

MINUTES of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 21 December 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) and Councillor M Rawson (Derby City Council).

Also in Attendance – D Alvery (Gedling Borough Council), M Ashworth (Derbyshire County Council), M Barnett (Nottingham County Council/ViaEM), J Battye (Derbyshire County Council), S Birkinshaw (Erewash Borough Council), C Charter (Nottingham County Council), C Cooper-Smith (Ashfield District Council), Councillor D Davis (Ashfield District Council), A Graham (Rushcliffe Borough Council), E Hickman (Derbyshire County Council), Neil Hodgson (Nottingham County Council/ViaEM), J Homer (Cities and Local Growth), R Kaur (Highways England), Councillor T Kemp (Derbyshire County Council), D Pick ((Nottingham County Council/ViaEM), D Ralph (D2N2 LEP), K Sharman (Nottinghamshire County 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 R Banwait (Derby City Council), Councillor J Collins (Nottingham City Council), Councillor K Cutts (Nottinghamshire County Council), G Jennings (Derby City Council), P Richardson (D2N2 LEP), S Rose (D2N2 LEP) Councillor A Syrett (Bolsover District Council) and Councillor S Webster (Nottingham City Council).

68/17 DECLARATIONS OF INTEREST Declarations were received from Councillor M Rawson as a member of Derby City Council and Councillor B Lewis as Chairman of Derwent Valley Heritage Site regarding item 6, Museum of Making and Councillor W J Clarke as a member of Gedling Borough Council regarding item 8, Gedling Access Road.

69/17 MINUTES RESOLVED to confirm the non-exempt Minutes of the meeting of the Board held on 24 November 2017 subject to the following amendment - Minute 58/17(2) that the A61 Project Control Board (not Corridor Sub-Working Group) submit a business case for approval by the Board t the January meeting.

70/17 PROJECT UPDATES AND HIGH RISK PROJECTS Update reports were presented to the Board on all projects. A more comprehensive report would be made at the meeting in January 2018.

RESOLVED that the report be noted.

71/17 IMPROVEMENT AND SCRUTINY REVIEW OF LOCAL GROWTH FUND MONITORING ARRANGEMENTS

The review examined the current procedures and systems around decision-making and the monitoring of LGF outputs and spending. It considered whether the measures in place were sufficiently robust to ensure that output targets were delivered within the stated timeframes and that resources were spent with regularity, propriety and in-line with value for money principles. The current monitoring arrangements were robust but difficulties were experienced if key posts were not filled and information was not prompt in being submitted when it should.

RESOLVED that (1) the Board acknowledged that the systems for receiving and collating monitoring returns were robust and routinely applied by the Accountable Body;

(2) individual Board members would add their full support to the project monitoring arrangements by ensuring that officers acting on behalf of the organisations they represent comply with the requirements in time;

(3) the Board agreed that action would be taken if a promoter consistently submitted late or inaccurate returns, and in the event of this occurring, applied the agreed actions;

(4) adequate arrangements were put in place (by the relevant organisation) to ensure that in the event of capacity issues created by staff vacancies (at the Accountable Body or the D2N2 team) the situation was quickly resolved;

(5) the Board reviewed their approach to sanctions (for projects not achieving their stated milestones) and in doing so would consider the likely thresholds for their deployment.

(6) the Board would explore the feasibility of revising the project proposal assessment criteria so that there was a requirement for promoters to have substantial agreements with developers in place before funding was released. This would mitigate against the slow delivery of outcomes and provide greater certainty of the project objectives being met within a specified timeframe;

(7) the Board would consider opportunities to put more capacity into the system by offering support to promoters (in the form of experienced project managers and negotiators to work alongside them) to drive forward agreements with developers;

(8) the D2N2 LEP continue to make representations to government about the benefits of increasing the flexibility of the LGF spending profile and the ability to carry-over funds to the next financial year; and

(9) the Board to should revisit this in a year to check on progress of the recommendations.

72/17 BUDGET UPDATE An update was presented to the Board. The profile underspend for 2017/18 was £15.96m, with an overall programme over commitment of £7.437m. The under-spend was likely to increase once figures had been confirmed for Nottingham City Hub, A61 Corridor/Whittington Moor roundabout and A46 Corridor. All projects had been requested to provide an accurate forecast of spend for the current financial year which would help clarify the level of the under-

spend by the January meeting of the IIB. The programme had £281,379.62 in reserve from interest earned in 2015/16 and 2016/17. This had no conditions attached to it and, to avoid adding to the committed overspend, could be used to fund the additional project management resources.

RESOLVED that the report be noted.

