

D2N2 Investment Board (IB) Cover Sheet – 9th September 2020

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Meeting and Date	9 th September 2020		
Subject	YMCA - Community and Activity Village		
Author	T Goshawk/S Wainwright	Total no of sheets	8

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary and Recommendation(s)
<p>This paper sets out a request for £2,203,836 of Local Growth Funding to support the YMCA Community and Activity Village.</p> <p>The full business case for the project has been reviewed by D2N2 and the Accountable Body officers and is now compliant with the Local Assurance Framework and is therefore recommended for approval by the Investment Board.</p>

D2N2 INVESTMENT BOARD

9 September 2020

YMCA – Community and Activity Village

1.0 Background

D2N2 has an allocation of £250M of Local Growth Fund to support delivery of economic growth across the D2N2 region. The funding started in 2015 and comes to an end in March 2021.

The delivery of the fund is managed in line with the D2N2 Local Assurance Framework agreed with Government, which sets out the compliance requirements in relation to the delivery and approval of projects funded through the Local Growth Fund.

The Local Growth Fund is managed in conjunction with D2N2's appointed Accountable Body Derbyshire County Council who are responsible for ensuring compliance with the Local Assurance Framework.

The project below has been assessed against the Local Assurance Framework and is being put forward for consideration by the Investment Board.

2.0 Scheme Overview

The YMCA Community and Activity Village brings together partners across Newark and Sherwood, to create a sustainable development in terms of learning pathways designed to tackle social immobility. This is a unique and national flagship scheme for the YMCA.

The project involves multiple phases of development and to date has involved the creation of new sporting facilities including two 3G Football pitches and a full size athletics track. The first phase of the development was completed in 2018 and was part funded by Newark and Sherwood District Council who remain supportive of the project.

For this phase of the development seeking LGF funding the YMCA will look to create a new state of the art Community Learning and Wellbeing Centre. The

Centre will include flexible work space, training and education suites, a 92-space nursery, state of the art digital media and recording suites, an Olympic-sized climbing wall/destination bouldering centre, changing rooms, health & wellbeing suites, conference space for up to 300 people and a function suite.

The project will help to target long standing issues in the District with Newark placing 323rd out of 324 districts nationally in terms of social mobility.

By providing this infrastructure and the partnerships that have been developed between the YMCA and local institutions such as Nottingham Trent University and Lincoln College, the centre will enable young people to gain access to learning opportunities within their locality which may not have been previously available and raise aspirations and ambition in the surrounding areas.

Alongside the direct issue of social mobility, the site will also look to tackle serial issues such as:

- Low Skilled Jobs and Low productivity by providing new learning opportunities to those out of reach of traditional learning facilities and upskilling people.
- High unemployment in disadvantaged wards by providing new training which will lead to employment opportunities
- Low numbers of young people entering FE & HE by providing a new way for people to engage with these opportunities in a 'person centred' pathway to education

The Community and Activity Village helps to deliver on multiple objectives from the D2N2 Local Industrial Strategy also. The project delivers on the following LIS objectives:

- Skills and Knowledge for the Future Workforce
- Skilled and Productive Workforce
- Production of an inclusive workforce
- Quality of Place

The funding for this phase (Phase 2) of the project is sourced from the following:

Funding Source	TOTAL
YMCA Contributions (Loan Funding)	£10,370,886
Local Growth Fund	£2,203,836
TOTAL	£12,574,723

Newark YMCA will utilise loan funding to borrow the remainder of the Phase 2 Development costs. The senior Debt is in the form of a long term secured fixed rate loan and the junior debt through unsecured social bonds. Derbyshire County Council have undertaken a financial due diligence assessment of the YMCA's long term cashflows and accounting projections to ensure that the debt mechanisms can be repaid. The Debt being taken out by the YMCA will be repaid through the revenues earned from the usage of the facility which have been modelled and agreed with the loan funders of this project. Following this analysis, they have confirmed that the project sponsor can facilitate the level of debt required to deliver this facility.

The project has been submitted as part of the Newark Town Investment Plan and will potentially gain further funding for delivery of the centre. The outcome of this will not be known until later in the year, the project would still proceed if unsuccessful but would rely on further borrowing and interest repayments than if supported by the Town Investment Plan.

3.0 Approvals

The Nottinghamshire YMCA have confirmed that the project has been approved by their Board on the 29th of July 2020

The loan funding for the project was confirmed on the 15th of June 2020.

4.0 Procurement

The YMCA have engaged in an open tender exercise to procure the main contractor for the Construction of the Community and Activity Village. Following the OJEU compliant process RG Carter were selected as the main contractor for the facility.

5.0 State Aid

The promoter has confirmed the project is State Aid compliant which has been evidenced in the full business case.

6.0 Business Case

The business case has been forwarded to Regeneris Hatch and they have confirmed that the project provides good Value for Money following their independent assessment.

7.0 Delivery Programme

Mobilisation of Works – October 2020

Full Start on Site – November 2020

Completion of Build – November 2021

Occupation of Building – December 2021

8.0 Outputs and Outcomes

1,200 Learners Supported with 645 accredited opportunities per year

38 Apprentices Recruited

137 new FTE Jobs

9.0 Spending profile

20/21 £2,203,836

10.0 Local Assurance Framework

A Full Business Case has now been submitted in line with the approval process. The Accountable Body and D2N2 have assessed the Full Business Case submission and approval is recommended

The Investment Board are asked to approve the project and to release the £2,203,836 of LGF.

Sarah Wainwright, Accountable Body, Derbyshire County Council
Tom Goshawk, D2N2 LEP

Appendix 1

Local Assurance Framework

Final stage Approval Check List:

<p>1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.</p>	<p>A detailed business case for the project has been submitted to the LEP and follows the Five Case 'Green Book' compliant model.</p>
<p>2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.</p>	<p>A Value for Money assessment has been carried out and the project is confirmed as offering Good Value for Money.</p>
<p>3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.</p>	<p>Full planning for the project has been granted and variations to this permission have been completed as of the 3rd of April.</p>
<p>4. Confirmation that any Section 106 or other agreements have been entered into.</p>	<p>The project is not subject to any section 106 agreements.</p>
<p>5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</p>	<p>An open tender procurement exercise has taken place and has been confirmed as being compliant with OJEU regulations. The YMCA received three quotes for the work and following a competitive scoring process they have appointed RG Carter as the Main Contractor for the development.</p>
<p>6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date</p>	<p>The contract awarded will be a standard JCT Contract and the promoter will carry the risk of any cost overruns.</p>

Appendix 1

-liquidated damages/cost over runs	
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.	The YMCA have confirmed that any cost overruns that arise from the development will be covered by the organisation and that D2N2 are not responsible for this.
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	Final designs have been agreed and the project sponsor has confirmed that RIBA Stage 4 has been achieved.
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	n/a
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.	The project outputs have changed from the original submission due to the project forming part of the potential Newark Town Investment Plan. The original outputs stated will be achieved overall however D2N2 will count the lower levels of outputs.
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.	All funding is in place and the YMCA have provided evidence that lending is in place and available to draw down for the project.
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	The land is in control of the YMCA who have confirmed a long-term lease for the project from Newark and Sherwood District Council.

Appendix 1

<p>13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.</p>	<p>The YMCA have provided a phasing plan which sets out the outcomes for the project.</p>
<p>14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.</p>	<p>A risk register has been provided including any mitigations</p>