.</p>
<p>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.</p>	<p>The project has made no substantive changes from the EOI submitted in Summer 2020.</p>
<p>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.</p>	<p>The Council Executive confirmed that all match funding is in place for both phases of the development and this was confirmed on the 24th of September 2020.</p>
<p>12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project</p>	<p>High Peak Borough Council have confirmed they own the freehold for all the land associated with the development.</p>
<p>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.</p>	<p>A phasing plan for the development has been included within the Final Business Case. This sets out both the funding by quarter for the development and the build timelines for both phases of the development.</p>
<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.</p>	<p>The project promoter has provided an up to date risk register which sets out the main risks to the project and a subsequent RAG rating and mitigation.</p>

D2N2 Investment Board – November 2020

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 4 th November 2020		
Subject	Project for Approval – Centre of Excellence, Modern Construction and Digital Technologies		
Author	T Goshawk/ R Lister and S Dancer	Total no of sheets (Excluding cover sheet)	12

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

In July 2020, D2N2 was allocated £44.4 million from the governments Getting Building Fund towards the delivery of a range of projects across the region to stimulate economic activity and aid recovery from the impacts of Covid-19 on the region. The funding is subject to each of the 10 identified projects submitting a business case that is fully compliant with the D2N2 Local Assurance Framework (LAF).

In order to support D2N2 and the accountable body, independent expertise has been procured from Thomas Lister Ltd and Amion consultants to assess each of the projects against the requirements of the local assurance framework.

This project being put before the Investment board has now been assessed and is being recommended for consideration and approval based on its full compliance with the LAF. Following an approval D2N2 will release £500k of Getting Building Fund to Chesterfield College.

D2N2 Investment Board

Centre of Excellence – Modern Construction and Digital Technologies Final Business Case – Project for Decision

Getting Building Fund

Project Name	Centre of Excellence – Modern Construction and Digital Technologies	Project Applicant	The Chesterfield College Group
Construction Start Date	November 2020	Construction End Date	February 2021
Getting Building Fund Requested	£500,000	Total Project cost and Sources of funding	£875,000 £375,000 is match funding from Chesterfield College
Gross Value Added/ Benefit Cost Ratio	£3.5m/4.6:1	Expected Outputs	<ul style="list-style-type: none"> • Private Sector investment levered £375,000. • 3 new jobs created • Floorspace constructed refurbished 330 sq m refurbished. • 560 new learners supported.

1.0 Project Description

The proposals for this scheme are for Chesterfield College to develop a centre of excellence for modern construction techniques and digital technology, to provide a higher level of skills within the industry to meet employer demand.

Key areas of skills development will include;

- Building Information Modelling (BIM)
- Modern construction techniques
- Augmented/Virtual Reality (AR/VR)

The development at BIM and modern construction techniques will provide progression routes for level 2 students and apprentices to progress to level 3. In addition, opportunities will be provided for the existing workforce to upskill to higher levels to move up the skills escalator into more productive, better paid jobs, future proofing skills and to meet the growing demand of new technologies and methods by employers.

The college already has an advanced manufacturing and building technologies facility and have established partnerships and collaboration with high profile companies and local businesses within the construction sector.

It is through this collaboration that a range of gaps in the provision of courses and education at the college and within the workforce have been identified. New and refined courses are proposed to be provided within the new Centre of Excellence.

Delivery of the project will involve the redevelopment of existing premises owned by the college within their campus, which will involve the following works;

- Clearing out of the existing building and ensuring all utility provision to the building is sufficient and in appropriate locations. Testing of ground composition to ensure that the floor is of suitable bearing capacity to take the installation of the proposed equipment.
- Construction of a mezzanine floor.
- Installation of equipment including;
 - * A CAD workstation
 - * VR Headsets
 - * VR Cave
 - * 3D Scanner (Scan Arm)
 - * Laser Scanner
 - * Wacom Tablets
 - * Design Workstation
 - * 3D Printer
 - * 3D Scanner

The college has confirmed that the refurbishment of the building does not require planning approval and all works are now ready to proceed subject to D2N2 funding being secured.

