

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 12 October 2020 via Microsoft Teams

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors P Gilby (Chesterfield Borough Council), M Holmes (Derby City Council), R Jackson (Nottinghamshire County Council), and J White (Bassetlaw District Council)

Also in Attendance: D Ashcroft (Derbyshire County Council), J Battye (Derbyshire County Council), C Clulow (Nottinghamshire County Council), N Cockrell (Bassetlaw District Council), J Davies (Gedling Borough Council), C Durrant (Chesterfield Borough Council), A Evans (Nottinghamshire County Council), Tim Gregory (Derbyshire County Council), T Goshawk (D2N2 LEP), J Lake (Derbyshire County Council), R Lister (Thomas Lister Ltd), N Mc-Coy Brown (Nottinghamshire County Council), W Morlidge (D2N2 LEP), S Rose (D2N2 LEP), I Sankey (Erewash Borough Council), P Seddon (Nottingham City Council), N Stevens (Nottinghamshire County Council), N Taylor (Bassetlaw District Council) D Tuer (D2N2 LEP), Sarah Wainwright (Accountable Body) C Williams (Derby City Council) and D Wright (CLGU)

Apologies for absence were submitted on behalf of, Councillors W J Clarke (Gedling Borough Council), C Hart (Erewash Borough Council), B Lewis (Derbyshire County Council), S Webster (Nottingham City Council) and D Williams (D2N2 LEP) and J Bradley-Fortune (Inclusion Representative).

91/20 DECLARATIONS OF INTEREST There were no declarations of interest

92/20 MINUTES RESOLVED to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 9 September 2020

93/20 D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW Board members were given 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.

Coming into the last year of the Local Growth Fund programme the LEP had £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 were being fed in to the LEP currently and a report of the progress on spend would be presented at the next meeting .LEP Officers were working closely

with project sponsors for all projects that were 'live' and still 'awaiting approval' to monitor the ability to spend by the deadline, based on spend to date and forecast spend officers were confident that this figure could be met.

Following the September Investment Board there were now only two projects left to approve in the Local Growth Fund Programme and these were detailed further in the Capital Programme milestones paper to be considered at this meeting.

At this moment in time based on the current assessment of the programme and if all the projects were approved as set out, officers believed that the LEP would be on track to deliver the full programme target by the end of this financial year and had also over profiled by £1.8M to provide a buffer against any underspends.

A full budget breakdown is included within in a separate report t this meeting 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.

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

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

- **NTU MTIF Centre** – The first phase of the project had now reached practical completion on the NTU Clifton Campus and the facility was now being furnished 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 had 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 would be achieving completion of the build in October and subsequently the remainder of the Enabling works around the site will take place after this. The college were preparing to open the facility to students in January.

The D2N2 Pipeline call closed on the 11th of September and had received 40 applications to the call from 27 project sponsors. All of the projects had been independently scored and assessed and are presented in a separate item to this meeting

On the 21st 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 had 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 would begin to deliver projects in this financial year.

Whilst progress had been good to date the government were still expecting that the LEP would fully utilise its allocation of LGF by the 31st of March 2021 deadline and were keen to see that Getting Building Fund projects were approved and delivered in anticipation of the 31st of March 2022 end date.

Following the announcement of the Getting Building Fund projects in August, D2N2 had now received the formal confirmation of their grant funding with the grant offer letter from MHCLG on the 25th of September. The LEP had 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 would not be able to draw down the full Getting Building Fund allocation within this financial year. The LEP would continue to work with project sponsors to accelerate spend where possible and any underspends would be utilised by Derbyshire County Council's capital reserve in line with the Governments acceptance of freedoms and flexibilities in Capital funding management.

Milestones for each project were included within papers to be considered at this meeting and the first two projects were presented for approval at this meeting.

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

RESOLVED to note the current position on the programmes and the update on projects

94/20 CAPITAL PROGRAMME BUDGET In relation to the Local Growth Fund current forecasts showed that in 2020/21 the programme was over committed by £1.85 m.

