

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)**23 March 2017****Local Growth Fund 3 (LGF3)**

In July 2016 D2N2 put forward a funding bid to the Department for Communities and Local Government (DCLG) for Local Growth Fund (LGF) support of £107m for 23 projects throughout the region.

Following the March budget D2N2 have been advised that they have been awarded £62.99m.

The award opens up to a number of opportunities throughout the region to build upon the success of rounds 1 and 2 of the LGF programme and over the following weeks, officers will be working on the implementation plan and working with promoters on the delivery, taking into account the £44m shortfall.

The LGF announcement was made as part of the Midlands Engine Strategy, this can be found at:

<https://www.gov.uk/government/publications/midlands-engine-strategy>

As supporting documentation the Department for Business, Energy and Industrial Strategy have issued a factsheet for D2N2, this can be found as appendix 1.

The Board is asked to note this report.

Appendix 1

GROWTH DEALS 3 FACTSHEET – D2N2 Local Enterprise Partnership (LEP)
1. How much is the Government investing in D2N2 as part of the Growth Deal programme?

	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Nov 2016)
Local Growth Fund Award	£172.3 million	£22.2 million	£62.99 million
Total Award	£257.49 million		

2. What will this new funding deliver?

This new tranche of funding is expected to deliver:

- Derby College: Institute of Technology for Engineering and Professional Construction**
Renovation of two further education sites to aid professional development in the engineering and construction sectors. D2N2 LEP estimates this project will create around 150 jobs and will support the development of 60 learners per year, guiding them through higher apprenticeships;
- Woodville-Swadlincote Regeneration Route, South Derbyshire**
This is an infrastructure project that will provide a link from the A5111 to the Brownfield 'Tollgate Park' site. The initiative allows development of the site to take place, which D2N2 LEP estimates could create around 2,000 jobs and 200 homes;
- Connect Business Growth, Derby**
The project will see the construction of 3,100 sq. m of good-quality business accommodation to host 12-15 businesses per annum and provide access to business-support facilities. The project will help businesses from creative industries to grow and thrive in the local area. D2N2 LEP estimates this will support around 200 jobs;
- Silk Mill World Heritage Site Regeneration, Derby**
The project will create a new inspirational museum and visitor attraction through the wholesale renovation of Derby Silk Mill, the site of the world's first factory (part of the UNESCO Derwent Valley Mills World Heritage Site), supporting up to an estimated 80 jobs in the process;
- Former Vesuvius Works, Worksop**
Infrastructure works that form part of a wider investment, which will allow a junction to be built and open up a mixed-use housing/employment area. The D2N2 LEP projects that this investment could help to unlock up to 600 jobs;
- Rail Research and Innovation Centre, Derby**
This project will establish a new Rail Research and Innovation Centre (Rail- RIC) for rail supply chain businesses in the D2N2 area. The purpose of the Rail-RIC will be to drive up productivity within the D2N2 rail supply chain;
- Housing Zone, Urban Village, Derby**
Castleward is a 12.14 hectare brownfield regeneration site in Derby currently undergoing redevelopment to create a new community of sustainable homes and businesses. Support will be provided towards a £55 million project located between

Derby Midland Station and the city centre and will create up to 500 new homes and 11,900 sq. m of commercial space alongside more than 200 jobs;

- **Sherwood Energy Village, Newark**

The project involves the speculative development of 32,000 sq. ft. (2,973 sq. m) of industrial floorspace sub-divided into 10 units. The project is estimated by D2N2 LEP to directly create around 40 jobs;

- **Riverside Business Park, Bakewell**

The project involves the delivery of a new bridge and access road from the A6 into the business park and the development of 130,000 sq. ft. of mixed use floorspace to create and retain around 200 jobs;

- **Nottingham Castle, Nottingham**

The project involves repositioning Nottingham Castle as a world-class visitor destination by redeveloping the attraction into a destination for the city and further developing Nottingham's rich visitor economy, supporting the creation and retention of over 1,000 jobs in the city centre;

- **Nottingham Trent University (NTU): Science and Technology Centre with skills investment**

Creation of a unique technology centre that will increase the speed and efficiency of healthcare-related commercial product development, supporting the area's specialism of med-tech, as well as creating an estimated 400 jobs. Wider proposed investment at the NTU's agricultural and horticultural skills centre and digital skills campus could support over 2,000 more learners and further job creation;