2.0 Summary of Strategic Case/Fit

The strategic fit of the project is presented below;

i. D2N2 Strategic Economic Plan (SEP)

The project would directly support Three Priority Areas identified in the SEP as follows;

- Advanced Manufacturing and Engineering
- Digital Technologies and Data
- Energy and Low Carbon Technologies

The education and training to be provided at the proposed facility is strictly in accordance with these areas, seeking to drive productivity and support construction as a Core Priority Sector to D2N2.

ii. Local Industrial Strategy (LIS)

Whilst the LIS has not been referred to within the Business Case, the project is considered to fit with various strategic objectives particularly around support being provided to the future workforce, many of whom are young people. The potential to upskill and reskill the existing workforce, many of which are in low skilled occupations and are potentially at risk from automation of jobs is also supported.

Typically, within many parts of Derbyshire, there is a high proportion of jobs at risk of being displaced, well above the national average many of whom are located within the catchment area of the college.

The ability therefore to target potentially marginalised sectors of the community assists to create a more inclusive society through the provision of education and training opportunities is recognised.

Government Policy and Strategy

- iii. Central Government have issued a number of policy papers, programmes and strategies over the last twelve months, designed to stimulate economic activity, incorporating construction.

The Chancellor announced in the Summer Economic Update of plans to invest in green homes and technology along with investment in energy efficient public buildings, stating that construction is one of the most important sectors to the UK economy. The proposed centre will allow unemployed adults to reskill and upskill in new construction technologies through training courses offered.

The proposed centre will also support the governments ‘New Deal’ as part of a comprehensive plan by government to build, delivering upgrades to local infrastructure and boosting skills to assist with economic recovery across the UK.

There have also been other funds and funding programmes launched providing investment including the COVID-19 sustainable innovation fund. This fund seeks to support the UK to build a sustainable and productive future, based upon technological advancement within the construction sector, such as BIM and enhancing construction skills.

The proposed Centre of Excellence therefore seeks to develop skills and knowledge for the future, helping to address a significant gap in skills of people in the D2N2 area and matching these to demand from employers, which is essential to achieving a productive economy within the D2N2 area.

Assessors
Comments

The rationale for the project has been clearly identified within the Business Case and it is demonstrated that there is a clear alignment to D2N2 strategic objectives and those of Central Government.

3.0 Summary of Economic Case and expected outcomes

The economic case has examined a long list of options and a framework for short listing (using CSFs against the level of ambition in terms of service delivery). The shortlist comprises a Do Minimum option within this case is based on no new investment in college facilities. A full VfM exercise has been undertaken by the applicant on the following short-listed options:

- **Option 1: Business as Usual (where the existing position is maintained with no change)** Do nothing – continue to deliver our current suite of qualifications using current equipment; not meeting local needs and key priorities – Cost estimate @ £0
- **Option 3: Reduced option:** Reduced Option - One room dedicated to BIM, MMC and VR/AR technology – low cost tech and some specific software – would not add much value, would not support career development and address local needs/priorities, Potential loss of investment due to lack of interest from learners and employers – Cost estimate @ £61,000
- **Option 5: Preferred Approach:** Converted building space exclusively for BIM, MMC and VR/AR technology and modelling up to industry standard including VR/AR Caves, Additive manufacturing (3D modelling, printing and scanning; mixed material processing (resin, polymer, glass etc)) with bespoke curriculum designed and developed – Cost estimate @ £875,000

This has examined the key economic benefits in terms of education and training outputs. The redevelopment of the site at Chesterfield College will increase the number of students training on site and receiving qualifications. This will create further economic benefits through increasing the number of people in employment and increasing the future wages of students due to their improved qualifications.

The analysis shows that Option 5 provides the largest NPSV and also the highest BCR at 4.6. The assessed wider benefits analysis also favours Option 5 over Option 3.

On this basis Option 5 has been selected as the preferred option. Sensitivity analysis has been conducted and Option 5 remains robust with significant changes to costs and benefits

The approach has set a different level of OB for Option 3 based on the lower level of development of this option. If the OB is set the same across the two options (at 10%) then the BCR is marginally higher for Option 5 than Option 3. In addition, Option 5 would still deliver the largest PVSb.

