

Public Document Pack



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PUBLIC

To: Members of D2N2 Investment Board

Wednesday, 16 June 2021

Dear Councillor,

Please attend a meeting of the **D2N2 Investment Board** to be held at **10.00 am** on **Thursday, 24 June 2021**. 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 that reads 'Helen E. Barrington'.

Helen Barrington
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Apologies for Absence
To receive apologies for absence (if any)
2. Declarations of Interest
To receive declarations of interest (if any)
3. Minutes (Pages 1 - 6)

To confirm the non-exempt minutes of the meeting of the D2N2 Investment Board (IB) held on 10 March 2021

4. Capital Performance Overview (Pages 7 - 14)
5. Capital Programme Budget (Pages 15 - 18)
6. Output Performance Update - Quarter 4 2020-21 (Pages 19 - 24)
7. Date of Next Meeting - TBC
8. Exclusion of the Public

(The Board is asked to move that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

PART II - EXEMPT ITEMS

9. Exempt Minutes (Pages 25 - 30)

To confirm the exempt minutes of the meeting of the D2N2 Investment Board (IB) held on 10 March 2021

10. Project for Approval - Smartparc, Derby (Pages 31 - 48)

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Agenda Item 3

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 10 March 2021 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), S Webster (Nottingham City Council) J White (Bassetlaw District Council, and D Williams (D2N2 LEP) and J Bradley-Fortune (Inclusion Representative).

Also in Attendance: M Barrett (Nottingham City Council), J Battye (Derbyshire County Council), C Deas (Nottingham City Council), E Dennis (Bassetlaw District Council), C Durrant (Chesterfield Borough Council), J Davies (Gedling Borough Council) A Evans (Nottinghamshire County Council) T Goshawk (D2N2 LEP), N Hibberd (Nottingham City Council) K Knowles (D2N2 LEP), C Lowry (BEIS), S Rose (D2N2 LEP), P Seddon (Nottingham City Council), N Stevens (Nottinghamshire County Council), and Sarah Wainwright (Accountable Body)

Apologies for absence were submitted on behalf of Councillor W J Clarke (Gedling Borough Council), C Hart (Erewash Borough Council), and B Lewis (Derbyshire County Council).

21/21 **DECLARATIONS OF INTEREST** E Fagan declared an interest in Agenda Item 10 Growing Places Fund, due to a previous interest in one of the organisations under discussion.

22/21 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 11 February 2021

23/21 **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.

The Local Growth Fund concluded on the 31st of March and a requirement of the Department of BEIS was for the LEP to have concluded all expenditure of the £250.7m grant received since 2015. Following Quarter 3 monitoring returns D2N2 LEP had registered an actual spend figure of £32,288,122 leaving £7,798,234 to be spent in the final quarter of the year.

All projects had now been approved and the LEP was awaiting their final expenditure figures by the 16th of April to guarantee spend. In order to make certain that projects would utilise their full allocations the LEP had requested an interim

expenditure return from projects that had significant expenditure left in Q4. The LEP reported that following the receipt of these returns, they were confident that all LGF would be expended.

It was recognised that there were always risks associated with delivering large scale capital schemes, at this moment in time based on the current assessment of the programme it was still believed that the LEP would be able to achieve full spend of the Local Growth Fund. The LEP had also over profiled by £1.8M to provide a buffer against any underspends.

A full budget breakdown was included within Item 5 on the agenda which included 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.

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.

Progress was going well with the Getting Building Fund and the LEP had spent £293,963 against a target of £340,034 in Quarter 3. Quarter 4 expenditure was expected to significantly increase and the LEP would report the expenditure figures to the April Investment Board meeting.

Subject to the approval of the Transforming Nottingham Southside project which was being considered at this meeting, the LEP would have approved 7 out of 10 projects, representing 57% of the total funding value.

Milestones for each project were included in a report to be considered at this meeting and there were now only 3 projects to track.

The LEP noted that no capital project comes without risks and therefore looked to work collaboratively with all project sponsors in an upfront and transparent manner to allow the best possible mitigations to be brought forward.

Officers continued to have ongoing dialogue with all projects to ensure that progress against forecasted targets was being made. The LEP monitored specifically the projects considered to be higher risk on the basis of value or

timelines. Any significant risks would be highlighted to the board as part of the milestones tracking.

The LEP continued to discuss the potential flexibilities around the end of the programme with Government colleagues on a regular basis but as of this point, no flexibility had been granted to the LEP to extend the spend period beyond March 2021 for LGF or 2022 for GBF. The LEP would continue to monitor that situation and discuss any flexibility with Government but currently is operating to have achieved all spend by the agreed deadline.

