

**MINUTES** of a meeting of the **D2N2 INVESTMENT BOARD** held on 30 September 2019 at County Hall, Matlock.

**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), S Webster (Nottingham City Council), J White (Bassetlaw District Council), and J Bradley Fortune (Inclusion Representative).

Also in Attendance: D Armiger (Bassetlaw District Council), J Battye (Derbyshire County Council), J Davies (Gedling Borough Council), C Durrant (Chesterfield Borough Council), T Goshawk (D2N2 LEP), N Gusson (D2N2 LEP), R Harding (D2N2 LEP), C Henning (Nottingham City Council), S Rose (D2N2 LEP), F McCardle (South Derbyshire District Council), M Roylance (South Derbyshire District Council), I Sankey (Erewash Borough Council), J Seymour (Derbyshire County Council), D Swaine (Boslover & NEDDC) S Wainwright (Derbyshire County Council), C Williams (Derby City Council), and D Wright (CLGU).

Apologies for absence were submitted on behalf of Councillor B Lewis.

**16/19**        **APPOINTMENT OF VICE CHAIRMAN** – **RESOLVED** that Councillor B Lewis be appointed as Vice Chairman of the D2N2 Investment Board

**17/19**        **DECLARATIONS OF INTEREST**

Councillor M Holmes as a member of Derby City Council in relation to minute reference 20/19 – D2N2 Milestones Update - Becketwell, and Castleward; minute reference 25/19 New Assembly Rooms and exempt minute reference 29/19, Becketwell, change request.

Councillor W J Clarke as a member of Gedling Borough Council in relation to minute reference 20/19 - D2N2 Milestones Update – Gedling Access Road.

Councillor P Gilby – Chesterfield Borough Council in relation to minute reference 20/19 - D2N2 Milestones Update – HS2 Strategic Sites

E Fagan – in relation to exempt minute reference 30/19 Growing Places Fund – Boots Enterprise Zone loan

**18/19**        **MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Infrastructure and Investment Board held on 30 July 2019.

**19/19 LOCAL GROWTH FUND PROGRAMME PERFORMANCE OVERVIEW**

All the projects across the programme had been reviewed and risks associated with delivering the agreed financial and output targets identified. Annex A of the report detailed the projects deemed to be High Risk, Annex B provided an update on progress of all approved or pre-compliance projects and included a RAG rating.

Given the increased focus on performance on the back of the annual performance review milestones had been agreed and set with government to track performance of the programme and ensure that the targets were delivered for 2019/20. The new targets included the underspend from previous years.

Good progress was being made in achieving the targets set and would continue to monitor and track performance through the Investment Board.

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

	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 were:**

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

D2N2 has just begun an impact evaluation of completed LGF investments from the programme. Focus Consultants Ltd had been appointed to undertake the evaluation process and would investigate the impacts investments had 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.

Work would continue with all the projects and monitoring would continue with the risks associated with delivery affecting the programme. The LEP would meet and review the output delivery with projects prior to the November meeting.

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

**RESOLVED** to note the progress on the D2N2 LGF programme.

**20/19**      **MILESTONES UPDATE** The Board were asked to note the Milestones report on the D2N2 LGF programme.

The report showed the Milestones that were agreed at the previous three meetings and detailed the progress against milestones. Further information was provided at the meeting by the promoters and recommendations followed each project giving their milestone progress.

**Gelding Access Road (Nottinghamshire County Council)** - to approve that the business case for the project is delivered in November 2019 and not the original intended September 2019 due to the delays in the Secretary of State sign off. This delay had no effect on the projects start on site date or ability to deliver in the LGF timeframe.

**Becketwell (Derby City Council)** - to note the progress against milestones of the Becketwell project and monitor further milestones up to the delivery of the Final Business Case in March 2020.

**Castleward (Derby City Council)** –The Investment Board were requested to note the progress and continue to monitor milestones through the FBC.

**Ashbourne Airfield (Derbyshire County Council)** – The Investment Board are requested to note the progress and continue to monitor milestones through the FBC in November 2019.

