

**MINUTES** of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 29 March 2018 at County Hall, Matlock.

**PRESENT**

Councillor B Lewis (Derbyshire County Council)

Councillor W J Clarke (Gedling Borough Council), Councillor T King (Derbyshire County Council), Councillor W Major (Erewash Borough Council) and Councillor S Webster (Nottingham City Council).

Also in Attendance – D Alvery (Gedling Borough Council), M Ashworth (Derbyshire County Council), J Battye (Derbyshire County Council), S Birkinshaw (Erewash Borough Council), J Clifford (Nottingham College), R Dixon (Nottingham City Council), E Hickman (Derbyshire County Council), J Homer (Cities and Local Growth), A Marsden (Derbyshire County Council), J McCreadie (Nottingham City Council), S Rose (D2N2 LEP), J Seymour (Derbyshire County Council), D Swaine (Bolsover District Council/North East Derbyshire District Council), J van der Larshoot (Nottingham College), M Varley (Nottingham College), V Wheelwright (Cities and Local Growth Unit) and D Wild (Derbyshire County Council).

Apologies for absence were submitted on behalf of Councillor J Collins (Nottingham City Council), P Gadsby (D2N2 LEP), Councillor C Hart (Erewash Borough Council), Councillor M Rawson (Derby City Council), and Councillor A Syrett (Bolsover District Council).

**11/18      DECLARATIONS OF INTEREST**      The following declarations of interest were received:-

- Councillor B Lewis , Councillor W Major and Councillor T King as members of Derbyshire County Council in relation to minute reference 14/18 – A61 Growth Corridor update;
- Councillor S Webster as a member of Nottingham City Council in relation to minute reference 16/18 – Nottingham City Hub. Councillor Webster did not participate in the vote in respect of this item.

**12/18      MINUTES RESOLVED** to confirm the non-exempt Minutes of the meeting of the Board held on 26 January 2018.

**13/18      D2N2 PROGRAMME UPDATE**      Following the last meeting all of the projects across the programme had been reviewed and risks associated with delivering the agreed financial and output targets had been identified.

The update report presented provided information in relation to:-

- details of the four projects deemed to be high risk;

- a progress update of all approved or pre-compliance projects which included a RAG rating; and
- a progress update on projects which were still awaiting business case approval;

A significant in year underspend had been identified for 2017/18 and this had been managed by Derbyshire County Council with an agreement that funding would be returned in future years and utilised for the LGF programme.

In order to ensure that this position did not reoccur in the next financial year, work had been undertaken with all of the projects across the programme in relation to the provision of a clear delivery timetable. All approved projects had submitted full spend profiled for the next year and any changes would require approval via a formal change control process. With regard to projects awaiting the submission of full business cases, a realistic time table had been devised and was appended to the report.

Based on the information that had been provided, there was confidence that 2018/19 should be an improved year in terms of financial performance and financial targets should be met.

A full assessment of the output performance against the targets would be undertaken and reported back to the meeting scheduled for May.

The Board suggested that the report should include information in relation to deadlines set, whether they had been met and if not the reasons why.

**RESOLVED** that the report be noted.

**14/18      HIGH RISK PROJECT UPDATE – A61 WHITTINGTON MOOR AND GROWTH CORRIDOR UPDATE**      The Board received a presentation which gave an update on the A61 Growth Corridor project.

This project had been a longstanding project and had experienced a number of significant delivery challenges since its provisional approval. A programme of delivery had been devised and was made up of the following five projects:-

- Chesterfield Station Masterplan;
- The Avenue Southern Access;
- A61 Whittington Moor Roundabout improvement;
- 21<sup>st</sup> Century Transport Corridor establishment;
- Standard Gauge for Sustainable Travel;

The A61 Growth Corridor Package Objectives were to unlock the creation of 1,238 jobs, accelerate new housing growth by delivering 1,091 new homes and support the delivery of 6,670 homes and 8,298 new jobs by the delivery of a transport capacity for growth.

The presentation gave details in relation to the development of each of the separate investment strands and gave information in respect of revised delivery timescales which would ensure delivery of the entire programme.

Board Members expressed concern in relation to the ambitious size of the project and whether the revised delivery timescales were achievable. Assurance was given that the revised timescales were realistic and achievable.

The Board also suggested that the reduction in the programmed spend for 2018/19 should be reflected and actual spend and projected spend identified in the revised financial profile to enable future monitoring.

**RESOLVED** to note the update.

**15/18      BUDGET UPDATE** The Board was asked to consider a Budget Update report which informed the Board of the current in year underspend on the Local Growth Fund (LGF) and gave details of the proposal to utilise the underspend within Derbyshire County Council (DCC) on Capital Projects.

The underspend for 2017/18 was forecast to be £31.52m which with the underspend from 2016/17 of £10.75m meant that the total underspend held by DCC would be £42.27m.

During 2017/18 the Project Team had worked to reduce the LGF underspend figure but due to delays in projects the underspend had continued to grow.

Several options had been investigated with regard to the utilisation of the remaining underspend. A decision had been made by the Section 151 Officer, which had been approved by KPMG and internal audit that this funding could be utilised by DCC against other Capital Projects within their Capital Programme for 2017/18 with the money being returned to D2N2 the following year. KPMG had stated that whilst they had no objections to this proposal, they would include a recommendation within their ISA260 report that D2N2 would need to tighten up project monitoring to ensure that this situation did not arise again in future years and that the underspends currently held by DCC would be returned and spent by the programme in 2018/19.

**RESOLVED** that (1) the report be noted;

(2) the proposal to utilise the underspend within Derbyshire County Council (DCC) on Capital Projects be noted.

**16/18      NOTTINGHAM CITY HUB** The Board received a presentation on the Nottingham College City Hub project. The promoter for this project was Nottingham College.

The project was a £58m capital investment which would create a new, state of the art hub for vocational learning and enterprise located in the Broadmarsh area

of Nottingham City Centre. It would supply the skills required for new employment opportunities and growing service sectors which included business and scientific services, hospitality, care and childcare, digital and media and performing arts.

The project would represent a step change in further education provision by providing a highly visible, flexible facility for learners, businesses, new starts and the wider community with a focus on maximising employer engagement and equipping young people with the skills required to enter employment.

The total project cost was £58,000,000 of which £30,000,000 had been requested from the LGF.

**RESOLVED** that (1) the Board approves the project and the release of £30,000,000 funds;

(2) that progress reports be presented to the board on a six monthly basis.

**17/18      CODE OF CONDUCT FOR IIB BOARD MEMBERS**      A draft Code of Conduct was presented to the Board for consideration.

As a result of discussions, it was agreed that subject to certain refinements the code of conduct should be adopted by the Board.

**RESOLVED** that the draft code of conduct be approved and subject to certain refinements be adopted by the Board.

**18/18      DATE OF NEXT MEETING**      The next scheduled meeting for Thursday 26 April would be cancelled due to lack of business and the next meeting would take place on Thursday 24 May 2018 at 10:00 am at County Hall, Matlock.