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

The Chair thanked Board Members and LEP Officers for their efforts in getting the LGF to the end of the programme.

RESOLVED to note the current position on the LGF and GBF programmes

24/21 **CAPITAL PROGRAMME BUDGET** In relation to the Local Growth Fund the current forecast showed that in 2020/21 the programme was over committed by £1.77m which would be funded from the Growing Places Fund (GPF).

All projects have been closely monitored in the last few months with an interim expenditure return completed evidencing spend up until the end of February to ensure all the LGF can be utilised before the 31st March.

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 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 in 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 is overcommitted by £2.47m which will be funded by using the GPF.

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

RESOLVED that the report be noted.

25/21 **D2N2 MILESTONES - UPDATE** The Board were asked to note the Milestones report on the D2N2 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.

Drakelow Park (Drakelow Developments Limited) - The Investment Board were recommended to note the milestones and await the final business case. The project had been further delayed and a final business case would now not be ready for approval by the Investment Board in April due to various delays in the land transfer and permissions needing to be concluded. The delays did not affect the ability to spend by March 2022 and only had a minor effect on this year's spend profile. D2N2 Officers would arrange a meeting with the project sponsor to discuss further.

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

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

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

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

26/21 **SCRUTINY ANNUAL REPORT** A scrutiny working group was established in December 2019 to scrutinise the activities of the D2N2 Local Enterprise Partnership (LEP). The group was made up of representatives invited from the relevant district and borough councils and Derbyshire County Council's Resources Improvement and Scrutiny Committee. It was convened to undertake an overseeing role to ensure the strategic effectiveness of the LEP's stated way of working and it was acknowledged that its function was not to monitor the progress of individual projects and duplicate work conducted elsewhere by LEP officers and the Investment Board. It was also agreed that the scrutiny working group would meet twice a year, be chaired by the Chairman of the County Council's Resources Improvement and Scrutiny Committee and explore a specific theme at each meeting.

The working group had provided members with a detailed summary of the scrutiny activities that had taken place to date and shared their findings with the Investment Board.

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

The Board placed on record its thanks to Councillor Kemp and the Scrutiny Working Group for their report and requested feedback from them on what their post covid programme plan for scrutiny of the D2N2 LEP.

RESOLVED to note the update report.

27/21 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on a date to be confirmed.

28/21 **EXCLUSION OF THE PUBLIC FROM THE MEETING RESOLVED** that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. Project for Approval - Transforming Nottingham's Southside (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
2. Growing Places Fund (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

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D2N2 Investment Board – June 2021

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 – 24 th June 2021		
Subject	D2N2 Capital Performance Overview		
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 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 (LGF) and Getting Building Fund (GBF).</p> <p>The report also incorporates the GBF Milestones paper.</p>

D2N2 INVESTMENT BOARD

June 2021 D2N2 Capital Programme Update

Introduction

This 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

Final Financial Performance Update

The Local Growth Fund concluded on the 31st of March from a financial perspective, and it can be confirmed that the LEP utilised all £250.7m of funding from Government before the spend deadline. We had a total of £7,798,234 that was required to be spent in the final quarter of the year and all projects have delivered on their spend forecast including the overspend which was set at £1.8m to provide programme coverage. The overspend has been funded by the Growing Places Fund.

A full final budget breakdown is included within **Item 5** which includes the financial position of the overall programme from 2015-2021.

Future of LGF

Although the funding period for the Local Growth Fund programme has now concluded, the programme will continue to be monitored with quarterly monitoring returns still in place for all projects. The LEP will work with project sponsors and the Accountable Body to ensure that all output requirements are monitored and reported for the lifetime of the programme.

Alongside the regular monitoring returns, we are undertaking thematic based evaluations of our projects and the LGF programme to demonstrate the impacts that have been made through our investments. The evaluation process will be carried out on a rolling basis and a schedule of evaluation will be created so projects are invited to take part when they have begun to deliver the impacts agreed at the final business case stage.

Project progress to note

The following progress updates have been merged by project theme:

Visitor Economy

- Buxton Crescent – The new 80-bedroom hotel opened prior to the last national lockdown and welcomed the first set of guests into the new facility. The facility has since been closed to the public but is looking to reopen in line with national guidelines, 106 of the committed 140 jobs for the project have been created to date.
- Silk Mill Museum of Making – The new visitor attraction in Derby City Centre has now completed the renovation works and is due to open its doors to the public on the 21st of May. Due to the current restrictions, Derby Museums intend to host a full and larger scale opening event in September in line with the Derby Feste.
- Nottingham Castle – Following the three years of works on the major overhaul of the castle, the new and improved facilities are due to open to the public on the 21st of June subject to the continued easing of government restrictions.