**Woodville Swadlincote Regeneration Route (Derbyshire County Council)** – The board agreed to consider this project in the exempt part of the meeting due to updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**HS2 Strategic Sites (Chesterfield Borough Council)** – The board agreed to consider this project in the exempt part of the meeting due to updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**A46 Corridor (Phase 3) (Rushcliffe Borough Council)** - The Investment Board were recommended to withdraw the £2.5m of funding to the Fairham Pastures project and utilise this to lower the overspend allocated in the budget. The board were requested to monitor the ongoing milestones for the remainder of the project until FBC delivery.

**Overview of A61 Corridor Programme (Derbyshire County Council)** - The programme was made up of four inter-related A61 projects and Clowne North:

- **Standard Gauge for sustainable Travel** - report to be considered as separate item at the meeting
- **21<sup>st</sup> Century Transport Corridor** - report to be considered as separate item at the meeting
- **Avenue Southern Access** - The board agreed to consider this project in the exempt part of the meeting due to the updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).
- **Chesterfield Station Masterplan** - The board agreed to consider this project in the exempt part of the meeting due to the updates being provided by the promoters at the meeting containing information relating to the financial or business affairs of any particular person (including the Authority holding that information).

**Clowne North** - The board was requested to monitor the progress of the project through to business case delivery in November 2019.

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

**RESOLVED** to approve the recommendations as detailed above.

**21/19 LOCAL GROWTH FUND BUDGET** The current forecast showed that in 2019/20 the programme was overcommitted by £31.4m. This would be offset by the money being held by Derbyshire County Council to achieve a balanced budget.

The LEP and Accountable Body were currently reviewing the final two years grant profile to ensure a workable cash flow position.

The overall programme was now showing an over commitment of £4.5m which was down from the £7m previously over profiled as the A46 Corridor Project had given £2.5m back to the overall funding. At the June 2017 Infrastructure

Investment Board meeting it was agreed that any over allocation in the LGF programme would be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities

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

**RESOLVED** that the report be noted.

**22/19**      **N2 TOWN CENTRE UPDATES** The N2 town Centres programme was a collection of projects from the Nottinghamshire Borough/ District Councils which aimed to regenerate and revitalise town centres across the county through targeted investment. The programme was granted delegated approvals where decisions would be made by the N2 Town Centres panel. The project was required to update the Investment Board twice a year on progress.

Since the last update in December 2018 one further project had been approved. The N2 Chief Executives had approved the allocation of the remaining £625,000 to 3 projects, Stapleford Police Station, Stockwell Gate redevelopment and Cotgrave Town Centre.

The N2 project board met in September 2019 when all promoters provided an update on their milestones. As part of this update the LEP and Accountable Body asked for revised output and expenditure profiles from all projects. The programme had a contracted target of 282 jobs this financial year but the forecast figures from the individual projects showed an estimated figure of 42.

The programme would therefore be required to attend the Investment Board to submit a change request for its outputs. Alongside the output delivery change request, it was likely the project would need to present a change request with regards to this year's financial allocation due to the slow progress of approvals. The project sponsor would be requested to attend the November Investment Board to give an update on the project and the above change request.

Two of the projects had received up front development funding and these posed a risk to their promoters of clawback until they were fully compliant with the Local Assurance Framework. Both projects would need to demonstrate they were compliant and would achieve their outputs to remove any risk.

All projects had been asked to provide an update on their milestones, a summary of which was appended to the report.

Clarification on the timelines of the projects would be provided at the November IB meeting

**RESOLVED** that the report be noted

**23/19 PROJECT FOR APPROVAL – A61 CORRIDOR – STANDARD GAUGE FOR SUSTAINABLE TRANSPORT**

The report set out a request for £1.688m of Local Growth Funding to support the A61 Corridor-Standard Gauge for Sustainable Transport and representatives from the promoters Derbyshire County Council, attended the meeting and provided a presentation to the Board to supplement the report.

As background, the Board was informed that in February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF). The LGF comprised of 51 schemes and ran until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which set out the procedures for managing and approving projects. In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

This package of measures would provide infrastructure improvements and reduce commuter journey times, provide sustainable transport routes, and also 'unlock' further opportunities for major housing and employment growth along the A61 corridor through Chesterfield and into north-east Derbyshire.

