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D2N2 Investment Board – March 2021

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Meeting and Date	D2N2 Investment Board – 16 th March 2022		
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 of the Getting Building Fund.</p> <p>The paper also sets out the Low Carbon Growth Fund process</p>

D2N2 INVESTMENT BOARD

March 2022 D2N2 Capital Programme Update

Introduction

This paper provides an overview of the LEPs Getting Building Fund Programme, including an update on progress against the financial targets for this year.

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.

Spend is being continually monitored with projects and all are continuing to deliver in line or close to their projected profiles. Where projects are slipping behind profile the LEP are meeting with the project sponsors to discuss the reasons behind any slippage and mitigations to bring the profile back on track.

Project progress updates

Chesterfield College Centre of Excellence – The project was completed within the first two funding quarters of the Getting Building Fund and has been open since Spring 2021. Student numbers on the campus are performing well and the centre has enabled new technologically advanced teaching to take place on site, the project will record learner outputs in Q2 2022/23.

Digital Turbine Centre – The project works at the centre have progressed well with the technology installations being put in place. Minor delays have been seen around the installation of 5G technology due to the shortage in supply of this equipment. The project will have a completed spend profile in year. The project is delivering well against contracted outputs with 64 businesses assisted.

Glossop Town Hall – All works on phase one have now been verified as completed. Some issues have become apparent in the procurement process for the second phase of works however these are now resolved. The works will now start in April. As previously mentioned there was potential for minor underspend on the project but D2N2 and HPBC have worked

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together to mitigate this and the project will utilise its full funding package. The project is due to deliver its first outputs in Q4 2022/23 when the project has completed the physical works.

UK Electrification of Aerospace Propulsion Facility – The project works are progressing well at the University of Nottingham’s Jubilee campus. Final elements of the GBF spend need to be achieved still but there has been significant progress both physically and financially. The project has minimal spend to achieve and will utilise all its funding in Q4. The project is delivering well against its learner targets with 137 of the total 150 learners delivered so far, the project is expected to record job outputs in Q3 2022/23.

Worksop Access To Skills Hub – Refurbishment and redevelopment works of the former retail building are currently progressing in Worksop. The project is on track to be completed by April 2022 and will be open and operational in line with original projections. Project sponsors have reassured the LEP on final spend for the project. As the new centre has yet to open there has been no outputs delivered so far, we anticipate first learner and job outputs to be received in the next financial year.

NAMRC – The Nuclear Advanced Manufacturing Centre on Infinity Park is beginning construction works in this quarter. Derby City Council continue to provide assurances around the project spend and will utilise the full £6.875m in Quarter 4 of this year. Once the project has completed the construction works the outputs will begin to be delivered from Q4 2023/24.

Lindhurst – The project continues to progress with the road infrastructure developing for phase 2 on the site. Sectional completion has been achieved and allows the residential developer access to begin their groundworks on the site. The remainder of infrastructure completes in August 2022 and all project expenditure has been met. In terms of outputs the project will begin delivering its housing outputs in the 2022/23 financial year.

Transforming Nottingham Southside – After some delays to earlier phases of the programme the works to demolish the site are now performing well. Final master planning continues to take place on the site and the results of the process are expected later in the year. NCC have stated that all expenditure for the project will be met by the end of the financial year. The project will begin to deliver outputs after the demolition works are completed and the master planning has taken place.

Smartparc – Works on the site continue to progress at pace and are in line with the projections agreed at the Final Business Case stage. The first occupier for the site was

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announced as Hello Fresh who will take up a major unit on the site with 400 jobs being provided to the local economy from the development. D2N2 is working with the new occupier to provide support for them and their move to the site and will continue to assist in anyway possible. The site is gaining interest and enquiries on an ongoing basis.

Drakelow – Delays remain around some of the technical approvals for the project, the bridge has now been granted final approval of the technical designs but some issues remain around the sign off of the road specifications. Following conversations with the developer and approving body, they are both confident that a resolution can be found and approvals can be made to deliver an early summer start date. As heard at the Investment Board at the time of approval, this project will not be able to utilise its GBF allocation in time but BEIS are aware of the situation and D2N2 have the capacity to manage the funding transfer.

Budget.

Getting Building Fund (GBF)

By the end of December £32.86m out of the total grant of £44.4m had been spent on projects.

Appendix 1 shows the remaining grant profile until the end of the programme based on figures provided by project promoters.

The programme is overcommitted by £2.44m which will be funded by using the GPF.

D2N2 is currently anticipating an underspend of around £350,000 on the GBF programme due to the delays in the Drakelow Park programme. The BEIS local team are aware of this issue and due to the nature of the project which has been delayed are comfortable for Derbyshire County Council as the Accountable Body to carry the funding over to Quarter 1 in the 2022/23 Financial Year.

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Appendix 1

Getting Building Fund												
	20/21			2021/22					Grand Total			
Project name	Q3 Actuals	Q4 actual	Total £m	Q1 actual	Q2 actual	Q3 actual	Q4	Total £m	£m	Status	Promoter	
Workshop Access to Skills Hub		0.44	0.44	0.47	0.82	1.53	0.24	3.07	3.50	Approved	Bassetlaw District Council	
Centre for Excellence in Construction and Digital	0.11	0.39	0.50			0.00		0.00	0.50	Approved	Chesterfield College	
Digital Turbine Centre, Worksop	0.01	0.35	0.36	0.00	0.23	0.00		0.24	0.59	Approved	Nottinghamshire County Council	
Drakelow Park, South Derbyshire			0.00			0.00	2.60	2.60	2.60	Approved	Private Sector	
Food Innovation Parc			0.00		0.11	11.89		12.00	12.00	Approved	Derby City Council	
Glossop Town Hall, Glossop	0.12	0.19	0.31	0.47	0.28	0.25	0.69	1.68	2.00	Approved	High Peak Borough Council	
LEP Management		0.08	0.08			0.00	0.20	0.20	0.28			
Lindhurst, Mansfield	0.06	0.10	0.15	0.64	1.55	0.65		2.85	3.00	Approved	Nottinghamshire County Council	
MRC Midlands, Derby			0.00			0.00	6.88	6.88	6.88	Approved	Derby City Council	
Transforming Nottingham's Southside		0.32	0.32	0.60	2.01	1.78	3.28	7.67	7.99	Approved	Nottingham City Council	
UK Electrification of Aerospace Propulsion Facility		3.88	3.88	1.41	1.53	0.67	0.09	3.70	7.58	Approved	University of Nottingham	
Freedom and Flexibility to DCC		16.24	16.24			-4.70	-11.54	-16.24	0.00			
Total GBF Commitments	0.29	21.98	22.27	3.60	6.53	12.07	2.44	24.64	46.92			
Capacity funding			0.09									
Capital GBF funding			22.20									
Total GBF funding			22.29					22.20	44.49			
Annual (under)/over commitments			-0.01						2.44			
								Overall overspend	2.43			