Business Space

- Vesuvius – The site is progressing well after the completion of the upfront infrastructure works and has created 198 jobs. The next phase of development started in January 2021 and includes the development of 46,000 ft² of industrial floorspace.
- Riverside Business Park – The project recorded its full spend in the last financial year. The new bridge infrastructure has been completed and the first new central unit on the site has been completed ready for occupation.

Housing Development

- Castleward – The new school is nearing completion to align with the Section 106 conditions for the site and housing delivery continues progress on the site with 54 homes completed in line with the profile for delivery.
- Becketwell – Funding is now secured for the residential element of Phase I and work has commenced on site. In significant news, Grainger PLC have been sourced to fund the new residential development as a leading national provider of private rental schemes. In addition, ASM Global have been secured as the operator for the new performance venue who are a leading provider.

Skills Projects

- Nottingham City Hub – The new City Hub was opened to students following the winter break after a minor delay in the build programme due to Covid. The works on site had a minor delay due to the pandemic and students have now started to use the facility.
- Nursing and Allied Health Provision – Redevelopment of the first phase of the construction programme has been completed allowing Nottingham Trent University to start delivering educational provision on site. 20 new jobs have been recorded for the development.
- Automation and Robotics – All capital equipment has been delivered for the centre and courses at West Nottinghamshire College have started using the new technologies. 69 new learners have been reported for the last quarter.

Life Sciences

- NTU (Nottingham Trent University) MTIF Centre – Both sites of the dual Medical Technology and Innovation Facility have now opened at the NTU Clifton Campus and Boots Enterprise Zone, respectively. The project has welcomed new businesses into the facilities and will continue to promote the space for prospective businesses in the sector. 18 jobs are now registered to the project from the latest monitoring return and the project is progressing ahead of its output schedule.
- Medicity – Business space at the incubator units continues to be taken up and the businesses utilising this are expanding their job numbers. Growth in these fields has been positive since the project's inception and over 350 jobs have been created as a direct result of the LGF intervention.

Getting Building Fund progress update

Following the announcement of the Getting Building Fund projects in August 2020, the LEP has 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 and predicted spend profile sent to Government, the LEP was not able to facilitate full use of the Getting Building Fund allocation within this financial year. The LEP utilised freedoms and flexibilities to manage the budget underspends in the previous financial year and this will be explained further in the budget paper.

Progress is going well with the Getting Building Fund, and we have spent £5.96m to date. Subject to the approval of the Smartparc project, which is being recommended for approval at today's meeting, we will have approved 8 out of 10 projects, representing 84% of the total funding value.

One project to note in particular is the Chesterfield College project, the project sponsor has confirmed that all works to the refurbishment of the centre have been completed in line with expected timescales and the centre has now been opened to students in May.

Milestones for each project are included within this paper and there are only 2 projects to track following today's agenda.

GBF Milestones

Project Details	RAG Rating	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
Drakelow Park Drakelow Developments Limited	Amber – Due to delays in Milestones	September 2021	£2.2m	2,046 Homes 1,100 Jobs	The project has experienced delays due to revisions being required on the designs of the enabling infrastructure. The business case will now be brought for approval in September, the project is being monitored closely by all project partners through monthly	Submission of new Highways designs – April 2021 (Complete) Final Business Case to the LEP – August 2021

					working groups to ensure progress on key issues is being made.	Confirmation of Highways approvals – August 2021 Start on site – September 2021
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Recommendation –The project has been delayed to a September business case approval due to redesigns being required. The LEP continue to meet with the project sponsors and all other relevant partners and can report good progress towards the delivery requirements. The Investment Board are recommended to note the progress of the project and await the business case to be delivered in September.

Project Details	RAG Rating	FBC Approval to Board	GBF Funding	Outputs	Current Position	Milestones to track
MRC Midlands Derby City Council	RED – Delays to Milestones	September 2021 (Revised from July 2021)	£6.85m	70 Jobs 50 Learners	The planning submission for the project was completed in March 2021 and an outcome is still anticipated to be received in July. Despite this delays have been encountered in the tendering process for the project and the work between DCC and the developer has not progressed to hit the milestone targets agreed by the Investment Board. DCC have been requested provide a verbal update to this meeting.	Confirmation of Match funding – September 2020 (Complete) Planning permission Submitted – March 2021 (Complete) Planning permission approved – July 2021. Final Business case submission – August (Revised from February 2021)

Recommendation – The Board are recommended to note the milestones and verbal response from Derby City Council. The LEP will work with the project sponsors to try to mitigate any risk to delivery and accelerate the business case delivery where possible.