73/17 MUSEUM OF MAKING A presentation on the regeneration of the World Heritage Site Silk Mill was made to the Board. This would form part of the Derby City Masterplan and was expected to be crucial to the visitor economy. The Mill would create a thriving cultural and leisure facility whilst developing an iconic building back into use. The building would incorporate a living, changing industrial museum on one floor and an indoor public site which would address skills, economic and industrial strategies as well as building links with Rolls Royce and Bombardier.

The majority of the £16.4m project funding had been secured, with £3.7m being requested from the Local Growth Fund. The procurement process was completed and the planning application had been approved. It was expected that project would follow a 24-month building programme, with the Museum of Making expected to be open in the summer of 2020.

RESOLVED that (1) the Board approve the release of funds for the project; and (2) the Project concentrates on its risks, outcomes and timescales.

74/17 CHANGES TO THE A46 CORRIDOR PROJECT A report was presented to the Board from Rushcliffe Borough Council who were seeking approval to divert the remaining £3.25m to two new elements at Bingham and Clifton. The Borough Council has endeavoured to support D2N2 deliver its housing and employment targets by offering this revised proposal, which actually delivers more than the original. The original allocation of Local Growth Fund 2 was £2.5m to contribute towards the car dyke flood mitigation work at Bingham and £750,000 to pay for the road widening required for the delivery of the employment land the RAF Newton site.

When Crown Estates (landowner) went out to procurement for a developer partner at the Bingham site, it was identified that the scheme was viable and therefore did not require the £2.5m. For the site at RAF Newton, viability issues with delivery were identified associated with upfront infrastructure costs. The funding would have enabled the widening of the access road to bring forward the employment land. The landowner was progressing with the housing element of the scheme and was pushing for the completion of the S106 agreement so that the site could progress to detailed planning application stage. The Borough Council continued to work closely with the landowners on these schemes.

Chapel Lane, Bingham (£750,000 for 183 jobs) – the site, adjacent to the land north of the Bingham site, was regarded as a significant strategic piece of

employment land and was seen as essential to both supporting the growth of local business through the delivery of employment units in Bingham, whilst also supporting the local retail sector. The current proposed masterplan for the site included retention of the existing industrial unit, construction of new industrial units, new office space and leisure/secondary retail use. The revised allocation would ensure continued funding allocated towards the development of employment land along the newly dualled A46; an important growth corridor for Nottinghamshire, whilst also supporting the vibrancy of the town. This would not only deliver infrastructure on the site but would be part of a wider package that would deliver new industrial and office units to support the growth of existing and new businesses.

Land South of Clifton (£2.5 million for 2,000 jobs and 3,000 homes) – the land would be a key strategic site for Rushcliffe. The site would deliver 3000 homes, 20 ha of employment land and approximately 2000 jobs. A planning committee meeting was planned for January 2018 to decide the outcome of the outline planning application for the site. The Borough Council had established a Clifton Development Board to bring together key stakeholders to progress development on the site. Membership of the board included the landowners, developer (CWC Group), Nottinghamshire County Council and Nottingham City Council. It was proposed that the £2.5m funding would be used to contribute to electrical servicing on the site (total cost approximately £4.5m) which would accelerate the development of both housing and employment land.

If funding was not secured, agreed outputs would not be delivered, the site would not contribute to the LEP's Strategic Economic Plan targets for the delivery of 55,000 jobs and accelerating the delivery of 77,000 new homes and the targets for the Greater Nottingham Housing Market Area would not be met. This funding could be delivered as a recyclable loan to the developer where the money was paid back therefore further enhancing the value for money of this proposal. It would also mean that the funding could contribute towards the delivery of further projects in Rushcliffe and the wider D2N2 area.

RESOLVED that (1) the Board approve the move to full business case stage to work up the detail of these revised schemes; and
(2) the case be presented to the Board in February/March 2018.

75/17 GEDLING ACCESS ROAD A report was presented by Nottinghamshire County Council for £0.5m pre-compliance funding to enable works related to the delivery of the project, including the purchase of assets or resources and site preparation works to enable full compliance within 10 months. The access road would facilitate the full redevelopment of the Gedling Colliery/Chase Farm site, would relieve traffic in Gedling village and would provide new transport links. Nottinghamshire County Council had agreed terms with a number of key landowners and had secured approval to acquire at the Finance and Property Committee on 20 March 2017. Negotiations for the purchase of private land required to deliver the GAR were well advanced. The County Council approved the making

of Compulsory Purchase and Side Road Orders at the Transport and Highways Committee on 16 March 2017. The Orders were in draft form and ready for release in early 2018.