The LEP and Accountable Body continued to work closely with projects regarding grant profiles and expenditure figures for the remaining projects and would be monitored closely throughout the year to ensure any grant given could be evidenced with expenditure. Government had confirmed there was no extension to the programme and all monies must be spent by 31st March 2020.

The overall budget position was shown in Appendix 1 to the report. The grant profile for the final year of the programme 20-21 was shown in Appendix 2.

In relation to the Getting Building Fund, on the 25th September 2020 D2N2 received their grant offer agreement from Government confirming the £44.4m allocation and the payments schedule of £22.2m in 2020/21 and £22.2m in 21/22.

All projects within the programme had now submitted their spend profiles to the LEP and Accountable Body and were detailed at Appendix 3 to the report.

LEP's had been given permission to utilise their freedoms and flexibilities with their Accountable Body to allow any cash underspends in 20/21 to be spent using other capital expenditure from the Accountable Body, with the funding being returned to the LEP in the following year.

The programme was overcommitted by £2.432m which would be funded by using the Growing Places Fund (GPF).

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

RESOLVED that the report be noted.

95/20 D2N2 MILESTONES - UPDATE The Board were asked to note the Milestones report on the D2N2 LGF and Getting Building Fund Programmes

The report showed the Milestones that were agreed within the last year and detailed the progress against the delivery of those milestones. Details of each individual project were provided at the meeting and recommendations followed each project giving their milestone progress. Further verbal updates were given by some of the promoters at the meeting.

Local Growth Fund

Becketwell (Derby City Council) - The Investment Board was advised to note the change to a January Business Case for approval due to the Planning Committee taking place in January and were requested to approve the new January FBC submission date.

A46 Corridor (Phase 3) (Rushcliffe Borough Council) - The Investment Board were requested to monitor the progress of milestones and await the submission of the FBC in November 2020.

Getting Building Fund

Glossop Town Hall (High Peak Borough Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Bridge Court Campus (Bassetlaw District Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Digital Advanced Manufacturing and Engineering Centre (Chesterfield College) - The Investment Board are recommended to note the milestones and await the final business case for approval in November 2020.

Drakelow Park (Drakelow Developments Limited) - The Investment Board are recommended to note the milestones and await the final business case for approval in December 2020.

UK Electrification of Aerospace Propulsion Facility (University of Nottingham) - The Investment Board are recommended to note the milestones and await the final business case for approval in February 2021.

Transforming Nottingham's Southside (Nottingham City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

MRC Midlands (Derby City Council) - The Investment Board are recommended to note the milestones and await the final business case for approval in March 2021.

SmartParc (Derby City Council) - The Board are recommended to note the milestones and await the final business case for approval in October 2021

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

RESOLVED to approve the recommendations above, as detailed in the report.

96/20 PROJECT FOR APPROVAL – TURBINE INNOVATION CENTRE

Members were informed of a request for £592,000 from Nottinghamshire County Council from the Getting Building Fund to support the Turbine Innovation Centre.

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board has now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

The Turbine Innovation Centre (TIC) was located on the Shireoaks Triangle Business Park in Shireoaks near Worksop in North Nottinghamshire. Shire Oaks Triangle was formerly a coalfield site, which transferred as part of a national portfolio

from the Coal Authority to English Partnerships (now Homes England) and following remediation and infrastructure provision has been successfully fully developed out for a range of industrial and business uses. The existing TIC was built over ten years ago by NCC as a managed business centre, offering good quality business units to businesses on a flexible basis. The business centre has performed reasonably well since completion, although having being constructed around ten years ago, lacks modern digital and communications infrastructure necessary to support highly evolving small and growing digital businesses within the local economy and market place.

Funding was therefore being sought from D2N2 to refurbish the TIC to enable upgrade to a comprehensive digital IT infrastructure, to enable the creation of a 5G Innovation Hub. The completed building will provide;

- 5G enabled prototype equipment.
- Demonstrator facilities for 5G capabilities including augmented/virtual extended reality applications (AR, VR and XR).
- Hosting 5G accelerator programmes.
- Providing business innovation workshops and training events.
- Access to modern 5G communications capability, to enable tenants and users of the centre to develop new business innovations and build local digital skills.