Annex A – Q4 2020/21 Output Dashboard

This Quarter: Q4_2021

Deliverables Progress								
Housing	This Quarter	15-17	Financial Year					Total
			17-18	18-19	19-20	20-21	21-25	
Houses Completed	257	128	589	474	325	468	-	1,984
Forecast for year	2,260	878	1,140	1,150	510	2,260	1,393	7,331
Progress towards forecast	11%		52%	41%	64%	21%	-	27%
Jobs								
Jobs Created	5,126	373	1,295	2,043	6,736	5,726	-	16,173
Apprenticeships Created*	0	0	0	0	0	0	-	0
Jobs including Apprenticeships	5,126	373	1,295	2,043	6,736	5,726	-	16,173
Forecast for year	6,505	375	2,002	2,156	4,961	6,505	16,593	32,592
Progress towards forecast	79%		65%	95%	136%	88%	0%	50%
* Apprenticeships included within jobs totals prior to 2017								
Skills								
Area of new or improved floorspace (m2)	15,490	5,430	13,500	2,000	0	15,490	-	36,420
Forecast for year	15,490	5,430	13,500	0	0	15,490	0	34,420
Progress towards forecast	100%		100%	-	-	100%	-	106%
Transport								
Number of New Learners Assisted	282	0	344	212	1,566	775	-	2,897
Forecast for year	1,226	0	381	642	398	1,226	871	3,518
Progress towards forecast	23%		90%	33%	393%	63%	-	82%
Length of Road Resurfaced								
Length of Road Resurfaced	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0
Length of Newly Built Road	0.0	2.0	0.0	0.0	0.0	0.0	-	2.0
Length New Cycle Ways	0.0	0.0	1,186.0	-921.5	-132.4	3.9	-	136.0

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Financial Progress							
LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
LGF Outturn							
	This Quarter	Financial Year					Total
Actual	£ 7,798,232	£ 83,696,630	£ 34,868,738	£ 45,662,035	£ 46,395,884	£ 40,086,354	£ 250,709,642
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%		100%	88%	98%	109%	98%
LGF Expenditure							
Actual	£ 20,597,643	£ 73,291,620	£ 29,400,573	£ 42,132,101	£ 54,054,308	£ 51,831,040	£ 250,709,642
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	56%		84%	81%	114%	141%	98%
Non-LGF Expenditure							
Actual	£ 23,554,742	£ 88,876,483	£ 71,755,207	£ 53,312,119	£ 85,242,996	£ 99,773,518	£ 398,960,323
Forecast for year	£ 144,199,943	£ 119,383,080	£ 77,471,352	£ 77,471,351	£ 176,958,385	£ 144,199,943	£ 476,101,030
Progress towards forecast	16%		93%	69%	48%	69%	84%
Total LGF + non-LGF Expenditure							
Actual	£ 44,152,385	£ 162,168,103	£ 101,155,780	£ 95,444,221	£ 139,297,304	£ 151,604,558	£ 649,669,965
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	24%		+90%	+74%	+62%	+84%	89%

Project Name	Project RAG Ratings		Project Name	Project RAG Ratings	
	Previous Quarter Q3_2021	This Quarter Q4_2021		Previous Quarter Q3_2021	This Quarter Q4_2021
Infinity Park , Derby	AG	AG	HS2 Toton	G	G
Bioscience Expansion, Nottingham	G	G	HS2 Staveley	G	G
Nottingham Skills Hub	G	G	Sutton Indoor Market	G	G
Nottingham Broadmarsh	G	G	Derby Cycling and Placemaking	G	G
Chesterfield Centre Higher Level Skills	G	G	Midland Mainline	G	G
Vision University Centre, Mansfield	G	G	Sherwood Visitor Centre	AG	AG
Harworth Access Road	AG	AG	Sherwood Energy Village	G	G
Derby Placemaking-The Spot	G	G	Silk Mill World Heritage Site	AG	AG
Nottingham Cycle City Ambition Package	G	G	N2 Towns	G	AG
Newark Southern Link Road	R	R	MTIF	G	G
Seymour Link	G	G	Gedling Access Road	AG	AG
A57/A60 Junction Worksop	G	G	Nottingham Castle	AG	AG
Nottingham Broadband	G	G	Vesuvius	G	G
Derbyshire Broadband	G	G	Technology Hub	G	G
Our City Our River	AG	AG	Rail and Research Centre	G	G
LEP Management & Feasibility Funds	N/A	N/A	Riverside Business Park	A	AG
D2N2 Sustainable Transport	G	G	New Assembly Rooms	N/A	N/A
A61 Programme	AR	AG	HS2 Strategic sites	G	G
Enterprise Zone Sustainable transport	G	G	Ashbourne Airfield	AG	AG
A52 Wyvern	AG	AG	Caststead	G	G
A46 Corridor, Rushcliffe	AG	G	Nursing and Allied Health provision in mansfield	G	G
Buxton Crescent	G	G	Top Wighay Farm	G	G
Institute for Advanced Manufacturing	G	G	Revitalising the Heart of Chesterfield	AG	G
Beckwithwell	G	G	Tollbar house	AG	G
Medicity	G	G	Mushroom Farm	AG	G
Coalite	G	G	Smart Wireless Innovation Facility	AG	G
Ada Lovelace House	G	G	Woodville/Swadlincote regeneration route	N/A	G
Bulwell Market	G	G	OMICS	G	G
Dakeyne Street	G	G	YMCA Activity Village	AG	G
Southern Growth Corridor	G	G	Automation and Robotics	AG	G

