

Item 4

D2N2 Investment Board – September 2023

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 – 7 th September 2023		
Subject	D2N2 Capital Performance Overview		
Author	T Goshawk	Total no of sheets (Excluding cover sheet)	4

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 paper also gives an update on the Early Stage Angel Investment Fund.</p>

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D2N2 INVESTMENT BOARD

September 2023 D2N2 Capital Programme Update

Introduction

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

Drakelow Park funding deallocation

Following the Investment Board meeting on the 1st of February, the board took the decision to deallocate the funding £2.6m to the Drakelow Park Project. The project had made little progress in bringing the development to fruition and therefore was deallocated from the LEPs Capital programme.

Following this process D2N2 and the Accountable Body has received a formal ministerial confirmation of withdrawal of the funding with £2.34m returned to the Growing Places Fund pot and £253,450 reallocated from the Getting Building Fund to the Springvale Hydrogen project. This allowed for the reallocated funds from the Springvale Hydrogen project to be added to the Growing Places Funding for use in the new Economic Growth Fund call.

Low Carbon Growth Fund progress update

Following the approval of 7 projects on to the Low Carbon Growth Fund capital programme the LEP has to date approved 4 projects through the Investment Board and has a further project for approval at this meeting.

Smartparc Low Carbon Heating and Cooling – The project has progressed well with spend and the infrastructure for the scheme has begun to take shape. The project will be linked to new occupiers on site to establish new low carbon heating and cooling for the developments when they come on site.

PPROHLET – The purchase of specialist equipment has been delayed by ongoing issues with the supply chain for the project. The project as of the latest monitoring claim has not yet spent any of its allocation, however the University have confirmed that spend has now been registered and will be reported at the next monitoring claim. A meeting has been arranged to update on future timelines for the project.

Springvale Hydrogen – The project has seen some delays for the procurement of specialist hydrogen equipment as supply chains continue to delay delivery of procured goods. These however are being resolved and assembly has ramped up in the last 2 months on the project.

Hydrogen Waste Collection – The project has experienced issues in sourcing Hydrogen to power the vehicles after the first supplier of H₂ pulled out of the contract. This has led to some delays in the delivery of the operational phase of the project but will not severely impact delivery and all outputs are expected to be delivered shortly in line with the initial business case.

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Hydrogen Buses – D2N2 are working with the project sponsor to identify Hydrogen suppliers for the delivery of fuel for the new buses. LEP Officers have a meeting with Trent Barton to discuss the project and will update the meeting.

Both the Heat Pump Skill Academy and Mine Water Heat projects have items for approval at this meeting.

Early-Stage Angel Investment Fund

D2N2 officers have continued to work to develop the scope and requirements of the ESAIF. Officers have worked with the members of the Access to Finance subgroup and legal team appointed to complete the tender documents which were published on 9 August 2023.

Following publication the following timescales have been put in place for the tender process:

Submission of questions and contract commentary by:	17:00, Tuesday 22 August
Response to questions and contract commentary by:	17:00, Tuesday 29 August
Tender response by:	17:00, Monday 11 September
*Initial evaluation by:	21 September 2023
*Due diligence meeting, if required:	Late September 2023
*Due diligence checks (including audit and security checks) completed:	Early October 2023
*Award of contract:	October 2023
*Contract start date:	November 2023

Officers from the LEP team will work alongside Access to Finance Group members and Derbyshire County Council's procurement team to assess the submissions received. Following the results of this process we will bring an update to the next meeting of the Investment Board

Low Carbon Growth Fund Budget.

Appendix 1 shows the budget for the Low Carbon Growth Fund and the spend that has been recorded to date on the 7 projects.

Appendix 1

Low Carbon Growth Fund	Actual to date	Budget	Budget			
Project		2022/2023	2023/2024	Total	Status	Promoter
SmartParc Low Carbon Heating and Cooling	1,200,000.00	1,200,000.00		1,200,000.00	Approved at September Investment Board	SmartParc Segro Spondon Ltd
Heat Pump Skills Academy		100,000.00	400,000.00	500,000.00	At this August Investment Board	Bolsover District Council
PPROHLET		1,200,000.00		1,200,000.00	Approved at September Investment Board	University of Nottingham
The Sixes-H2 Buses			1,500,000.00	1,500,000.00		Trent Barton
Mine Water Heat			900,000.00	900,000.00	At this August Investment Board	Bolsover District Council
Hydrogen Fuelled Waste Collection	114,305.90	310,000.00		310,000.00	Approved at July Investment Board	South Derbyshire District Council
Springvale Hydrogen	718,009.50	718,009.50		718,009.50	Approved at July Investment Board	Bloom Development Ltd
	2,032,315.40	3,528,009.50	2,800,000.00	6,328,009.50		