Furthermore, as part of D2N2s commitment to clean growth, the improvements to the transport network would prioritise active travel, cycling, and pedestrianisation through new and upgraded paths and cycle routes.

The A61 Corridor was made up of 5 elements:

- Chesterfield Station Masterplan
- The Avenue Southern Access
- 21<sup>st</sup> Century Transport
- Standard Gauge for Sustainable Transport
- Clowne North

The project had received upfront development funding and now the Final business case was being presented to the Investment Board to unlock the remaining allocation. Whilst the overall A61 Corridor project had specific jobs and homes output targets, both this element and the 21<sup>st</sup> Century Transport element did not directly contribute to those targets and had primarily transport based outputs.

This element was part of a Transport Mitigation Strategy for the corridor and aimed to improve the resilience of the transport network.

There were a number of significant residential and employment developments proposed within the corridor including Peak Resort and the Avenue. This growth would place additional demands on the transport network in the surrounding areas. These works were being carried out to ensure there was sufficient access to these growing sites and mitigate against the demands that would be placed on the local network.

The transport network needed to support efforts to improve the local environment, including addressing local air quality issues associated in part with higher dependency on the private car. Transport provision also needs to have greater resilience to changing environment conditions, with flooding a prominent risk at particular locations in Chesterfield. Evidence of peak time congestion in Chesterfield, which exacerbated several of the above issues including air quality, journey times and journey time reliability and could deter cyclists/pedestrians as a result of the conditions.

The Standard Gauge for Sustainable Transport considered 2 options from the long list, the first being a cycle link between Sheepbridge and Chesterfield Town Centre and the second being a strategic route between Clay Cross and Chesterfield Town Centre. The options were then developed further and a comprehensive wayfinding system included within this element to help promote the active travel network and encourage greater uptake of cycling and walking.

The elements to this project were:

- Whittington Moor to Sheepbridge cycle route
- Chesterfield Town Centre to Storforth Lane cycle route upgrade (Phase 1 Derby road, Phase 2 Rothervale road to Storforth Lane); and
- Wayfinding system

These three schemes were all critical components to the completion of a continuous, high standard route for active travel between the Avenue and Sheepbridge. The project was seeking to complete the gaps identified to provide an entire route with off road, surfaced paths, quiet roads or controlled crossings of major roads which was available all year round.

The funding for the project was sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derbyshire County Council	£197,450
Section 106 contributions	£224,750
LGF	£1,688,800
<b>TOTAL</b>	<b>£2,111,000</b>

The A61 Strategy was approved by Derbyshire County Councils Cabinet on the 11<sup>th</sup> October 2018. No planning consents were required for this project. Planning permission for phase 2 Rothervale road to Storforth Lane was granted in March 2018.

DCC considered all the options for procurement for the design and build of the schemes, including in house, frameworks and open tenders. The selected procurement approaches were detailed in the report.

An Outline Business Case for the project was approved in March 2018. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given would be on the basis that the project reports good VFM.

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

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

**RESOLVED** to approve the project and to release the remaining £470,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money.

**24/19**      **PROJECT FOR APPROVAL – A61 CORRIDOR – 21<sup>st</sup> CENTURY TRANSPORT** The report set out a request for £3.00m of Local Growth Funding to support the A61 Corridor- 21<sup>st</sup> Century Transport project and representatives from the promoters Derbyshire County Council, attended the meeting and provided a presentation to the Board to supplement the report.

The background to the scheme and the package of measures was as detailed in the previous minute.

The project had received upfront development funding and now the Final business case was being presented to the Investment Board to unlock the remaining allocation. Whilst the overall A61 Corridor project has specific jobs and homes output targets, both this element and the Standard Gauge element did not directly contribute to those targets and have primarily transport based outputs.

This element was part of a Transport Mitigation Strategy for the corridor and aimed to improve the resilience of the transport network.

There were a number of significant residential and employment developments proposed within the corridor including Peak Resort and the Avenue. This growth would place additional demands on the transport network in the surrounding areas. These works were being carried out to ensure there was sufficient access to these growing sites and mitigate against the demands that would be placed on the local network.

