

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

27 October 2016

Ada Lovelace House

1.0 Background

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 36 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

2.0 Scheme Overview

Ada Lovelace House is located just in front of the current Ashfield District Council building and has been used by the council as offices in the past. The property is currently in a state of disrepair and requires some demolition works and an internal refurbishment to bring it back to current market standards for offices of this type.

This business case seeks to bring forward, partly demolish and update the property to provide 1658 ft² of lettable commercial business space for start-up and small businesses within Kirkby-in-Ashfield. The property would be turned into 7 small offices with shared communal spaces including kitchens and toilets etc. as well as open plan meeting areas for smaller businesses to meet with prospective customers. This is to complement the success of small business units in other areas of Ashfield as well as to address the current lack of small business properties in Kirkby-in-Ashfield.

The total cost of the capital works is £287,892 which is funded by:

-LGF £143,946

-Ashfield District Council £143,946

3.0 Approvals

Ashfield Borough Council approved the project on the 22nd September 2016.

4.0 Procurement

A contractor will be selected from the Scape framework

5.0 State Aid

The promoter has sort advice internally from the Council who have confirmed the project is State Aid compliant

6.0 Business Case

The business case has been forwarded to Regeneris and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM.

7.0 Delivery Programme

October/November 2016	-Pricing and Contracting
January 2017	-work commences
March 2017	-works complete
March 2018	-43% occupancy
March 2019	-71% occupancy
March 2020	-90% occupancy

8.0 Outputs and Outcomes

- 1,658 ft² of refurbished floor space to create 7 office units
- 9 jobs
- support the creation/growth of 7 businesses

9.0 Spending profile

£143,946 2016/17

10.0 Local Assurance Framework

Stage 1 approval was granted on the 21st September 2016 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and release this year's funding on the condition that the Regeneris report confirms this project represents good value for money.

Sarah Wainwright, Accountable Body, Derbyshire County Council
Tom Goshawk, D2N2 LEP

Local Assurance Framework

Stage 2 Approval Check List:

1. A Value for Money assessment carried out in accordance with the Local Assurance Framework and concluding that the project overall provides at least a good value for money score	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.
2. Evidence supporting the need for the project and the how the outputs in the Business Case will be delivered/guaranteed. This will also include evidence identifying when the outputs will be delivered.	Currently in Ashfield there is a growing demand for small office space but the supply of this type of space is not available for let. The Ada Lovelace building can provide this type of premises but is currently in a state of disrepair and is therefore not fit for use. The outputs for this project are as follows: <ul style="list-style-type: none"> - Refurbishment of 1,658 sqft of floorspace which will create 7 units to let - Creation of 9 Jobs - Support the creation/ growth of 7 businesses.
3. A statement confirming that the funds are in place and that adequate safeguards have been taken in regards to any cost over-runs. Examples of this could be confirmation that contingency has been secured for the project and/or that all risk have been passed to the contractor/developer.	Ashfield District Councils cabinet approved £143,946 of funding for the project on the 23 rd of September 2016. A clause has been built in to the contract stating that any funding risk will be passed on to the contractor.
4. A statement confirming that the project is State Aid compliant.	State Aid advice has been provided for the project by the legal section of the Council. The project is deemed to be state aid compliant.

5. Full design and specification to RIBA Stage F (if applicable) (Appendix 4)	Full design of the project to RIBA Stage 4 has been completed and included with the stage 2 business case submission.
6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The S151 Officer at Ashfield District Council submitted the Stage 2 Business Case.
7. Confirmation that all Planning consents and other consents in relation to the delivery of the project have been granted. The promoter is also required to confirm that all pre-commencement conditions have been met along with details regarding how and when the remaining planning conditions will be discharged.	The planning application was approved on the 29 th of September 2016.
8. A statement from the promoter confirming how project aligns with the LEPS sustainability and local procurement framework (if applicable)	The SCAPE framework has been employed as it focusses directly on local contractors and prioritises them accurately against national contractors. – This approach aligns with the LEP's sustainability and local procurement framework.
9. Confirmation that all funding approved and in place to deliver the project along with written confirmation from the other funders confirming the funds are agreed and available.	Ashfield District Council have provided written confirmation that the £143,946 of match funding is available for this project.
10. Confirmation that a delivery contract is in place (JCT	A copy of the contract together with finalised costings for the

or equivalent) and confirmation of how cost/programme overruns to be managed. The LEP will require promoters to either confirm that any cost over-runs are the risk of the developer or additional funds have been set aside.	project will be forwarded to the LEP as soon as approval is given for the funding and contracts are let.
11. All land assets purchased and vacant possession obtained (if applicable)	All land is owned by the Council
12. Value for Money report carried out by a suitably qualified and experience professional with at least a 'Good' score. The LEP and the Accountable body will seek confirmation on the conclusions of the report from external consultants.	At the time of writing this report the VFM report was not available from Regeneris, therefore approval will be recommended based on the report showing the project represents good value for money.
13. How the risks will be managed?	The promoter has completed a risk analysis which includes mitigations.