Contractual Commitments (manual entry)							
Forecast	15-17	17-18	18-19	19-20	20-21	Total	Variance
Actual	£ 119,383,080	£ 15,760,970	£ 76,444,220	£ 19,277,975	£ 19,843,755	£ 250,710,000	-0%
	+43%	-55%	+48%	-58%	-43%	-0%	

Commentary

Outputs - The Derbyshire Broadband project has connected an additional 714 premises to Superfast broadband and the Nottinghamshire an additional 326 premises 5035 jobs were achieved in the Quarter 4 monitoring period against a total forecast of 4452. This had been reduced due to the profile of Infinity Park and the A51 Wyvern. 282 learners have been delivered in Quarter 3, 214 were forecast. 257 homes were delivered against a forecast of 1074 this quarter, this forecast included 800 from Newark.

Outturn/Expenditure - in quarter 4, all projects achieved their LGF spend over the period. With the programme actually overspending by £1,779,010, this was funded from the Growing Places Fund. This outturn and expenditure have been removed from this return to ensure the totals balance back to the LGF allocation.

RAG Rating - Covid 19 has clearly had an effect on the programme with some projects taking longer and costs rose, however all projects were able to spend their LGF allocations before the 31st March 2021. One project has changed from AR to AG, A61 Corridor the project managed to spend all of its LGF allocation and made good progress during the quarter. One project has changed from A to AG, Riverside, this project managed to spend all its LGF allocation before 31st March despite a delayed start and rephasing of the project. Eight projects have moved from AG to G, with the A46 Corridor, Revitalising the Heart of Chesterfield, Tollbar house, Mushroom farm, SWIF, YMCA and Automation and robotics all managing to spend all their LGF allocations and are progressing well. A revised grant offer agreement has been issued for the output profile of OCOOR so that also moved from AG to G.

Overall summary - All of D2N2's LGF allocation has been spent by 31st March 2021, alongside an additional £1,779,010 from the Growing Places Fund which was leveraged into the programme. Both job and learner outputs continue to track above forecasts but housing still lags behind until a reprofile is agreed for the Newark Southern Link road project which is currently in negotiations with Government bodies regarding funding.

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D2N2 Investment Board Cover Sheet – June 2021

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 24 th June 2021		
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 final budget position of the Local Growth Fund (LGF) and the ongoing Getting Building Fund (GBF).</p> <p>The Investment Board are requested to note the information.</p>

D2N2 INVESTMENT BOARD**24th June 2021****Capital Programme Budget****Local Growth Fund (LGF)**

The LGF programme finished £1.78m over committed at the end of March 2021 which was funded from the Growing Places Fund (GPF).

All projects were able to demonstrate full LGF expenditure to ensure all the LGF grant had been utilised before the 31st March 2021.

The overall final budget position is shown in Appendix 1.

Getting Building Fund

At the end of March, £5.96m had been spent of projects with the remaining £16.24m utilised as Freedoms and Flexibilities with the Accountable Body.

Appendix 2 shows the remaining grant profile until the end of the programme based on figures provided by project promoters.

The programme is overcommitted by £2.45m which will be funded by using the GPF.