The transport network needed to support efforts to improve the local environment, including addressing local air quality issues associated in part with higher dependency on the private car. Transport provision also needed to have greater resilience to changing environment conditions, with flooding a prominent risk at particular locations in Chesterfield. Evidence of peak time congestion in Chesterfield, which exacerbated several of the above issues including air quality, journey times and journey time reliability and could deter cyclists/pedestrians as a result of the conditions.

There was a need for an intelligent transport system (ITS) to provide an innovative and integrated approach to increase capacity and transport network efficiency along the A61 Corridor, without the need to construct significant new infrastructure.

The production of the Derbyshire ITS Strategy resulted in the technology aspects of this element being refined and updated. An ITS action plan was prepared which undertook a further sifting exercise of technology schemes to inform the Technology package for the A61 Corridor.

The elements to this project were:

- Technology Package, including bus real time passenger information (RTPI), car parking guidance and information (PGI) system and CCTV.
- Signalisation of the A61/Sheepbridge Lane/Broomsbank Road junction.
- Improvements to the St Augustine’s junction with the A61
- Upgrade of the signals on the A61 near Alma Leisure Park.

The funding for the project was sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derbyshire County Council	£488,198
Section 106 contributions	£262,000
LGF	£3,000,791
<b>TOTAL</b>	<b>£3,750,989</b>

The A61 Strategy was approved by Derbyshire County Councils Cabinet on the 11<sup>th</sup> October 2018. No planning consents were required for this project.

DCC considered all the options for procurement for the design and build of the schemes, including in house, frameworks and open tenders. The selected procurement approaches were detailed in the report.

An Outline Business Case for the project was approved in March 2018. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given would be on the basis that the project reports good VFM.

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

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

**RESOLVED** to approve the project and to release the remaining £2,330,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money.

The report set out a request for £4.48m of Local Growth Funding to support the New Assembly Rooms and representatives from the promoters Derby City Council attended the meeting and provided a presentation to the Board to supplement the report.

As background, the Board was informed that in February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF). The LGF comprised of 51 schemes and ran until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which set out the procedures for managing and approving projects. In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

The Assembly Rooms was built alongside its car park in the 1970's. This was Derby's premier performance venue operated by Derby LIVE delivering a busy and mixed programme of cultural events. In March 2014 a fire in the plant room above the Assembly Room car park, which adjoined the building, made the Assembly Rooms unsafe for use. The Assembly Rooms has been closed since the fire and the city had been without its main entertainment venue for over five years.

Derby's ambition was to create a contemporary large scale entertainment and conference venue in the city centre, animating and enhancing the viability of the market place.

The New Assembly Rooms project objectives are as follows:

- To create a new look and feel Assembly Rooms that contributes to the vibrancy of the Market Place. The aim was to re-open the Assembly Rooms as soon as possible at a minimum capital and on-going revenue costs.
- To increase and enhance the cultural offer in the city through the returns of entertainment, cultural performance and commercial events to the Assembly Rooms after an absence of more than 5 years.
- To create a new sense of place and vibrancy in the heart of the city and beyond and improve the city centre experience for the visitor economy.
- To attract new visitors, unlock commercial development and create new jobs in the city centre.

The New Assembly Rooms would be operated by a hybrid organisation including Derby City Council's in-house venue and events team (Derby LIVE) and additional, experienced commercial management.

The funding for the project is sourced from the following:

<b>Funding Source</b>	<b>TOTAL</b>
Derby City Council (inc. capital receipts, insurance reserve)	£18,545,000

D2 Business Rates Pilot	£975,000
LGF	£4,480,000
<b>TOTAL</b>	<b>£24,000,000</b>

The project was approved by Derby City Council Cabinet on Wednesday 12<sup>th</sup> December 2018 and Planning Permission was approved on the 13<sup>th</sup> September 2019

The promoter had engaged Wates Construction Ltd through the Scape National Construction framework.

An Outline Business Case for the project was approved on the 25<sup>th</sup> of July 2019. The business case had been forwarded to Regeneris Hatch and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM

Details of the Delivery Programme and outputs and Outcomes were detailed in the report.