Assessors
Comments

The economic case provides an assessment of alternative options and has undertaken a VfM assessment adopting an appropriate methodology. This is deemed as being compliant with HMT Green Book and D2N2 assurance principles. The results of the analysis demonstrate that Option 5 is the best

	performing option, in particular as it delivers the highest level of BCR that is in the 'high' VFM category (significantly above the D2N2 threshold of 2:1). Sensitivity analysis indicates that the BCR is robust to changes in cost/benefits assumptions.
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4.0 Summary of Commercial Case

The commercial case is presented to assess the optimum means to deliver the preferred option, along with setting out the delivery and procurement arrangements. The commercial case is summarised as follows;

i. Market Assessment

The market assessment has concentrated on local evidence within Chesterfield, Derbyshire and wider area in terms of the employment profile, qualification and skills of the local residents. The findings of the assessment are detailed as follows;

- Within a 30 mile radius of Chesterfield, there are 9,000 jobs requiring BIM, which is 10% above the national average and set to increase by 3.6% by 2024.
- There are over 35,000 jobs in the local area requiring modular building skills, forecast to increase by 3.7% by 2024, which is again above the national average.
- There are 21,000 jobs requiring augmented reality skills within the local area, projected to increase by 9.4% by 2024.
- More frequently, sustainable modern construction methods are being specified within planning applications for larger developments, which will result in the expansion of modular construction within the local and regional area thus in turn this will increase demand for skilled jobs within the construction process.

In context with this demand for modern skills and construction processes, is the socio-economic position within the D2N2 area, which is presented as follows;

- GVA in D2N2 is projected to decline by a greater proportion than the national average, equating to a decline of around 37.5% in the second quarter of 2020, compared to 35.1% nationally.
- Across the D2N2 area, there exists considerable divergence with some of the highest declines across North East Derbyshire, Derbyshire Dales, Bolsover, Amber Valley and High Peak, all of which are within the normal catchment area for the college.
- In the majority of the areas noted above, projected output losses are linked to the manufacturing and construction sectors.
- ONS Data forecasts that Chesterfield will have the second highest unemployment rate in the D2N2 area at 12.2%. Chesterfield already has high youth unemployment and this is set to grow disproportionately accelerated by the pandemic.

- Data from the DMP Bank of England survey suggests that by quarter three 2020, employment levels in Chesterfield will reduce by over 4,000 and a reduction of nearly 25,000 across Derbyshire.
- CJRS Data shows there are 11,500 employees currently furloughed in Chesterfield, equating to around 18% of the working population and in excess 96,100 across the wider Derbyshire conurbation.

The demand, need and opportunity therefore to seek to reskill and upskill residents within the Derbyshire catchment area for the college has therefore been demonstrated, reinforced with an identified skills gap collaboration with employers working in partnership with the college.

ii. Procurement Strategy

Whilst the college could utilise various frameworks to procure building works and acquisition of equipment, due to the nature of the work to be undertaken/equipment to be acquired, it has been necessary to approach specialist contractors/suppliers for this project. This is detailed as 'single tender justification' and is wholly in accordance with the Colleges' procurement policy. The quotations received for the works and equipment purchase have been obtained from companies vetted by the college as suitable suppliers and whilst current quotations are in excess of budget, negotiations are on-going to ensure that costs will be brought to be within the budget of £875,000.

The overall procurement strategy will be managed and monitored by the college in accordance with the identified correct procedure and subject to approval within the college's financial regulations.

Assessors
Comments

The Commercial case has demonstrated need, demand and opportunity both within Chesterfield and the wider Derbyshire area, underpinned by an identified gap in skills provision within this area by employers currently working with the college. In terms of delivery of the scheme, the college have identified that a public sector compliant procurement process will be utilised for this scheme.

5.0 Summary of Financial Case

The Financial Case presented within the Full Business Case primarily identifies that the D2N2 GBF would be spent on preparing the building for high end visualisation equipment and suites in accordance with plans that have been prepared for delivery of the scheme.

The £375,000 match funding from the college will be sourced from the internal Estates and Infrastructure budgets and will be used to acquire all of the equipment necessary to fitout the completed refurbished space. The Business Case is supported by scheme drawings produced by PDic and we further understand the scheme costs have been estimated by consultants acting on behalf of the college.