Appendix 2

Getting Building Fund												
	20/21			2021/22								
Project name	Q3 Actuals	Q4 actuals	Total £m	Q1	Q2	Q3	Q4	Total £m	Grand Total £m	Status	Promoter	
Workshop Access to Skills Hub		0.44	0.44	0.53	1.27	0.96	0.30	3.06	3.50	Approved	Bassetlaw District Council	
Centre for Excellence in Construction and Digital	0.11	0.39	0.50					0.00	0.50	Approved	Chesterfield College	
Digital Turbine Centre, Worksop	0.01	0.35	0.36	0.24				0.24	0.59	Approved	Nottinghamshire County Council	
Drakelow Park, South Derbyshire			0.00		0.20	1.20	1.20	2.60	2.60		Private Sector	
Food Innovation Parc			0.00			12.00		12.00	12.00		Derby City Council	
Glossop Town Hall, Glossop	0.12	0.19	0.31	0.40	0.43	0.35	0.51	1.69	2.00	Approved	High Peak Borough Council	
CBP Management		0.08	0.08				0.20	0.20	0.28			
Spindhurst, Mansfield	0.06	0.10	0.15	1.54	1.22	0.09		2.85	3.00	Approved	Nottinghamshire County Council	
MRC Midlands, Derby			0.00		2.11	3.15	1.61	6.88	6.88		Derby City Council	
Transforming Nottingham's Southside		0.32	0.32	2.95	3.04	1.68		7.67	7.99	Approved	Nottingham City Council	
UK Electrification of Aerospace Propulsion Facility		3.88	3.88	3.72				3.72	7.60	Approved	University of Nottingham	
Freedom and Flexibility to DCC		16.24	16.24			-16.24			16.24			
Total GBF Commitments	0.29	21.98	22.27	9.38	8.27	3.19	3.82	24.66	46.93			
Capacity funding			0.09									
Capital GBF funding			22.20									
Total GBF funding			22.29					22.20	44.49			
Annual (under)/over commitments			-0.01					2.46				
								Overall overspend	2.45			



D2N2 Investment Board Cover Sheet – June 2021

Document Classification	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>
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Meeting and Date	Investment Board 24 th June 2021		
Subject	Output Performance Update-Quarter 4		
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 provides 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

24th June 2021

Local Growth Fund Output Performance Update-Quarter 4

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 Q4 2020/2021

These figures show the Contracted target and delivery for the programme from 2015 to Q4 2020/21.

	Jobs	Homes	Learners
Contracted Target to Q4 2020/21	15,024	5,185	2,856
Actual to Date (Up to and including Q4 2020/21)	16,081	1,984	2,897
Percentage	107%	38%	101%

The programme so far has achieved 107% of jobs.

We have achieved 38% of Homes. 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.

101% of the learner target has been achieved to date.

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.

	Jobs	Homes	Learners
Contracted Target with Government up to 2035	29,000	10,700	2,000
Actual to Date (Up to and including Quarter 4 20/21)	16,081	1,984	2,897
Percentage	55%	16%	145%

Lifetime Contracting

These figures show D2N2's contracted output targets with projects against the lifetime target agreed with Government through the three Local Growth Deals.

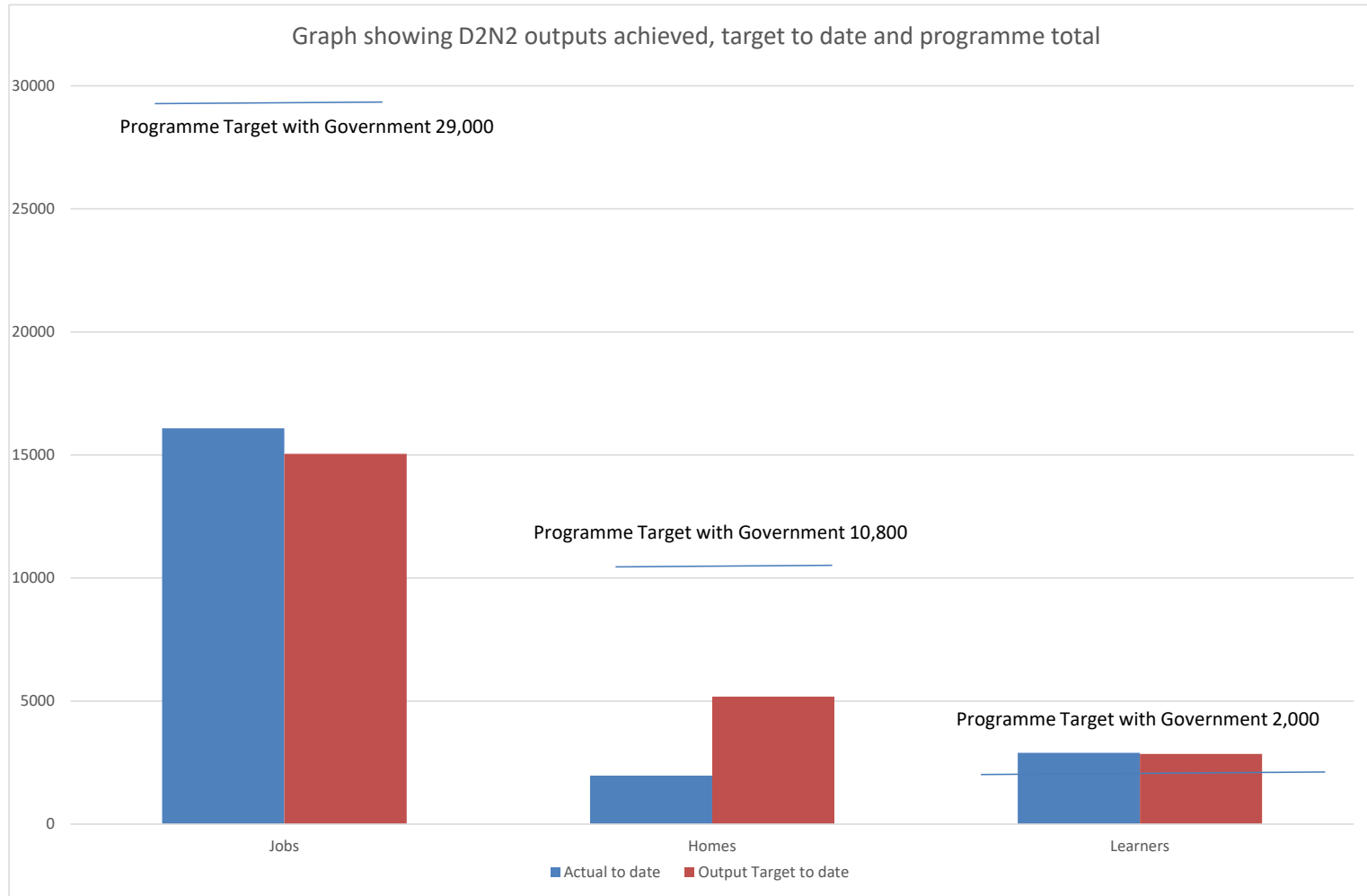
	Jobs	Homes	Learners
Contracted Target with Government up to 2035	29,000	10,700	2,000
Contracted Target with Projects	46,776	11,810	9,393

