

**D2N2 Investment Board Cover Sheet – September 2019**

Agenda Item 4

Confidentiality Level	Restricted <input type="checkbox"/>	Controlled <input type="checkbox"/>	Public <input checked="" type="checkbox"/>	Commercially sensitive <input type="checkbox"/>
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Meeting and Date	D2N2 Investment Board – 30 <sup>th</sup> September 2019		
Subject	D2N2 Programme Update		
Author	Sajeeda Rose	Total no of sheets (Excluding cover sheet)	7

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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Summary and Recommendation(s)
<p>The Board are asked to note the progress report on the D2N2 LGF programme.</p> <p>The report highlights the current position on the programme and provides an update on each of the projects.</p>

## **D2N2 INVESTMENT BOARD**

### **July 2019 D2N2 Programme Update**

#### **Programme Overview**

We have reviewed all the projects across the programme and identified any risks associated with delivering the agreed financial and output targets.

Accompanying this report are a number of tables that provide further details on all of the projects across the programme as well as a project change request:

Annex A – Details of the Projects deemed to be High Risk

Annex B – Provides an update on progress of all approved or pre-compliance projects and includes a RAG rating.

#### **Performance Update**

Given the increased focus on performance on the back of the annual performance review we have agreed and set milestones with government to track performance of the programme and ensure that we deliver the targets for 2019/20. The new targets include the underspend from previous years.

We are confident that we are making good progress in achieving the targets set and will continue to monitor and track performance through the Investment Board.

A full review of the programme and in particular projects yet to be formally approved will be undertaken by the Investment Board at its meeting on the 30<sup>th</sup> of September 2019.

**The Financial Milestones agreed for this year are:**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M	£10M	£10M	£12M	£40M
Actual Spend achieved to date	£8.4M	£15.8M			£24.2M
Forecast Spend	£8.4M	£15.8M	£10M	£18M	£46M

**The output targets up to Q2 for this year are:**

	Total 2019/20	Achieved by 31/09/19	Full Year Forecast 19/20
<b>Jobs created</b>	300	40	1,396
<b>Learners</b>	500	12	480

D2N2 will continue to monitor the projected spend and outputs of projects quarterly against actuals to ensure that the LEP reaches its end of year targets, and will highlight any risks to achieving the performance targets to both the Investment Board and main Board.

## Evaluation

D2N2 has just begun an impact evaluation of completed LGF investments from the programme. Focus consultants Ltd have been appointed to undertake the evaluation process and will investigate the impacts investments have made alongside a thematic evaluation of the programme. The report will be presented to the January Investment Board after a full round of consultation with the relevant stakeholder partners.

We continue to work with all the projects and will monitor the risks associated with delivery affecting the programme.

## Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
A61 Corridor  Derbyshire County Council	Delays in the submission of the projects business case have led to multiple phases not delivering against projected spend.	The promoter has provided previous updates to the IIB on progress and has had approval for a Pre-Compliance Agreement to support the development of the full corridor development.  The IIB formally replaced the Whittington Moor element of the programme at the February IIB with a new project at Clowne.  The project will now be monitored against the milestones provided for each element at the March and May meetings of the IIB.	£15.64M	IB have received an update on the projects progress in March 2019.  The IB will continue to monitor the progress of the delivery of various elements for the project.
Newark Southern Link Road	This has been put at high risk due to output targets being missed and uncertainty over match funding	The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England	£7M	The LEP continue to meet with the project promoter alongside other partners. A full update on

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
Newark and Sherwood District Council	contributions for the completion of the road.	alongside D2N2 to look for potential solutions to the issue. The project is undergoing a financial review of the viability of the project and Homes England are assessing the ask to the site. The work is anticipated to take continue for at least 3 months.		the project was received by the IIB in February.