Beyond the plans that have been provided, we do not have any further information to substantiate the costs of the scheme. It is therefore recommended as a condition of GBF, that the college provide a copy of all tenders/quotations obtained for the scheme in its entirety, to demonstrate that it is deliverable in accordance with the proposals and programme provided.

With regard to the operation of the completed facility, the college has produced a three-year income and expenditure account for the additional income generated and costs that will be incurred post capital investment.

The income and expenditure profile in year one shows that a small loss is made in the region of £2,394; however, for subsequent years two and three there is a significant surplus generated and on this basis the facility should be sustainable in the very short term.

The college has confirmed that across all of its operational activities, and in order to support group overheads, each facility is expected to reach a contribution to overheads in excess of 40%. Therefore, this project will need to exceed a 40% surplus in order to comply with this requirement. It is noted that the surplus made shows a surplus of £242,052, which is less than the 40% threshold of £265,256, equating to a shortfall of £23,204.

The college do state that the forecast is based on delivery numbers much lower than current profiled numbers throughout the college and that in addition there may be some commercial activity on the back of this project in order to support local business; however, this has not yet been included.

Therefore, it is anticipated that the ongoing costs of delivery for the new facility should be affordable, based on the delivery models outlined.

It is however recommended as condition of any investment that the college confirm that in the event that the new facility does make a loss beyond year one, that the college will underwrite any revenue shortfalls in order to ensure that the facility is sustained and remains operational.

Assessors
Comments

The college are well established and are deemed to have the expertise to be able to deliver this project on a sustainable basis. There are recommendations to be attached to any offer of funding specifically in relation to the financial case, which should enable the provision of more detailed information at the time when this is available and also to mitigate any risk to D2N2 of the facility not being retained post funding and construction stage.

6.0 Summary of Management Case

The Management Case for this project as presented in the Business Case is summarised as follows;

i. Programme Management and Governance

The project will have input from the following college staff;

- Director of Facilities and Estates – to work in conjunction with the design and build team on-site to ensure the build is completed on time, to specifications, meets regulations and is in accordance with budget.
- Chief Operations Officer – undertaking the role of project sponsor working with the Director of Facilities and Estates on design and specification and overseeing the project to ensure that all elements meet the needs of the curriculum. The Chief Operations Officer will report to the College Senior Management Team and Corporation in respect of the progress of the project.
- Chief Finance Officer – will manage the finances and financial processes of the project, reporting to the Senior Management Team and Corporation.
- College Senior Leadership Team – in place to give consideration to the overall Business Case of the scheme, input on design and curriculum requirements. Also undertaking the monitoring of the project during the construction stage through project meetings and reporting on different levels to in respect of project management and governance.

ii. Procurement of Specialist Advice

The college employs the services of a design and build team to work alongside the colleges inhouse facilities and estates team in producing designs to meet the technical specifications of the facility as required. In addition, a building control team will be appointed to ensure that all current building regulations are complied with as part of the project also with a responsibility for managing works onsite.

iii. Change Control

Any changes to the project will be managed through the project governance channels and agreed or otherwise at all levels before being actioned. As this is a design and build scheme, very little change is anticipated and should any arise it would be risk assessed for costs and timescales that primarily the responsibility of the contractor.

iv. Risk Management

The college has a robust risk management and mitigation risk management policy and framework in place, which applies across all the college's activities, internal control and corporate governance arrangements.

The policy has been provided as part of the Business Case supporting information and no issues are noted in this regard.

The college has also procured a risk register for the subject project which was prepared for the initial design process which commenced in December 2019 and will operate, be monitored and updated throughout the duration and delivery of the project. The risk register has been reviewed as part of this assessment along with the estates project plan and no concerns or issues have been identified in this regard.

Assessors
Comments

The Full Business Case and supporting information demonstrates that the college have established project management, risk management subject to a formal risk register that has been in place since the inception of the project. No issues are therefore identified in relation to the management case.

7.0 Assessors Recommendation

The recommendation is for £500,000 of GBF to be approved for this project, subject to compliance with the following conditions;

- i. An updated programme for the delivery of the scheme to be provided confirming the final arrangements for delivery with the contractor and equipment suppliers.
- ii. A revised profile for the drawdown of GBF to be provided to D2N2 once the programme for delivery has been finalised.

