

Infrastructure Investment Board**21st December 2017****Project Delivery Support****Introduction**

D2N2 has a local growth fund allocation of £250 million across a range of 51 projects.

Overall the projects have progressed well from initial outline to approval and delivering key outcomes associated with the LGF investment. However a number of the projects due to the complex nature of large scale capital projects have had significant delays in coming forward for full business case approval and subsequent delivery on the ground.

This has had a direct impact on the D2N2 LGF programme performance by delaying delivery and has meant that the local area has not fully benefited from the investment from LGF while projects are still in pipeline stage.

Context

Following discussions with project promoters it is apparent that one of the issues affecting the pace at which projects move from initial outline to submission of the full business case is the lack of capacity and technical resources within the project promoters organisation to fully develop the project in readiness for the business case submission.

Recommendation

Therefore in order to address the capacity and resource constraint, and accelerate the development of the pipeline schemes towards full business case submission we are proposing to create a project capacity support fund by utilising £200,000 from interest accrued from the LGF capital fund.

The fund will support:

- up to £20,000 towards the cost of fully developing a pipeline project towards a full business case ready for consideration by IIB
- eligible costs towards project development including professional fees

In order to qualify for funding projects will need to demonstrate the lack of resources to be able to progress project development and clearly outline the gap, and what support is needed to accelerate the project development towards business case submission.

The fund will not support backfilling of existing staff or any costs associated with fulfilling a project promoters statutory responsibilities in relation to the project.

Projects seeking pipeline capacity funding should submit a proposal to D2N2 of no more than two sides outlining the following:

- Project title and applicant;

- Current status of the project in terms of development;
- Gaps in development requiring further support to progress towards business case submission;
- Nature and type of additional support –e.g, consultancy support, technical advice etc.
- Justification of the added value of the support;
- Cost of additional support, and confirmation of full funding package in place;
- Confirmation that this will not displace existing resources or backfill posts within the sponsor organisation;
- Timescales for the project development phase and estimated date of business case submission