

MINUTES of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 24 November 2017 at County Hall, Matlock.

PRESENT

Councillor B Lewis (Derbyshire County Council)

Councillor W J Clarke (Gedling Borough Council), P Gadsby (D2N2 LEP), Councillor C Hart (Erewash Borough Council), Councillor T King (Derbyshire County Council), Councillor M Rawson (Derby City Council), Councillor A Syrett (Bolsover District Council) and Councillor S Webster (Nottingham City Council).

Also in Attendance – S Freek (Highways England), T Goshawk (D2N2 LEP), E Hickman (Derbyshire County Council), J Homer (Cities and Local Growth), K Hopkinson (D2N2 LEP), R Kaur (Highways England), D Ralph (D2N2 LEP), S Rose (D2N2 LEP), J Seymour (Derbyshire County Council), K Sharman (Nottinghamshire County Council), P Stone (Derbyshire County Council), D Swaine (Bolsover and North East Derbyshire District Councils), L Towers (Derbyshire County Council), M Varley (Nottingham City Council) John van der Laarschot (Nottingham City Council), A Westray-Chapman (Bolsover and North East Derbyshire District Councils), V Wheelwright (Cities and Local Growth Unit).

Apologies for absence were submitted on behalf of Councillor J Collins (Nottingham City Council) and C Cooper-Smith (Ashfield District Council)

56/17 MINUTES RESOLVED to confirm the minutes of the meeting of the Board held on 28 September 2017.

57/17 DECLARATIONS OF INTEREST were received from D Ralph and Councillor S Webster, being governor at Masson College.

58/17 PROJECT UPDATES AND HIGH RISK PROJECTS Update reports were presented to the Board on all projects, the main areas were:

- the Highways Project access road was on time and would be reported on at the next Board meeting. The outputs had changed significantly and a process for delivery had been agreed in principle.
- A61 Corridor – some progress had been made. A working group had been set-up to identify what could be delivered, the costs and benefits and would report to the Board in January.

RESOLVED that (1) the report be noted; and

(2) the A61 Corridor sub-working group submit a business case for approval by the Board at the next meeting.

58/17 **NOTTINGHAM SKILLS HUB** John van der Laarschot and Matthew Varley made a presentation to the Board on the progress of the Nottingham City Hub. The project was on schedule, within budget and under tight control. It continued to deliver the LEP and LA outcomes of economic regeneration, new integrated further Education and skills provision and job creation. The funding package was made up of:

- £30m LEP funding (Phase 2 business case)
- £18m City Council loan, and
- £10m college operating surplus

Bond Bryan Architects had been commissioned and some design enhancements had been incorporated following feedback from the Design Review Panel. Consultation on the proposals had taken place on 10 November and would be submitted to the planning authority on 24 November. Their decision was scheduled for March 2018. The presentation outlined the framework of the contractor appointment.

The Hub would cover 15,000m², comprising a Performance and Media Hub, College Hub and Business Hub, encompassing a wider estate strategy which would rationalise and modernise the entire estate. The project was on schedule and in budget and would expect to open to students in September 2020. The design plan and schematics showed the expected internal and external design features of the Hub.

The Chair thanked Nottingham City Council for the presentation and acknowledged the progress of the project.

RESOLVED to (1) circulate a comprehensive rundown of the output figures to Board members; and

(2) invite Nottingham City Council to a future meeting for another progress report, in particular with a focus on the outcomes of the Skills Hub.

59/17 **BUDGET UPDATE** An update was presented to the Board. Derby City Council's underspend of £35,740 had been returned to the programme. The underspend for 2017/18 was £15.96m with an overall programme over commitment of £7.437m. The 2017/18 underspend was likely to increase once figures had been confirmed for Nottingham City Hub, A61 Corridor/Whittington Moor roundabout and A46 Corridor.

There were two capital projects which had expected capital expenditure of around £14m which would be funded using the Local Growth Fund (LGF). This would then be returned to the LGF programme for future use.

The programme had £281,379.62 in a reserve from the interest earned in 2015/16 and 2016/17 and had no conditions attached to it. A discussion had been

held between the D2N2 LEP officers to allocate resources to the development of the projects and project management capacity.

RESOLVED that the report be noted.

60/17 QUARTER 2 MONITORING K Hopkinson presented a summary of the monitoring update to the Board. Overall for the Local Growth Fund 55% of the job target had been met and 44% of the housing target. The Vision University Centre had some delay in enrolment on specific courses and were expected to be back on track by the Quarter 3 monitoring return. Infinity Park had submitted a request to re-profile the outputs. Bulwell Market was having issues with the collection of monitoring data and was struggling to quantify FTEs. The Promoter and the LEP were working to find a mechanism to quantify the outputs.

Bioscience Expansion had reported 210 jobs achieved in the quarter and was on target with their forecast delivery. Some projects had delivered outputs earlier than forecast:

- Chesterfield Centre for Higher Level Skills had reported 21.8 FTE jobs for the quarter;
- A46 Corridor-Employment Units had higher than expected output figures with 24 jobs and 66 homes delivered for the quarter;
- The Institute for Advanced Manufacturing had delivered 10.25 jobs and was performing ahead of its forecast; and
- Medicity had delivered 18 jobs.

This was a difficult area to develop and the Board would possibly consider 'more risk' in the future with similar schemes.

RESOLVED that the report be noted.

61/17 DERBYSHIRE AUDIT REPORT D Ralph presented a summary of the report. A more detailed report would be circulated to members of the Board. The D2N2 LEP, was facing a number of significant challenges, including lack of progress by some projects in delivering agreed project outputs and on-going delays in receipt of accurate and timely project monitoring returns from promoters. The management and utilisation of increasing levels of unspent funds was becoming more challenging for Derbyshire County Council. Given recent, adverse national publicity, the processes for identifying and recording declarations of interest should be kept under review.

A number of areas of good practice had been identified, but there were other areas that needed to be strengthened to ensure governance and administrative arrangements were robust, projects were adequately monitored and managed and expenditure incurred by individual projects was in accordance with rules, regulations and conditions and were accurately reported. The Audit Services review made eleven recommendations, four of which were considered 'high' priority:

- Adequate arrangements were secured and formalised to address the capacity issues facing the Authority as Accountable Body due to the absence through maternity leave of the D2N2 Project Monitoring Officer;
- Consideration was given to the use of sanctions for those projects failing to deliver agreed outputs and incur expenditure in accordance with profiles;
- Action was taken to address the ongoing failure to comply with the timetable for delivery of quarterly monitoring information, specifically where promoters consistently submit late, inaccurate or incomplete returns; and
- Consideration was given to the formal adoption and publication of a whistleblowing or confidential reporting policy to encourage the disclosure or communication of information relating to possible malpractice through approved reporting lines.

RESOLVED that the report be noted and that robust governance and administrative procedures be implemented.

62/17 **NEY REVIEW** The review held current and significant information for LEPs. It called for better transparency, compliant frameworks, best practice and appropriate, robust and up-to-date procedures around Board member declarations of interest.

RESOLVED that (1) written guidelines be produced and circulated to Board members; and

(2) the Chair and LEP Chief Executives must be stronger in ensuring declarations are made to the Board.

63/17 An invitation was extended to the Board to meet at the iHub sometime in the future to see how the project had developed. This was noted by the Chair.

DATE OF NEXT MEETING The next meeting would take place on Thursday 21 December at 10.00 am at County Hall, Matlock.

64/17 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings.

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

Reports on high risk projects (contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).