8.0 Officer's Recommendations

Strategically the project aligns with various parts of the D2N2 Emerging Recovery and Growth Strategy and looks to contribute to multiple aims of this. In particular the investment will deliver on Guiding principle 1, proposition 3 to enable a focus on skills for life and an inclusive and productive workforce for the D2N2 Economy. The new centre and capital equipment will enable Chesterfield College to offer specialised training to not only provide skills to new learners but also to reskill and upskill the existing workforce of D2N2 to higher educational standards which will be key to covid recovery. This in turn relates directly to Guiding principle 3, proposition 2 by providing access to these skills and employment opportunities right across the D2N2 Region and focusing on a key town of Chesterfield for this provision.

The project has been tested against the conditions of the Local Assurance Framework and fully complies with the document and is therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £500,000 of Getting Building Fund to be released to Chesterfield College

Getting Building Fund Checklist

<p>1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model. 'The Checklist'¹ published by HM Treasury is a useful one page guidance paper.</p>	<p>The promoter has submitted a compliant business case which aligns with HM Treasury's 5 case Green Book Model.</p>
<p>2. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.</p>	<p>The projects Value for Money has been independently scrutinised by Amion Consulting and has been confirmed to provide High Value for Money.</p>
<p>3. Details confirming that all planning consents have been granted and that all prestart conditions have been met.</p>	<p>The project does not require planning permission as this project works under permitted development.</p>
<p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>	<p>N/A</p>
<p>5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</p>	<p>The Project sponsor has confirmed the procurement arrangements for the project. Both the equipment purchases, and main contracts of work have been procured using single supplier arrangements which aligns to the College's and public procurement regulations.</p>
<p>6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs</p>	<p>Chesterfield College have agreed the construction contracts for the development and purchase of equipment. The construction works will begin in November 2020 and are scheduled to last until February 2021. The Capital Equipment purchases for the project are due to take place in January 2021.</p>

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/190603/Green_Book_guidance_checklist_for_assessing_business_cases.pdf

<p>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. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent.</p>	<p>The promoter has confirmed that they will be responsible for any cost overruns on the project.</p>
<p>8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</p>	<p>The project has completed all designs for the works associated.</p>
<p>9. Details of any outstanding points preventing/delaying the start-up of the construction contract.</p>	<p>There are no outstanding issues which would delay the start of the Contract</p>
<p>10. Details of any changes for the project form the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.</p>	<p>The project has made no substantive changes from the EOI submitted in Summer 2020.</p>
<p>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.</p>	<p>The promoter has confirmed that all match funding for the project is in place and the College's Finance Committee and Full corporation Board approved the match funding contributions on the 15th of October.</p>
<p>12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project</p>	<p>Chesterfield College have confirmed they own the freehold for all the land associated with the development.</p>
<p>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.</p>	<p>A phasing plan for the development has been included within the Final Business Case. This sets out both the funding by quarter for the development and the build timelines for both phases of the development.</p>
<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.</p>	<p>The project promoter has provided an up to date risk register which sets out the main risks to the project and a subsequent RAG rating and mitigation.</p>

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PUBLIC

Agenda Item 3

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

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors W J Clarke (Gedling Borough Council), P Gilby (Chesterfield Borough Council), C Hart (Erewash Borough Council), M Holmes (Derby City Council), J White (Bassetlaw District Council, D Williams (D2N2 LEP) and J Bradley-Fortune (Inclusion Representative).

Also in Attendance: J Davies (Gedling Borough Council), C Durrant (Chesterfield Borough Council), Tim Gregory (Derbyshire County Council), T Goshawk (D2N2 LEP), S Rose (D2N2 LEP), I Sankey (Erewash Borough Council), P Seddon (Nottingham City Council), N Stevens (Nottinghamshire County Council), Sarah Wainwright (Accountable Body) C Williams (Derby City Council) and D Wright (CLGU)

Apologies for absence were submitted on behalf of Councillors R Jackson (Nottinghamshire County Council), B Lewis (Derbyshire County Council) and S Webster (Nottingham City Council).