- **Foundry Park, Ilkeston, Erewash**

The project involves the delivery of 8,100 sq. m of new employment floorspace at Foundry Park. LGF investment in Phase 1 would see 2.11 hectares of land redeveloped. Subsequent phases would see a further 6.75 hectares of land redeveloped for employment use, and create around 500 jobs;

- **Sherwood Forest Visitor Centre, Newark**

The project is to deliver a new visitor centre at Sherwood Forest to replace an existing visitor centre for the forest, alongside improvements to existing walking/cycle routes; this will encourage and support higher numbers of visitors to the area as well as new jobs;

- **Unlocking Growth in Nottinghamshire Town Centres**

The programme will deliver a set of high-quality town centre improvements, bringing forward unique customer-rich, mixed-use environments in which businesses can prosper, offering sustainable employment opportunities and growth. The project is expected to create or secure up to 500 jobs across the Nottinghamshire area and support local small business owners;

- **Canal Engineering Training Academy, Nottingham**

This project will develop and deliver engineering programmes to assist around 150 learners, spanning from short courses for the unemployed to high-level programmes and apprenticeships that provide the skills and knowledge required by the engineering sector;

- **Toton HS2 Strategic Sites, Beeston area**

This project will allow D2N2 to purchase sites to enable the LEP area to bring disused sites back into use, maximise inward investment and prepare to make the most of the advantages HS2's arrival will deliver. The developments are project by the LEP to bring around 300 jobs to the area.

- **Southern Gateway, Nottingham**

The scheme will see the refurbishment of Broadmarsh bus station and car park, the provision of a tram stop, the delivery of new retail units on the ground floor of the car park and public realm improvements. In doing so, the project will support the wider regeneration of the shopping centre, create around 400 jobs, 4,470 sq. m of floorspace, and will contribute towards ambitions set out previously in the Southside Transport Strategy; and

- **Masterplan Phase 1, City Gateway, Derby**

The Derby Portal component of this project is seen as a catalyst for the regeneration of Derby City Centre. The portal provides a 5,000-capacity performance venue to be established in Derby City Centre whilst initiating regeneration works to a key area of the city centre and bringing around 100 jobs to the area.

3. What has previous funding delivered?

This builds on previous Growth Deal investments in D2N2, which will fund the following projects:

- Infinity Park, Derby - £13 million;
- Nottingham Institute for Advanced Manufacturing - £5 million;
- Nottingham Skills Hub - £30 million;
- Harworth Access Road, Nottinghamshire - £1.1 million;
- Southern Growth Corridor, Nottingham - £6.1 million;
- BioCity, Nottingham - £30 million;
- D2N2 Sustainable Transport Programme (various locations) - £5.8 million;
- A61 Corridor, Chesterfield, Derbyshire - £12.8 million;
- EZ Sustainable Transport (various locations) - £6 million;
- Bulwell Market, Nottingham - £0.1 million;
- Dakeyne Street, Nottingham - £0.18 million;
- A61 Whittington Moor Roundabout, Chesterfield, Derbyshire - £3.2 million;
- Chesterfield Centre for Higher Level Skills, Derbyshire - £6.2 million
- Gedling Access Road, Nottinghamshire - £10.8 million;
- A52 Wyvern, Derbyshire - £6.7 million;
- A46 Corridor, Rushcliffe, Nottinghamshire - £6.2 million;
- Ada Lovelace House, Kirkby-in-Ashfield, Nottinghamshire - £0.14 million;
- Medicity, Nottingham - £0.74 million;
- Coalite, Bolsover, Derbyshire - £5.7 million;
- Becketwell, Derby - £4 million;
- Drakelow Park, Derbyshire - £2.2 million;
- Ashbourne Airfield, Derbyshire - £1 million; and
- 'Our City, Our River', Derby - £12 million.

4. How will this benefit the local community?

The latest round of Growth Deals will fund a series of infrastructure investments across Derbyshire and Nottinghamshire that will provide benefits to local communities and people. Financial investment in key development areas aims to deliver enhanced economic growth and jobs to the area, alongside training opportunities and housing growth. This series of targeted investments aims to deliver around 7,000 jobs, 700 homes and 2,000 new learners across the D2N2 LEP area.