Site preparation works were underway, including diversion of statutory undertakers' apparatus, enabling planning requirements to be met with minimal risk of delay. Nottingham County Council had selected Balfour Beatty as its preferred contractor to deliver the scheme and was undertaking a period of Early Contractor Involvement (ECI) to develop a target price and programme. Information required to discharge Planning conditions was being submitted and minor advanced drainage works were programmed to start during December 2017. Officers from Nottinghamshire County Council and Via East Midlands Limited were presenting a scheme update on 21 December 2017. It was anticipated that this would provide D2N2 with sufficient information to grant conditional approval. Work was then expected to begin in the Autumn of 2018 with completion of the work by Spring 2020.

A cost summary for the design and construction of the whole road had been previously reported to and approved by Committee. Total project costs totalled £40.9m, land and enabling works were £7.17m and the remainder for construction and design works.

RESOLVED that the Board approve the request for £0.5m funding.

76/17 INFRASTRUCTURE PLAN A verbal summary report was presented to the Board. Certain factors were still being considered in more detail and a more detailed statement would be made in the New Year.

RESOLVED that the report be noted.

77/17 D2N2 LOCAL CYCLING, WALKING INVESTMENT PLAN A report was presented to the Board outlining the Local Cycling and Walking Infrastructure Plan (LCWIP). This would assist with meeting Department for Transport (DfT) targets of doubling cycling in England by 2025 and making walking and cycling the natural mode choice for short journeys by 2040.

Highway Authorities were encouraged to bid for funded consultancy to help deliver this; a successful LCWIP bid was made on behalf of D2N2. The process had two years to be developed and would offer both strategic and technical support. The Plan would be made up of three main parts:

- a network plan for cycling and walking identifying preferred routes;
- a prioritised programme of infrastructure for future investment; and
- a report which sets out the underlying analysis and provides a narrative which supports the identified improvements.

Prior to the start of the technical consultancy it was recommended that D2N2 obtain available free consultancy to develop a D2N2 cycling & walking strategy. This would include looking at the current LEP's SEP geographic priority areas; the SEP was under review and might impact on the cycling strategy.

DfT want to see key stakeholders engaged in the LCWIP process; other stakeholder bodies such as Highways England, the Universities and major employers were to be invited to take part. The bid included a governance structure consisted of a project board which included politicians from each authority and stakeholder representatives. Greater Nottingham/Derby Access Fund had resources to hold two general public LCWIP consultation Forums in Derby and Nottingham.

RESOLVED that (1) the report be noted;

(2) senior decision-makers in each authority are kept up to date about the development of the LCWIP;

(3) the DfT be advised of the timescale for technical consultancy in Spring 2018 and the desire to obtain free support on strategic consultation earlier;

(4) an LCWIP Project Board and an officer working group be set up;

(5) a project manager to lead the liaison with the consultants be appointed/nominated; and

(6) all four local authority partners attend a project initiation meeting with the technical consultants/DfT in December.

78/17 PROJECT DELIVERY SUPPORT A report was presented to the Board on D2N2's Local Growth Fund (LGF) allocation of £250 million across a range of 51 projects. Projects had progressed well from initial outline to approval and had delivered 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 had a direct impact on the D2N2 LGF programme performance and had meant that the local area had not fully benefited from the investment.

Following discussions with project promoters it was apparent that there was a lack of capacity and technical resources within the project promoter's organisation to fully develop the project; it was proposed to create a project capacity support fund by utilising £200,000 from interest accrued from the LGF capital fund. This would support up to £20,000 towards the cost of fully developing a pipeline project towards a full business case ready for consideration by the Board and eligible costs towards project development including professional fees. Projects seeking pipeline capacity funding should submit a proposal to D2N2.

RESOLVED that the recommendation was supported.

79/17 D2N2 ANNUAL CONVERSATION 2017 A summary of the recent meeting between the Government and the LEP was presented. The meeting was

more comprehensive; the positive work of the LEP and the importance of the local partnership working with Government to devise and deliver local solutions had been noted. It was recognised that the Board's main focus would be tightening D2N2 governance further and addressing underspend risks and programme flexibility, as well as further strengthening the partnership through filling current vacancies and aligning leadership to its new, strategic priorities. A specific action plan would outline the recommendations and include internal moderation processes, such as benchmarking.

RESOLVED that the report be noted.

80/17 DATE OF NEXT MEETING The next meeting would take place on Friday 26 January 2018 at 10:00 am at County Hall, Matlock.

81/17 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).

82/17 **MINUTES RESOLVED** to confirm the exempt Minutes of the meeting of the Board held on 24 November 2017.