100/20 **DECLARATIONS OF INTEREST** There were no declarations of interest

101/20 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 12 October 2020

102/20 **D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW** Board members were given an overview of the LEPs Local Growth Fund programme and Getting Building Fund programme including an update on progress against the financial targets for this year.

Coming into the last year of the Local Growth Fund 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 £16,617,586 of actual spend in the first two financial quarters 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 LEP officers were confident this figure could be met.

There were now only two projects left to approve in the Local Growth Fund Programme and these were detailed further in the Capital Programme milestones paper that would be considered at this meeting

At this moment in time based on the current assessment of the programme and if all the projects were approved as set out, officers 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 £1.8M to provide a buffer against any underspends

A full budget breakdown is included within in a separate report t this meeting 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 report stated that no specific projects were being raised as high risk to this meeting of the Investment Board and all projects with spend allocations remaining were continuing to spend to the profile. Following concerns raised at the meeting, further discussions would need to take place between D2N2 LEP officers and Derbyshire County Council with regards to the A61 and Woodville/Swadlincote projects.

Specific highlights to note from the Local Growth Fund programme are:

- **Vesuvius** – After delays due to contractor issues and Covid delays, the promoter has now confirmed that the new Asda store on site has opened and the first tranche of jobs should be registered shortly.
- **Buxton Crescent** – The newly restored Buxton Crescent Hotel and Spa has been opened to the public and is completed and starting its monitoring process for outputs.
- **A57/A60 Worksop** – The project reported in its recent Q2 monitoring the creation of 200 new jobs to the D2N2 area through the delivery of a new premises for DHL on the associated Manton wood site.

Following the announcement of the Getting Building Fund projects in August, D2N2 had now received the formal confirmation of their grant funding with the grant offer letter from MHCLG on the 25th of September. The LEP had been given an even split of funding with £22.2m to spend in the 2020/21 financial year and £22.2m in the 2021/22 financial year.

In line with the final submission sent to Government of the finalised projects list the LEP would not be able to facilitate full use of the Getting Building Fund allocation within this financial year. The LEP would continue to work with project sponsors to accelerate spend where possible and any underspends would be utilised by Derbyshire County Council's capital reserve in line with the Governments acceptance of freedoms and flexibilities in Capital funding management.

Milestones for each project were included within these Investment Board papers and the first two projects were presented and successfully approved by the

Investment Board in October. Two further projects were to be presented to this meeting for approval.

LEP Officers were currently undertaking an exercise with all projects that were deemed as 'live' in the programme to review the risk profile and exposure to Covid risk following the recent announcements and tiering system being put in place across the region.

LEP Officers would work with partnering organisations to gain the most up to date risk information and the levels of expenditure risk this may cause to the programme. Once this information had been received and fully processed the findings would be shared with the Investment Board and any potential mitigations explored.

Board Members noted the Dashboard for Quarter 2 which formed part of the LEP's quarterly submission to Government

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 programmes and the update on projects; and

(2) that representatives of Derbyshire County Council attend the next meeting to provide updates on the A61 and Woodville/Swadlincote projects.

103/20 **CAPITAL PROGRAMME BUDGET** In relation to the Local Growth Fund Current forecast showed that in 2020/21 the programme was over committed by £1.81 m.

The LEP and Accountable Body continued to work closely with projects regarding grant profiles and expenditure figures for the remaining projects 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 31st March 2020.

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

In relation to the Getting Building Fund on the 25th September D2N2 received their grant offer agreement from Government confirming the £44.4m allocation and the payments schedule of £22.2m in 2020/21 and £22.2m in 21/22. Also an additional £87,500 capacity funding has now been allocated, grant conditions for this funding has yet to be provided by Government

All projects within the programme had now submitted their spend profiles to the LEP and Accountable Body as detailed in Appendix 3 to the report. LEP's had been given permission to utilise their freedoms and flexibilities with their

Accountable Body to allow any cash underspends in 20/21 to be spent using other capital expenditure from the Accountable Body, with the funding being returned to the LEP in the following year.

The programme was overcommitted by £2.455m which would be funded by using the Growing Places Fund (GPF)

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

RESOLVED that the report be noted.