The completed building would remain in the ownership of Nottinghamshire County Council (NCC) who had partnered 5G Connected Forest Project Consortium Partners and the Department of Digital, Culture, Media and Sport both in designing proposals for the centre, providing a network for connectivity to the wider 5G Connected Forest Project and to provide ongoing support services, training and events to all users of the centre. The outcomes from the project had been identified as;

- Realised benefits for existing 40+ current businesses within the building accommodating around 350 staff in addition to those utilising meeting rooms within the building.
- Improving retention rates of jobs and skills to Worksop.
- Increase the attractiveness of Worksop and the centre as a destination for digitally evolving businesses.
- Provide an environment for showcasing the latest 5G related technologies and attracting industry leaders to events in the area all through hosting major events online.
- Supporting businesses across all sectors.
- Building collaboration with local schools and colleges around 5G related technologies.
- Address a social mobility cold spot as identified by the Social Mobility Commission in North Nottinghamshire, through promoting technical

collaboration and innovation within the existing business network and to help create new high value jobs.

The project was ready to proceed subject to completing final site surveys and design work over a period of four weeks. The refurbishment and installation of 5G technology within the building will follow on-site around January 2021 due to extend over a period of five months completing around May 2021.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

Ceren Clulow (Nottinghamshire County Council), attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

Following a review of the business case alongside the independent assessment, D2N2 LEP recommended that the Investment Board approve the request of £592,000 of Getting Building Fund to be released to Nottinghamshire County Council.

The project had been tested against the conditions of the Local Assurance Framework and fully complied with the document and is therefore eligible for funding to be released.

Strategically the project aligned with the delivery plans and strategic documentation from the LEP. In particular the project supported the Emerging Recovery Strategy in supporting the growth of our towns and economic corridors, along with D2N2's emerging Digital Strategy and Government policy objectives. The grant funding requested for this intervention would result in the delivery of a business centre at the forefront of latest IT and technological advancements, for the benefit of existing businesses and the wider surrounding communities. The scheme will also capitalise and expand upon the facilities and benefits being delivered by the established 5G Connected Forest Hub.

The recommendations attached to the request for the project to be approved primarily related to updated information to reflect the passage of time since the business case was originally drafted. The recommendations were considered unlikely to identify any showstoppers; however, were required to provide comprehensive timescales for the delivery of the scheme and meeting any cost overruns. The conditions were summarised below:

- i. An updated programme for the delivery of the project and drawdown of GBF is provided by NCC prior to commencement of the project.
- ii. Written confirmation by NCC that any cost overruns will be met by NCC so as to enable delivery of the project as detailed within this paper.

- iii. Any matters which were identified during the final survey work to be undertaken to be immediately reported to D2N2, along with proposals as to how any such issues will be resolved, if this results in a variation to the project and/or outputs to be delivered.
- iv. An updated risk register to be provided once contracts had been awarded for the implementation of the scheme.

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

RESOLVED to approve the project and to release the £592,000 of GBF grant to Nottinghamshire County Council, subject to the conditions listed.

97/20 PROJECT FOR APPROVAL - LINDHURST, MANSFIELD Members were informed of a request for £3m from Nottinghamshire County Council from the Getting Building Fund to support the Lindhurst, Mansfield.

In order to support D2N2 and the accountable body, the project had been independently assessed against the requirements of the local assurance framework by Thomas Lister Ltd and Amion consultants

This project being put before the Investment board had now been assessed and was being recommended for consideration and approval based on its full compliance with the LAF.