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

**RESOLVED** to approve the project and to release the £4,480,000 of LGF on the condition that the Hatch Regeneris report confirmed the project represented good value for money

**26/19**      **PIPELINE PROJECTS** In July 2019, D2N2 released a call for new capital projects to be presented to the LEP and scored through a competitive process, the call was split in to two distinct elements:

- Short Term Submissions – Projects that fit within the strategic parameters of D2N2’s Local Growth Fund and could spend LGF allocations by March 2021 should any underspend become available.
- Medium Term Submissions – Projects that would be able to spend future funding between April 2021 and 2025 which fit with the longer term strategic objectives of the LEP.

Projects were invited to submit Expressions of Interest by the 26<sup>th</sup> of August.

D2N2 had received 27 short term applications from 19 prospective project sponsors. These submissions had to focus heavily on the deliverability of projects and their ability to utilise spend in the time constraints before March 2021.

The medium term section of the pipeline call received 34 project applications from 17 prospective project sponsors. These submissions were focused around future projects that would be able to utilise whatever public funding became available from future funding calls.

After an analysis of the call, D2N2 had identified a list of projects which scored highly on the scoring framework which meant they were deemed to be low risk in their delivery potential. These projects equated to £2.58m of funding that could be utilised before March 2021 and offer 390 jobs between them.

With the medium term submissions, D2N2 officers would work with these submissions to prepare for any instance of future funding calls and bring the projects forward to the November Investment Board.

Following a review of the projects that currently had an allocation of Local Growth Funding, D2N2 still remained in a position with an over allocation in the programme of £4.5m subject to the outcomes from this meeting.

It was the LEPs intention to reserve an over allocation throughout the programme of up to £4m which could be covered by the GPF allocation set aside to fund this overspend. Should projects who had outstanding allocations of funding not utilise their spend then D2N2's intention was to use up to a maximum of £4m of Growing Places Fund to bring forward new projects from the pipeline call.

D2N2 would engage with the highest scoring projects from the pipeline call process and work through an in detail analysis of their deliverability potential alongside strategic fit in order to create a pipeline of true 'shovel ready' projects that could utilise spend.

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

It was confirmed that at the moment there was no additional money available but by the time of the November IB meeting there would need to be a level of confidence from projects that they were hitting milestones and in a position to proceed or some projects may not be supported further.

**RESOLVED** that subject to any funding being released following the conclusion of the September Investment Board, D2N2 officers will further engage with existing and new projects to monitor their deliverability and bring forward a finalised set of recommendations for funding allocations to the November Investment Board.

**27/19**      **CREATION OF SCRUTINY COMMITTEE** In January 2019 the Department of Business, Energy and Industrial Strategy (BEIS) issued the National Local Growth Assurance Framework, one requirement was that "LEPS's should agree with their Accountable Body the appropriate scrutiny arrangements to ensure decisions had the necessary independent and external scrutiny in place."

D2N2's own Local Assurance Framework stated that "The LEP would utilise both Scrutiny and Audit committee arrangements within Derbyshire County Council, this would also be extended to the chairs of the scrutiny committees across D2N2 to take part in the process. The LEP's audit report would be presented annually to

the Investment Board. The Scrutiny Committee would review the annual performance of the LEP's governance and its funding streams. The LEP would also make an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested."

Derbyshire County Council as Accountable Body agreed at its Improvement and Scrutiny Committee for Resources on the 19<sup>th</sup> September 2019 to host a Working Group to review the D2N2 LEP. This working group would meet up to twice a year and will be in public.

In this instance of the scrutiny board, the topic for discussion will be LEPs delivery with particular reference to the decision making processes of the LEP and Investment Board

Board members were asked to provide contacts from their respective Local Authority Scrutiny Committees so that they can be invited to attend a D2N2 Working Group to scrutinise the LEP and its procedures with relation to funding.

**RESOLVED** that interested parties send details of nominated members to Sarah Wainwright Monday 14<sup>th</sup> October 2019.

**28/19**      **DATE OF NEXT MEETING** The inaugural meeting of the Investment Board would take place Friday 29 November 2019 at 2:00pm at Dunston Innovation Centre, Chesterfield S41 8NG.

**29/19**      **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 confirm the exempt minutes of the meeting of the D2N2 Investment Board held on 30 July 2019.
2. To consider the update report on Becketwell Change request (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
3. To consider the update report on Growing Places Fund (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).