

D2N2 Investment Board Cover Sheet – January 2020

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 th January 2020		
Subject	Local Growth Fund (LGF) Programme Performance Overview		
Author	Sajeeda Rose	Total no of sheets (Excluding cover sheet)	9

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

January 2020 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.

Annex C – Provides a change request for the Vesuvius Works project

Performance Update

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

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	£6.9m	£13.8m	£13.1m		£33.8m
Forecast spend	£6.9m	£13.8m	£10m	£18m	£46m

The LEP will continue to monitor spend with projects on an ongoing basis and will be working with promoters to ensure that full financial delivery takes place in this year. Based on our current forecasts we are on track to spend the £46m which will meet the target set by Government and utilise the underspend which has been carried forward in to this financial year.

The output targets up to Q3 for this year are:

	Total target for 2019/20	Achieved by 31/12/19	Full Year Forecast 19/20
Jobs created	300	298	1,396
Learners	500	388	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.

A number of further projects will be presenting output reprofiles to the 11th of March meeting including:

- A52 Wyvern
- Infinity Park
- Vision University Centre
- N2 Towns Centre
- Our City Our River

The LEP is working with the project promoters to gain an understanding of the issues related to the delivery of outputs and will work in partnership with the project sponsors to determine new forecast for output delivery.

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 impact investments have made alongside a thematic evaluation of the programme.

We continue to work with all the projects and will monitor the risks associated with delivery affecting the programme. The table below highlights those that are high risk.

Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
<p>A61 Corridor:</p> <ul style="list-style-type: none"> - Clowne North - The Avenue - Chesterfield Station Masterplan <p>Derbyshire County Council</p>	<p>Delays in the submission of the project's business case have led to multiple phases not delivering against projected spend.</p> <p>Clowne North – Issues remain around Section 106 contributions that place the project at high risk. Further recommendations are in the Milestones Paper.</p> <p>The Avenue – Despite full design being in place, issues remain around land assembly for the project and these need to be resolved before the project can be removed from the High risk.</p>	<p>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.</p> <p>The project is being monitored against the milestones provided for each of the elements. Regular progress checks are in place between the project promoter and LEP Officers to closely monitor the projects progress.</p>	£15.64M	<p>The Investment Board will continue to monitor the progress of the delivery of various elements for the project.</p> <p>The Investment Board approved two further projects at the September meeting.</p> <p>Full updates are to be provided to the Investment Board on the 30th of January.</p>
<p>Newark Southern Link Road</p> <p>Newark and Sherwood District Council</p>	<p>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.</p>	<p>The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England 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.</p>	£7M	<p>The LEP continue to meet with the project promoter alongside other partners. A full update on the project is at this meeting.</p>
<p>New Assembly Rooms</p> <p>Derby City Council</p>	<p>This project has been placed on the high risk register due to a significant change in the projects delivery mechanism and the promoter's decision</p>	<p>D2N2 will work to review the project and its future progress with the scheme promoter. After discussions the LEP will work to progress any mitigations and continue to</p>	£4.48m	<p>The IB are to discuss the project further in the agenda item later in the meeting</p>

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
	to postpone construction works on the site until further notice.	work with Derby City Council where possible on this project.		

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. An output review will be provided to the Investment Board
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. Output review due to January Investment board
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. See the above high risk table for further details.
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. Output review due to January Investment board
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. Output review due to January Investment board
Coalite	Derbyshire County Council		5.80	Approved					Project Approved - In Construction (Outputs recently reprofiled following external circumstances)
A46 Corridor – Phase 1/2	Rushcliffe Borough		3.00	Approved					Project Open - Outputs being monitored
A46 Corridor – Phase 3	Rushcliffe Borough		0.75	To be approved					The project is continuing to progress through to FBC delivery however this has been delayed slightly.
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					Medium Risk -a number of business cases within the programme are still to be formally approved which will affect the spend and output profile for the year.
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 has seen delays to the delivery of the Final Business Case, new milestones for the project are included later in the paper.
A61 Corridor- Standard Gauge/21 st Century Transport	Derbyshire County Council	1.64	4.69	Approved					Project Approved – In Construction
A61 – The Avenue	Derbyshire County Council	0.35	3.68	OBC					High Risk – Further details in Appendix A
A61 – Chesterfield Station Masterplan	Derbyshire County Council		3.81	OBC					The project is progressing towards the delivery of a Final Business Case for the March 2020 meeting.
A61 – Clowne North	Derbyshire County Council	1.37	3.42	To be approved					High Risk – Further details in Appendix A

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
Ashbourne Airfield	Derbyshire County Council	1.00	1.00	Awaiting FBC					The project has delivered its Final Business case and was approved at the January meeting. Spend will continue to be monitored until the end of the Financial Year.
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 May 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.
Derby New Assembly Rooms	Derby City Council		4.48	Approved					Significant Changes have taken place to the project and the promoter has temporarily postponed the construction to the project, a review of the project will take place in partnership with the promoter.

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

Annex C – Project Change Requests

Project Name/ Promoter and description	Change Description	Reason for the Change	Impact of the change	Officer Recommendation
<p>Vesuvius Works – Commercial Estates Group</p> <p>Infrastructure development works to unlock a new commercial business park in Bassetlaw. Site infrastructure works include a new roundabout, site roads and plot preparation.</p>	<p>The project applicant is requesting to move the delivery of 95 jobs and 6,503m² from Quarter 2 2019/20 to Quarter 1 2020/21.</p>	<p>The delay in output delivery is due to the new supermarket opening on site being delayed. The new store will be opened in April 2020 now.</p>	<p>The change will delay the delivery of outputs from the project in to the next financial year and will now be delivered in Q1 2020/21.</p>	<p>D2N2 Officers recommend that the investment board agree to the reprofile of job outputs and monitor the Q1 2020/21 return to ensure that the new delivery target is met.</p>

