

## Item 4

**D2N2 Investment Board – October 2020**

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 – 12 <sup>th</sup> October 2020		
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 report highlights the current position on the programme and provides an update on each of the Local Growth Fund and Getting Building Fund.</p>

**D2N2 INVESTMENT BOARD****October 2020****D2N2 Capital Programme Update****Introduction**

The following paper provides an overview of the LEPs Local Growth Fund programme and Getting Building Fund Programme, including an update on progress against the financial targets for this year.

**Local Growth Fund Performance Update****Financial performance**

Coming into the last year of the Local Growth Fund programme the LEP has £40,086,356 of its £250.7m Local Growth Fund budget left to spend before the March 2021 deadline. Of the £40m allocated within this year, D2N2 have recorded £8,977,821 of actual spend in the first financial quarter of the year. Q2 monitoring submissions are being fed in to the LEP currently and a report of the progress on spend will be presented at the next meeting. LEP Officers are working closely with project sponsors for all projects that are 'live' and still 'awaiting approval' to monitor the ability to spend by the deadline, based on spend to date and forecast spend we are confident this figure can be met.

Following the September Investment Board there are now only two projects left to approve in the Local Growth Fund Programme and these are detailed further in the Capital Programme milestones paper.

At this moment in time based on the current assessment of the programme and if all the projects are approved as set out, we believe we will be on track to deliver the full programme target by the end of this financial year. We have also over profiled by £1.8M to provide a buffer against any underspends.

A full budget breakdown is included within Item 4 which includes both the financial position of the overall programme from 2015-2021 as well as a breakdown of each projects LGF drawdown for each financial quarter in 2020/21.

**Project specific performance**

No specific projects are being raised as high risk to this meeting of the Investment Board and all projects with spend allocations remaining are continuing to spend to the profile.

Specific highlights to note from the Local Growth Fund programme are:

- **NTU MTIF Centre** – The first phase of the project has now reached practical completion on the NTU Clifton Campus and the facility is now being furnished

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to be ready for new businesses to move into the facility. Work continues on the Boots Enterprise Zone phase of the project.

- **Museum of Making** – The project has now sourced additional funding to be able to facilitate all the original works to the site as planned and will now be completed ready for an official opening next spring.
- **City Hub** – After minor delays the college will be achieve completion of the build in October and subsequently the remainder of the Enabling works around the site will take place after this. The college are preparing to open the facility to students in January.

### **Pipeline Call**

The D2N2 Pipeline call closed on the 11<sup>th</sup> of September and has received 40 applications to the call from 27 project sponsors. All of the projects have been independently scored and assessed and are presented in Item 8 of this meeting.

### **Mid-Year Review**

On the 21<sup>st</sup> of September, the D2N2 LEP team and Accountable Body had the Mid-year review of its performance with colleagues from the BEIS Local team to discuss the progress of the LEP and its capital programme. The review incorporated discussions around Strategy, Governance and Delivery to date within this financial year and serves as a check on how well the LEP is performing before the Annual Performance Review which is anticipated to take place in January 2021.

Overall the BEIS Local team were pleased with the performance of the LEP and its Capital Programmes so far within this year and could see that good progress that has been made in particular on the performance of LGF. The discussions also included future planning and forecasting with regards to the Getting Building Fund which will begin to deliver projects in this financial year.

Whilst progress has been good to date the government are still expecting that the LEP will fully utilise its allocation of LGF by the 31<sup>st</sup> of March 2021 deadline and are keen to see that Getting Building Fund projects are approved and delivered in anticipation of the 31<sup>st</sup> of March 2022 end date.

### **Getting Building Fund**

Following the announcement of the Getting Building Fund projects in August, D2N2 have now received the formal confirmation of their grant funding with the grant offer letter from MHCLG on the 25<sup>th</sup> of September. The LEP have been given an even split of funding with £22.2m to spend in the 2020/21 financial year and £22.2m in the 2021/22 financial year.

In line with the final submission sent to Government of the finalised projects list the LEP will not be able to draw down the full Getting Building Fund allocation within this financial year. The LEP will continue to work with project sponsors to accelerate spend where possible and any underspends will be utilised by Derbyshire County

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Council's capital reserve in line with the Governments acceptance of freedoms and flexibilities in Capital funding management.

Milestones for each project are included within these Investment Board papers and the first two projects are presented for approval at this meeting.