5. How will this benefit local businesses?

Infrastructure investments across the D2N2 area will help to unlock new commercial space for business occupation, encouraging growing business stock and economic growth across Nottinghamshire and Derbyshire. Alongside infrastructure for business space, businesses will benefit from the skills funding in the D2N2 area, which will target provision of training and learning programmes in key sectors such as transport equipment manufacturing and life sciences. D2N2 is proposing around £10 million of further investment to its skills offer to help build further on the skills investment from the first two rounds of Growth Deals.

6. How will this Deal help the Government work to deliver one million homes in this Parliament?

Local Growth Fund investment in D2N2 will help to facilitate infrastructure works and secure funding for housing projects in the future. Developments like the Castleward Urban Village will deliver up to 500 new homes in Derby city centre, improving the city's urban living offer. Infrastructure works, with Local Growth Fund contributions, will take place to enable housing sites to be developed and contribute to a growing housing demand across the D2N2 area.

7. How does this announcement link to the Midlands Engine?

Through the Local Growth Fund, central government has already agreed £1.5 billion worth of investment in the Midlands, supporting locally-led projects to boost economic growth. This additional funding round will provide an extra boost of **£392 million** to LEPs based in the Midlands. This funding will be used to provide vital investment for transport, infrastructure, skills, innovation and business-support projects, acting as a catalyst for growth and building towards the Prime Minister's vision of an economy that works for everyone, up and down the country.

Other Sources of Funding for LEPs

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

In addition to the Growth Deals, the D2N2 LEP area has successfully secured additional investment from a range of other sources, which is helping to fund economic growth and employment focused projects. This includes:

- **Growing Places Fund** - £26 million to help kick-start stalled local developments, including loan funding to help businesses through capital investment and access to finance. Major projects supported to date include Nottingham MediCity and Derby's Castleward housing and commercial development;
- **D2N2 Enterprise Zone funding** - £12.5 million which is supporting commercial and housing growth across five specific sites: the Boots campus, Beeston, MediPark and Science Park in Nottingham; and Infinity Park in Derby;
- **Nottingham City Deal** - £46 million of Government support towards a £60 million programme of business growth and support in the City. A key

achievement has been the flagship “Creative Quarter” programme, which has provided a catalyst for business growth, supporting local talent and fostering enterprise. The Employer Hub supported through the City Deal has placed over 3,500 individuals into employment, helped more than 2,700 jobseekers with accredited training, and has worked with over 320 employers;

- **Regional Growth Fund** - £79.9 million in funding secured across a number of funding rounds to encourage private sector enterprise, SME growth and more sustainable employment. This has benefited a range of local companies across the D2N2 area, including Molecular Profiles, Chinook Sciences, Romax Technology in Nottingham, Brunton Shaw (Worksop, Derbyshire), and JC Bamford in Derby as well as business support programmes through the Universities of Nottingham and Derby; and
- **European Regional Development Fund and European Social Fund –** Around €250 million for the D2N2 area. This includes the European Agricultural Fund for Rural Development, which is worth €7.56 million across the D2N2 area.

Communities Secretary Sajid Javid said:

“This Government is backing Derbyshire and Nottinghamshire with this new £63 million funding pot. Exciting projects to benefit include a new Institute of Technology in Derby and the regeneration of town centres across Nottinghamshire.

“This new funding will help create jobs, boost skills and give businesses support.”

Local Growth Minister Andrew Percy said:

“Our £63 million boost will mean more money directly invested into Derbyshire and Nottinghamshire to fund major projects that will create jobs and support businesses across the region.

“From creating a new centre for science and technology at Nottingham Trent University to refurbishing the Broadmarsh bus station, it will have a real impact on the lives of local people. This latest boost comes on top of the £194.5 million we’ve already awarded the area.”

Peter Richardson, Chair of the D2N2 Local Enterprise Partnership, added:

“This is a significant investment in the area’s economy. In a time of still tight public spending D2N2 has been awarded almost two-thirds of the money it bid for, showing the Government’s faith in what we have done with Local Growth Fund money received so far.

“D2N2’s current Local Growth Fund projects, including £12 million for Derby’s ‘Our City, Our River’ project and £6.5 million towards the £30 million BioCity Nottingham extension due to open in spring 2017, promote key sectors. We’re also aiding local construction companies. Of the £39 million D2N2 invested in 14 Local Growth Fund projects in 2015/16, 64% of those contracts were delivered by contractor companies based within 20 miles of the Local Enterprise Partnership’s area.

“This latest Local Growth Fund allocation will boost skills and training, infrastructure, jobs and housing across the D2N2 area’s economy.”