104/ 20 OUTPUT PERFORMANCE UPDATE - QUARTER 2 MONITORING

Board Members were informed that as part of the contractual commitment for the £250m of Local Growth Funding, D2N2 had a series of output targets as a mechanism of measuring the impact on the economy. The LEP were committed to deliver 29,000 Jobs, 10,700 Homes and 2,000 Learners over the projects lifetime which ran up to 2035, which was beyond the financial end of the programme in 2021 recognising that most of the activities would generate impact much later than the initial investment.

The report provided a detailed 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 are targeted to deliver 29,000 jobs, 10,700 Homes and 2,000 Learners by 2035.

All metrics were shown for the 2020/21 financial year, delivery since the start of the programme and the lifetime of the programme

Appendix A to the report showed the outputs achieved compared to the contracted up until Quarter 1 2020/21 and Appendix B shows analysis of the outputs by project.

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

RESOLVED to note the update report.

105/20 D2N2 MILESTONES - UPDATE The Board were asked to note the Milestones report on the D2N2 LGF and Getting Building Fund Programmes

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.

Local Growth Fund

Becketwell (Derby City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in January 2021.

A46 Corridor (Phase 3) (Rushcliffe Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in November 2020 for a December IB decision.

Getting Building Fund

Bridge Court Campus (Bassetlaw District Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in January 2021.

Drakelow Park (Drakelow Developments Limited) - The Investment Board are recommended to note the milestones and await the final business case for approval in December 2020.

UK Electrification of Aerospace Propulsion Facility (University of Nottingham) - The Investment Board are recommended to note the milestones and await the final business case for approval in February 2021.

Transforming Nottingham's Southside (Nottingham City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

MRC Midlands (Derby City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

SmartParc (Derby City Council) - The Board are recommended to note the milestones and await the final business case for approval in October 2021

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.

106/20 PROJECT FOR APPROVAL – GLOSSOP MUNICIPAL BUILDINGS

Members were informed of a request for £2m from High Peak Borough Council from the Getting Building Fund to support the Glossop Town Hall, Market Hall and Municipal Buildings project.

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board has now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

The project was located within the market town of Glossop in High Peak in Derbyshire. The Town Hall, Market Hall and Municipal Buildings were a complex of linked buildings located in the heart of the town. The Municipal buildings front onto the main town centre car park and the Town Hall faced onto the landscaped town square. The Market Hall sat between these buildings with access from the car park and outdoor market area via the town hall arcade entrance on the High Street. The complex of buildings were well connected being less than 200 metres from the town's railway station. The three buildings had all been used as civic buildings since their construction in the early 20th century and were now primarily vacant and in need of refurbishment and repurposing.

The complex of buildings in a prime town centre location were not fulfilling their potential as a focal point and economic driver for the town and feasibility studies over time have demonstrated the need for significant public investment in order to bring these buildings back into beneficial use.

The scheme would involve the refurbishment of existing space along with the addition of a mezzanine floor to the Market Hall within the building in order to provide small micro office space for entrepreneurs and SMEs.

In addition, the previous uses of the Market Hall were to be replaced, with a variety of food and drink businesses, along with general and specialist retail. The facility would be open seven days a week and would include an indoor courtyard with central seating and flexible space to accommodate events and fairs.

The Town Hall arcade would be refurbished to provide flexibility for a range of retail/leisure uses, whilst the upper floors of the Town Hall would be refurbished to accommodate a larger event space to compliment the food court operation along with some further flexible workspace.

A new access was to be provided through all three buildings to create a pedestrian flow between the car park, central shopping areas and station, thereby increasing footfall including week day trade for the food court.

Existing IT infrastructure within the building (including broadband) would also be upgraded and LED lighting provided. Existing suspended ceilings are to be removed to let daylight into the Market Hall.

Lifts would either be replaced or upgraded as will the disabled access and improved WC provision.

It is intended on completion that a private sector operator, (which had been subject to formal market testing) will be formally procured to operate the completed facility excluding potentially the office space and is anticipated to invest around £1m in fitting out the building.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

Mark Trillo and Helen Pakpahan (High Peak Borough Council), and Heather Frecklington (Focus Consulting) 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.

