

MINUTES of a meeting of the **D2N2 INVESTMENT BOARD** held on 24 June 2021 via Microsoft Teams

PRESENT

E Fagan (D2N2 LEP) (In the Chair)

Councillors W J Clarke (Gedling Borough Council); P Gilby (Chesterfield Borough Council), K Girling (Nottinghamshire County Council), C Hart (Erewash Borough Council), M Holmes (Derby City Council), B Lewis (Derbyshire County Council), S Webster (Nottingham City Council) J White (Bassetlaw District Council, and D Williams (D2N2 LEP)

Also in Attendance: N Cockrell (Bassetlaw District Council) O Dove (Erewash Borough Council) C Durrant (Chesterfield Borough Council), J Davies (Gedling Borough Council) D Fletcher (Derby City Council) T Goshawk (D2N2 LEP), C Henning (Derbyshire County Council), K Knowles (D2N2 LEP), R Lister (Thomas Listers Ltd), M Reynolds (D2N2 LEP) S Rose (D2N2 LEP), P Old (Smartparc), J Sayer (Derby City Council), P Simpson (Derby City Council), Sarah Wainwright (Accountable Body) L Wigley (BEIS), J Wild (Smartparc) and C Williams (Derby City Council)

31/21 DECLARATIONS OF INTEREST There were no declarations of interest

32/21 MINUTES RESOLVED to confirm the non-exempt Minutes of the meeting of the D2N2 Investment Board held on 10 March 2021

33/21 D2N2 CAPITAL PROGRAMME PERFORMANCE OVERVIEW The Board agreed to move consideration of that part of the report that referred to the MRC Midlands project, to the exempt part of the meeting, as the verbal milestones update to be presented to the Board by the promoter at the meeting contained information relating to the financial or business affairs of any particular person (including the Authority holding that information). 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.

The Local Growth Fund concluded on the 31st of March from a financial perspective, and it was confirmed that the LEP utilised all £250.7m of funding from Government before the spend deadline. The LEP had a total of £7,798,234 that was required to be spent in the final quarter of the year and all projects had delivered on their spend forecast including the overspend which was set at £1.8m to provide

programme coverage. The overspend had been funded by the Growing Places Fund.

A full final budget breakdown was to be considered as a separate report at this meeting and included the financial position of the overall programme from 2015-2021.

Although the funding period for the Local Growth Fund programme had now concluded, the programme would continue to be monitored with quarterly monitoring returns still in place for all projects. The LEP would work with project sponsors and the Accountable Body to ensure that all output requirements were monitored and reported for the lifetime of the programme.

Alongside the regular monitoring returns, the LEP were undertaking thematic based evaluations of its projects and the LGF programme to demonstrate the impacts that had been made through its investments. The evaluation process would be carried out on a rolling basis and a schedule of evaluation would be created so projects were invited to take part when they had begun to deliver the impacts agreed at the final business case stage.

A number of progress updates were detailed in the report and been merged by the following project themes; visitor economy; business space; housing development; skills projects and life sciences.

Following the announcement of the Getting Building Fund projects in August 2020, 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 and predicted spend profile sent to Government, the LEP was not able to facilitate full use of the Getting Building Fund allocation within this financial year. The LEP utilised freedoms and flexibilities to manage the budget underspends in the previous financial year and this was explained further in the budget paper under consideration at this meeting..

Progress was going well with the Getting Building Fund, and the LEP had spent £5.96m to date. Subject to the approval of the Smartparc project, which was being recommended for approval at today's meeting, the LEP would have approved 8 out of 10 projects, representing 84% of the total funding value.

One project to note in particular was the Chesterfield College project, the project sponsor had confirmed that all works to the refurbishment of the centre had been completed in line with expected timescales and the centre had now been opened to students in May.

Milestones for the Drakelow Park project were provided at the meeting:

Drakelow Park (Drakelow Developments Limited) - The project had been delayed to a September business case approval due to redesigns being required.

The LEP continue to meet with the project sponsors and all other relevant partners and can report good progress towards the delivery requirements. The Investment Board were recommended to note the progress of the project and await the business case to be delivered in September 2021.

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

The Chair thanked Board Members and LEP Officers for their efforts in getting the LGF to the end of the programme.

RESOLVED (1) to note the current position on the LGF and GBF programmes; and

(2) to approve the recommendations for the Drakelow Park Project detailed above

34/21 CAPITAL PROGRAMME BUDGET In relation to the Local Growth Fund the programme finished £1.78m over committed at the end of March 2021 which was funded from the Growing Places Fund (GPF).

All projects were able to demonstrate full LGF expenditure to ensure all the LGF grant had been utilised before the 31st March 2021.

The overall final budget position was detailed in Appendix 1 to the report.

In relation to the Getting Building Fund at the end of March, £5.96m had been spent on projects with the remaining £16.24m utilised as Freedoms and Flexibilities with the Accountable Body.

Appendix 2 to the report showed the remaining grant profile until the end of the programme based on figures provided by project promoters.

The programme is overcommitted by £2.45m which will be funded by using the GPF

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

RESOLVED that the report be noted.

35/21 OUTPUT PERFORMANCE UPDATE – QUARTER 4 Board Members were informed that as part of the contractual commitment for the £250m of Local Growth Funding, D2N2 had a series of output targets as a mechanism of measuring the impact on the economy. The LEP were committed to deliver 29,000 Jobs, 10,700 Homes and 2,000 Learners over the projects lifetime which ran up to 2035, which was beyond the financial end of the programme in 2021 recognising that most of the activities would generate impact much later than the initial investment.

The report provided a detailed update on the following metrics:

- **Contracted output figures:** The output targets agreed between the project promoter and the LEP at the point of approving a Final Business Case.
- **Actual delivery to date:** outputs delivered to this date
- **Contracted Target with Government:** In return for the LGF contribution from government the LEP were targeted to deliver 29,000 jobs, 10,700 Homes and 2,000 Learners by 2035.

All metrics were shown for the 2020/21 financial year, delivery since the start of the programme and the lifetime of the programme

Appendix A to the report showed the outputs achieved compared to the contracted up until Quarter 4 2020/21 and Appendix B shows analysis of the outputs by project.

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

RESOLVED to note the update report.

36/21 DATE OF NEXT MEETING The next meeting of the Investment Board would take place on a date to be confirmed.

37/21 EXCLUSION OF THE PUBLIC FROM THE MEETING RESOLVED
that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting of the D2N2 Investment Board held on 10 March 2021 contains information relating to the financial or business affairs of any particular person (including the Authority holding that information).
2. MRC Midlands – Milestones Update (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).

3. Project for Approval – Smartparc, Derby (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).