### Annex B – Project Progress and Risk Rating

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Chesterfield Centre for Higher Level Skills	University of Derby		3.48	Approved					Project Open - Outputs being monitored
Vision University Centre	West Notts College		2.61	Approved					High Risk - Project is not delivering against anticipated output targets
Bioscience Expansion	Nottingham City Council		6.50	Approved					Project Open - Outputs being monitored
The Spot	Derby City Council		0.71	Approved					Project Open - Outputs being monitored
Medicity	Medicity		0.74	Approved					Project Open - Outputs being monitored
Ada Lovelace House	Ashfield District		0.14	Approved					Project Open - Outputs being monitored
Bulwell Market	Nottingham City Council		0.10	Approved					Project Open - Outputs being monitored
Dakeyne Street	Nottingham City Council		0.18	Approved					Project Open - Outputs being monitored
Sutton Indoor Market	Ashfield District		0.38	Approved					Project Open - Outputs being monitored
Sherwood Energy Village	Coalfields Regeneration Trust		0.50	Approved					Project Open - Outputs being monitored
Harworth Access Road	Nottinghamshire County		1.10	Approved					Project Open - Outputs being monitored
Seymour Link	Derbyshire County Council		2.52	Approved					Project Open - Outputs being monitored
Cycle City Ambition package in Nottingham	Nottingham City Council		6.10	Approved					Project Open - Outputs being monitored
A57/A60 Junction Worksop	Nottinghamshire County		1.83	Approved					Project Open - Outputs being monitored
Institute for Advanced Manufacturing	University of Nottingham		5.00	Approved					Project Open - Outputs being monitored
Sherwood Visitor Centre	RSPB		0.50	Approved					Project Open - Outputs being monitored
Southern Growth Corridor	Nottingham City Council		6.12	Approved					Project Open - Outputs being monitored
Rail Research and Innovation Centre	University of Derby		0.90	Approved					Project Open - Outputs being monitored
Derby College Technology Hub	Derby College		1.30	Approved					Project Open - Outputs being monitored
Infinity Park	Derby City Council		12.995	Approved					Project Approved - In Construction
Nottingham Broadmarsh/Southern Gateway	Nottingham City Council	10.00	25.30	Approved					Project Approved - In Construction
Newark Southern Link Road	Newark and Sherwood District		7.00	Approved					High Risk - Project is not delivering against anticipated output targets and funding remains to be determined for the conclusion of the road
Derby Cycling and Placemaking	Derby City Council	0.09	1.65	Approved					Project Open - Outputs being monitored
Our City Our River, Derby	Derby City Council	2.5	12.00	Approved					Medium Risk - The project is not delivering against outputs as profiled
Derbyshire Broadband	Derbyshire County Council		2.19	Approved					Project Open - Outputs being monitored

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Nottinghamshire Broadband	Nottinghamshire County		2.63	Approved					Project Open - Outputs being monitored
D2N2 Sustainable Travel programme	D2N2 Wide		5.80	Approved					Project Open - Outputs being monitored
Enterprise zone sustainable transport package	Nottingham City Council		6.00	Approved					Project Open - Outputs being monitored
A52 Wyvern	Derby City Council		6.72	Approved					Project Approved - In Construction
Coalite	Derbyshire County Council		5.80	Approved					Project Approved - In Construction (Outputs recently reprofiled following external circumstances)
A46 Corridor	Rushcliffe Borough		6.25	Approved					Medium Risk - The project is yet to deliver business cases for the final two elements of the project
Midland Mainline	D2N2 Wide		5.00	Approved					Project Open - Outputs being monitored
Buxton Crescent	Derbyshire County Council		2.00	Approved					Project Approved - In Construction
Silk Mill World Heritage Site	Derby City Council	0.63	3.70	Approved					Project Approved - In Construction
Nottingham City Hub	Nottingham College	12.73	30.00	Approved					Project Approved - In Construction
N2 Town Centres	Nottinghamshire County	2.75	7.63	Approved					High Risk - The project is yet to deliver business cases for the some of the remaining elements of the programme and is unlikely to achieve this years targeted spend and output delivery.
Nottingham Castle	Nottingham City Council		5.00	Approved					Project Approved - In Construction
Vesuvius	Dooba Developments Ltd		4.49	Approved					Project Approved - In Construction
Riverside Business Park	Litton Properties Ltd	2.04	3.35	Approved					Project Approved - In Construction
NTU MTIF Centre	Nottingham Trent University	3.86	9.70	Approved					Projects 1st phase approved, second phase Sept 19 approval
Gedling Access	Nottinghamshire County	1.80	10.80	OBC approved					Project is awaiting approval at the November meeting, slight delay due to outstanding secretary of state approval.
Becketwell	Derby City Council	1.08	8.12	OBC approved - pre comp agreement					The project is on track for a March 2020 FBC delivery with key milestones achieved towards this deadline
A61 Corridor	Derbyshire County Council	4.43	15.60	Partially approved					High Risk - The project has delivered two phases of business cases for the September Investment Board.
Ashbourne Airfield	Derbyshire County Council	1.00	1.00	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP, this is anticipated in November with progress towards this date.
Castleward	Derby City Council		1.51	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP, this is anticipated in March 2020
Woodville-Swadlincote Regeneration route	Derbyshire County Council	1.60	6.40	Awaiting FBC					Amber Risk - The project is at risk of not being able to deliver the business case in time to achieve the full spend of its LGF allocation.
HS2 Strategic Sites	Chesterfield Borough	1.00	2.40	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP.

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Derby New Assembly Rooms	Derby City Council		4.48	OBC approved					Amber Risk – The project is scheduled to be considered at the September Investment Board Meeting

	Achieved / On Track
	Medium Risk / Manageable Risk
	High Risk / Behind Schedule