Strategically the project aligned with the LEPs Emerging Recovery Strategy and other local and national policy. In particular this project looked to support the growth of our towns and economic corridors and by investing into this key site in Glossop Town Centre the LEP were emphasising the need to support these areas. The grant funding requested will be used to renovate and refurbish the existing floorspace in the town and this space providing new uses and a long-term usage to key sites in the town centre.

The project sponsor had provided significant and robust market evidence from September 2020 to provide the LEP with the assurances needed for this type of development with the circumstances around Covid-19 present. CBRE had provided independent advice which reaffirmed the usages presented with the business case.

The project had been tested against the conditions of the Local Assurance Framework and fully complied with the document for phase 1 of the project and was therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £2,000,000 of Getting Building Fund to be released to High Peak Borough Council.

D2N2 officers would ensure that the project was held to a contractual obligation to fulfil the delivery of phase 2 of the project. These conditions would include ensuring that High Peak Borough Council continue to progress the development through to delivery of the phase two elements and track significant milestones such as Listed Building Consent, procurement of the private sector

operator and procurement of the phase 2 contractor. These conditions would be guaranteed within the Grant Offer letter and tracked through the monitoring processes of the programme.

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

RESOLVED to approve the project and to release the £2m of GBF grant to High Peak Borough Council, subject to the conditions listed in the report.

107/20 PROJECT FOR APPROVAL – CENTRE OF EXCELLENCE, MODERN CONSTRUCTION AND DIGITAL TECHNOLOGIES Members were informed of a request for £500,000 from Chesterfield College from the Getting Building Fund to support the Centre of Excellence, Modern Construction and Digital Technologies project

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board had now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

The proposals for this scheme were for Chesterfield College to develop a centre of excellence for modern construction techniques and digital technology, to provide a higher level of skills within the industry to meet employer demand.

Key areas of skills development would include;

- Building Information Modelling (BIM)
- Modern construction techniques
- Augmented/Virtual Reality (AR/VR)

The development at BIM and modern construction techniques would provide progression routes for level 2 students and apprentices to progress to level 3. In addition, opportunities would be provided for the existing workforce to upskill to higher levels to move up the skills escalator into more productive, better paid jobs, future proofing skills and to meet the growing demand of new technologies and methods by employers

The college already had an advanced manufacturing and building technologies facility and have established partnerships and collaboration with high profile companies and local businesses within the construction sector.

It was through this collaboration that a range of gaps in the provision of courses and education at the college and within the workforce had been identified.

New and refined courses were proposed to be provided within the new Centre of Excellence.

Delivery of the project would involve the redevelopment of existing premises owned by the college within their campus, which will involve the following works;

- Clearing out of the existing building and ensuring all utility provision to the building is sufficient and in appropriate locations. Testing of ground composition to ensure that the floor is of suitable bearing capacity to take the installation of the proposed equipment.
- Construction of a mezzanine floor.
- Installation of equipment including;
 - * A CAD workstation
 - * VR Headsets
 - * VR Cave
 - * 3D Scanner (Scan Arm)
 - * Laser Scanner
 - * Wacom Tablets
 - * Design Workstation
 - * 3D Printer
 - * 3D Scanner

The college had confirmed that the refurbishment of the building does not require planning approval and all works are now ready to proceed subject to D2N2 funding being secured.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

David Malone (Chesterfield College), 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.

Strategically the project aligned with various parts of the D2N2 Emerging Recovery and Growth Strategy and looked to contribute to multiple aims of this. In particular the investment would deliver on Guiding principle 1, proposition 3 to enable a focus on skills for life and an inclusive and productive workforce for the D2N2 Economy. The new centre and capital equipment would enable Chesterfield College to offer specialised training to not only provide skills to new learners but also to reskill and upskill the existing workforce of D2N2 to higher educational standards which would be key to covid recovery. This in turn related directly to Guiding principle 3, proposition 2 by providing access to these skills and employment opportunities right across the D2N2 Region and focusing on a key town of Chesterfield for this provision.

The project had been tested against the conditions of the Local Assurance Framework and fully complies with the document and is therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £500,000 of Getting Building Fund to be released to Chesterfield College

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

RESOLVED to approve the project and to release the £500,000 of GBF grant to Chesterfield College.

108/20 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on 9 December 2020 at 1.00pm

109/20 **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)).