Board Members were informed that this was a £250 million investment. The Lindhurst Mansfield Development off the Mansfield and Ashfield Regeneration Route, was a sustainable urban development strategic housing site. Overall, the Lindhurst Development would deliver:

- up to 1,700 new homes, including 30% affordable
- 188,000 m² of employment floorspace
- 31,000 m² of commercial space
- a Local Centre
- a Community Park
- local bus links and green routes
- a local school
- up to 4,000 jobs

The government-backed scheme received £8.5 million in loan funding from the Homes and Communities Agency (now Homes England) in 2017 enabling infrastructure works for the first phase of development to be launched that year. Housebuilders such as Avant Homes moved on site shortly after. Phase 1 to deliver 530 units is 87% complete and progressing to timescale.

A £3 million grant from the Getting Building Fund would secure Phase 2 to proceed, unlocking not just 475 homes but also community facilities of the Local Centre, school and bus routes. With local unemployment expected to rise significantly through 2020, Phase 2 was primed for delivery, and includes some much-needed jobs.

Detailed summaries were given of the Strategic Case/Fit; Economic Case and expected outcomes; Commercial Case; Financial case and Management Case along with the assessors comments in each area and their recommendation

Andy Evans (Nottinghamshire County Council), attended the meeting and provided a presentation to compliment the report in terms of the Strategic, Economic, Financial, Commercial and Management case for the project.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £3.3m of Getting Building Fund to be released to Nottinghamshire County Council.

The project had been tested against the conditions of the Local Assurance Framework and fully complies with the document and is therefore eligible for funding to be released.

Strategically the project aligned with the delivery plans and strategic documentation from the LEP. In particular the project supported proposition 3.3 of the Emerging Recovery Strategy in supporting the growth of our towns and economic corridors. The grant funding requested for this intervention unlocked the delivery of space for housing and job creation in the LEP area.

No specific recommendations or caveats were attached to the request for the project to be approved.

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

RESOLVED to approve the project and to release the £3m of GBF grant to Nottinghamshire County Council.

98/20 PIPELINE PROJECTS Board Members were informed of the results of the D2N2 Pipeline call which was announced in August 2020. The aim of the call was to build a pipeline of strong projects which could either act as reserve projects for the existing Capital Programme or could be utilised to present to Government should any further short term funding calls be announced.

Each project that was submitted had been independently appraised using the help of Thomas Lister Ltd to provide external scrutiny and expertise to the process. The projects are being presented to the Investment Board at this meeting for consideration and endorsement on to the reserve list.

All projects are subject to funding being available and a full business case.

D2N2 had received 40 applications from 27 prospective project applicants, with a total funding ask of £160m against total development values of £1.3 Billion

All projects were independently scored and verified by Thomas Lister Ltd in conjunction with the D2N2 LEP and were scored based on their expression of Interest. The projects were scored on the following 4 key overarching themes of criteria:

- Strategic Fit and Outputs
- Project Programme and Deliverability
- Market Evidence and Planning status
- Financial risk and options appraisal

Projects were scored out of a total of 81, with a minimum threshold of 61 and above for a project to be considered as being deliverable based on the current information provided.

Following consideration by the Investment Board, all projects will receive formal feedback based on their submissions.

Where projects had shown good strategic fit but were not yet delivery ready, the LEP team would continue to work with the project applicant to see if the barriers to delivery can be progressed towards being ready and re-assessed accordingly.

All projects that scored 61 and above following the pipeline review process were deemed to be deliverable by the LEP. As stated in the report the LEP would still stress test each submission before being formally invited to submit a full business case for funding.

From the submissions there were 11 out of 40 submissions that scored over 61 and this accounted for a total ask to the LEP of £14.21 million. These projects come from across the region and collectively would deliver 677 Jobs, 1,275 learners and up to 1,300 homes cumulatively.

Appended to the report was a list of all the submissions made to the current D2N2 Pipeline Call alongside a brief project description and their final score from the evaluation process.

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

RESOLVED to approve that the proposed projects detailed in the appendix to the report would make up the D2N2 Capital Programme Pipeline and would act as reserve projects to the existing capital programme and could be utilised as potential submissions to any future funding calls from Government.

99/20 **DATE OF NEXT MEETING** The next meeting of the Investment Board would take place on 4 November 2020 at 10.00am