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 need to take place considering the effects of Covid.

Appendix A shows the outputs achieved compared to the contracted up until Quarter 4 2020/21.

Appendix B shows analysis of the outputs by project.

Appendix A



Appendix B

Project	Quarter 4 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	100		100				346	47	470	463		
A46 Cotgrave Town Centre							70	89				
A52 Wyvern	-300	0					0					
A57/A60 Worksop	200		585	39			981	884	758	341		
Ada Lovelace House	2						9	11				
Automation and Robotics	1	1			80	69	1	1			80	69
Bioscience Expansion, Nottingham							210	377				
Broadmarsh Southern Gateway	300						300					
Bulwell Market							75	28				
Buxton Crescent							140	106				
Castleward			54	54					54	54		
Chesterfield Higher Level Skills		7.01				77	42	60.37			1049	1164
Coalite							0	0				
Daykene St							7.5	5				
Derby Cycling and Placemaking							35	35				
Derbyshire Broadband	200	591					400	4212				
Gedling Access Road			25	44					285	250		
Harworth	517	0	60	12			2066	535	240	442		
Infinity Park	-1151						110	107	0	0		
Institute of Advanced Manufacturing	25						60	74.25			200	285
Medicity	15	4					180	353				
MTIF	15	4					17	18				
N2 Town Centres	234	1		45			291	1		45		
Newark Southern Link Road	2118		800	63			3118	0	3250	261		
Nottinghamshire Broadband		560					388	3676				
Nottingham Castle	46	12					46	12				
Nursing and Allied Provision		20					0	20				
OCOR	1741	3773	-550				4286	4287	128	128		
Revitalising the Heart of Chesterfield	102						102	0				
Riverside	123	91					163	91				
Seymour Link	220	38					1235	722				
Sherwood Energy Village							64	67				
Sherwood Visitor Centre							23.37	41.47				
Sutton Indoor Market							54	73				
SWIFt	3						4	0				
Technology Hub	1				134	29	7	10			322	223
The Silk Mill	27	2.97					85	16.97				
The Spot							10.6	11				
Vision University						107	0	0			1205	1156
Vesuvius		18					95	198				
YMCA Activity Village	3	4					3	4				
	4542	5127	1074	257	214	282	15024	16173	5185	1984	2856	2897

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Agenda Item 3

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 24 June 2021 via Microsoft Teams

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors W J Clarke (Gedling Borough Council); P Gilby (Chesterfield Borough Council), K Girling (Nottinghamshire County Council), C Hart (Erewash Borough Council), M Holmes (Derby City Council), B Lewis (Derbyshire County Council), S Webster (Nottingham City Council) J White (Bassetlaw District Council, and D Williams (D2N2 LEP)

Also in Attendance: N Cockrell (Bassetlaw District Council) O Dove (Erewash Borough Council) C Durrant (Chesterfield Borough Council), J Davies (Gedling Borough Council) D Fletcher (Derby City Council) T Goshawk (D2N2 LEP), C Henning (Derbyshire County Council), K Knowles (D2N2 LEP), R Lister (Thomas Listers Ltd), M Reynolds (D2N2 LEP) S Rose (D2N2 LEP), P Old (Smartparc), J Sayer (Derby City Council), P Simpson (Derby City Council), Sarah Wainwright (Accountable Body) L Wigley (BEIS), J Wild (Smartparc) and C Williams (Derby City Council)

31/21 **DECLARATIONS OF INTEREST** There were no declarations of interest

32/21 **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 10 March 2021

33/21 **D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW** The Board agreed to move consideration of that part of the report that referred to the MRC Midlands project, to the exempt part of the meeting, as the verbal milestones update to be presented to the Board by the promoter at the meeting contained information relating to the financial or business affairs of any particular person (including the Authority holding that information). 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.

The Local Growth Fund concluded on the 31st of March from a financial perspective, and it was confirmed that the LEP utilised all £250.7m of funding from Government before the spend deadline. The LEP had a total of £7,798,234 that was required to be spent in the final quarter of the year and all projects had delivered on their spend forecast including the overspend which was set at £1.8m to provide

programme coverage. The overspend had been funded by the Growing Places Fund.

A full final budget breakdown was to be considered as a separate report at this meeting and included the financial position of the overall programme from 2015-2021.

Although the funding period for the Local Growth Fund programme had now concluded, the programme would continue to be monitored with quarterly monitoring returns still in place for all projects. The LEP would work with project sponsors and the Accountable Body to ensure that all output requirements were monitored and reported for the lifetime of the programme.

Alongside the regular monitoring returns, the LEP were undertaking thematic based evaluations of its projects and the LGF programme to demonstrate the impacts that had been made through its investments. The evaluation process would be carried out on a rolling basis and a schedule of evaluation would be created so projects were invited to take part when they had begun to deliver the impacts agreed at the final business case stage.

A number of progress updates were detailed in the report and been merged by the following project themes; visitor economy; business space; housing development; skills projects and life sciences.

Following the announcement of the Getting Building Fund projects in August 2020, 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 and predicted spend profile sent to Government, the LEP was not able to facilitate full use of the Getting Building Fund allocation within this financial year. The LEP utilised freedoms and flexibilities to manage the budget underspends in the previous financial year and this was explained further in the budget paper under consideration at this meeting..

Progress was going well with the Getting Building Fund, and the LEP had spent £5.96m to date. Subject to the approval of the Smartparc project, which was being recommended for approval at today's meeting, the LEP would have approved 8 out of 10 projects, representing 84% of the total funding value.

One project to note in particular was the Chesterfield College project, the project sponsor had confirmed that all works to the refurbishment of the centre had been completed in line with expected timescales and the centre had now been opened to students in May.

Milestones for the Drakelow Park project were provided at the meeting:

Drakelow Park (Drakelow Developments Limited) - The project had been delayed to a September business case approval due to redesigns being required.

The LEP continue to meet with the project sponsors and all other relevant partners and can report good progress towards the delivery requirements. The Investment Board were recommended to note the progress of the project and await the business case to be delivered in September 2021.

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

The Chair thanked Board Members and LEP Officers for their efforts in getting the LGF to the end of the programme.

RESOLVED (1) to note the current position on the LGF and GBF programmes; and

(2) to approve the recommendations for the Drakelow Park Project detailed above

34/21 **CAPITAL PROGRAMME BUDGET** In relation to the Local Growth Fund the programme finished £1.78m over committed at the end of March 2021 which was funded from the Growing Places Fund (GPF).

All projects were able to demonstrate full LGF expenditure to ensure all the LGF grant had been utilised before the 31st March 2021.

The overall final budget position was detailed in Appendix 1 to the report.

In relation to the Getting Building Fund at the end of March, £5.96m had been spent on projects with the remaining £16.24m utilised as Freedoms and Flexibilities with the Accountable Body.

Appendix 2 to the report showed the remaining grant profile until the end of the programme based on figures provided by project promoters.

The programme is overcommitted by £2.45m which will be funded by using the GPF

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

RESOLVED that the report be noted.

35/21 **OUTPUT PERFORMANCE UPDATE – QUARTER 4** 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 the LEP were 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 4 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.

36/21 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on a date to be confirmed.

37/21 **EXCLUSION OF THE PUBLIC FROM THE MEETING RESOLVED** that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting of the D2N2 Investment Board held on 10 March 2021 contains information relating to the financial or business affairs of any particular person (including the Authority holding that information).
2. MRC Midlands – Milestones Update (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).

3. Project for Approval – Smartparc, Derby (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).

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