

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

27th October 2016

Local Growth Fund (LGF) Budget and Project Monitoring

Budget Monitoring

Payments totally £1,375,000 in grants were made during quarter 2 of 2016-17, which was in line the payment schedules for projects approved in 2015-16.

Based on current cashflow information and on the assumption that all projects listed are approved and funding is released, this leaves a cashflow underspend of £1.1m of which £0.12m is real underspend following the reallocation of funds to pipeline projects.

See appendix 1

Project Monitoring

- The **Chesterfield Higher Level Skills Centre** which was approved at the October 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Complete all internal and external works including testing and commissioning of services, lift etc Contract practical completion	Achieved

Refurbished training/learning facilities

Year	Quarter	Forecast	Actual
2016-17	Q2	3,257 m ²	3,257m ²

Expenditure £2,647,129.70 (Cumulative £6,912,507.33)

- The **Bioscience Expansion** which was approved at the June 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Progress in June	Mechanical and electrical works ongoing. First side board complete, second side board substantially complete. Joinery and painting have commenced. Roofing works are nearing completion. Curtain walling ongoing.

Expenditure £6,001,582.85 (cumulative total £20,320.966)

- **Nottingham Cycle City** which was approved at the October 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved		Status (achieved or delayed)					
2016-17	Q2	City Centre East-West route opens Wells Road cycle corridor works complete		Delayed - please see narrative for update Embankment from Q4 complete Works on site for north - south from Q4					
		23.7 km of segregated cycle corridor		1.9km of City Centre cycle route		3.8km of both on and off road cycle routes through Nottingham's Parks (strategic connections)		4.65km of non and segregated on road cycle lane (Neighbourhood level)	
Year	Quarter	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
2016-17	Q2		5.4	0.7			2	3.4	

The overall programme is progressing well.

Construction has started on the Eastern Cycle Corridor. This is a significant scheme and will be reflected in the next claim. In total £1 million has been committed from this budget.

The Western Corridor is substantially complete and is now shown in the outputs. The corridor is open to the public and proving popular with cyclists. The Council is awaiting a response from the Secretary of State with regards to a visit to Nottingham to formally open the route and will discuss with the LEP once confirmed.

The east-west route is currently undergoing final design. An update will be provided in the next claim when the scheme is likely to be complete.

The Wells Road has been designed and some elements complete. Other elements of the scheme will be taken on as part of the Council funded Connecting Eastside due to the need to join the two schemes together. Connecting Eastside is a match funding element for this programme.

The route along the Embankment is now complete and shown in the outputs for the Parks. This has included lighting and will carry significant benefit this winter.

Additional funding has been provided for Bulwell for a town centre regeneration programme. Our work has been fed into this and this will see improvements delivered as part of a larger project within the town.

We are seeking additional funding for the Leen through an ERDF bid. This is likely to be approved and this will provide an additional £250k to the programme. Confirmation will be provided in the next claim.

Expenditure £621,560 (Cumulative £1,955,093)

Quarter 1 has been restated as £952,215.34 from £621,560

- **Vision University** which was approved at the September 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Building Open 26th September 2016	Building handed over week commencing 10 October 2016 with a small amount of residual cladding on the western elevation due for completion. Teaching will commence at the end of October 2016.
		Creation of 2,173 sqm of teaching and learning space	
Year	Quarter	Forecast	Actual
2016-17	Q2	2,173 sqm	2173 sqm

Expenditure £2,514,803.62 (Cumulative £5,395,249.48)

- **Derbyshire Broadband** which was approved at the August 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Milestone M1 – Network Build	Our understanding is that this has continued as normal and is on track. BT has 20 working days from end of Q2 to provide information which confirms Milestone has been achieved. Will be able to confirm in next quarters return.

Expenditure £722,7389 (Cumulative £11,599,719 this includes corrections to previous quarters)

- **Infinity Park, Derby** which was approved at the December 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2		Victory Road - legal agreement nearly completed, start on site November T12 phase 2 - contractor chosen

The IPD Sustainable Transport Programme has begun. We have met LEP Stage 2 criteria on several of the projects (checklists sent to D2N2)

Victory Road will start on site November 2016 rather than Q2 - this will not affect LGF spend, as we will prioritise this
T12 Phase 2 has planning permission and we are trying to bring the scheme forward through a procurement direct award
Holmeigh Way will be delayed as this will now require planning permission, the original intention was to do works under permitted development

Expenditure £297,675 (Cumulative £6,079,201)

- **Derby Placemaking “The Spot”** which was approved by the LEP Board in January 2016 has no milestones this quarter.

Expenditure £327,628.09 (Cumulative £1,035,153.98)

- **Broadmarsh** which was approved at the December 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Southern Relief Route works complete- Snagging has been on-going, a Stage 3 Road Safety Audit has been undertaken and a lessons learned meeting has been held. A preliminary design and scheme cost for the Maid Marian Way/Greyfriar Gate works has been approved. Detailed design has commenced and construction phasing is being agreed. The preliminary design for Canal Street has been progressed. Modelling work has been undertaken to support this. Initial meetings have been held with the architect's for the Collin Street design. Scope and fees are being agreed. Initial meetings have been held with the architect's for the Collin Street design. Scope and fees are being agreed.	Achieved

950m upgraded Southern Relief Route

Year	Quarter	Forecast	Actual
2016-17	Q2	SRR upgrade complete	Achieved

ii. London Road enabling works will be pushed back to commence in Q4 this will coincide with Grey Friar Gate improvements

iii. Canal Street works will be brought forward to ensure expenditure profiles are not affected.

Expenditure £537,552 (Cumulative £1,266,877)

- **Our City Our River** which was approved at the January 2016 IIB has not returned the their monitoring return at the time of writing this report
- **A57/A60 Worksop** which was approved at the November 2015 IIB has no milestones this quarter but have provided the following update:

- i. Currently, we are expecting 8 weeks slippage in our original programme. The delays are an accumulation of uncovering weak highway drains, soft ground, contaminated ground, and resurfacing works requiring diversion routes through other highway authority areas.
- ii. Overall it is anticipated that the project completion will remain in Quarter 3 2016. However, it is now anticipated that the Stage 3 Road Safety Audit may be carried out in early Quarter 4 2017 period.
- iii. The slippage is being monitored and managed by means of regular on-site meetings with the contractor, and additional resources being used where possible. However, it is unlikely that the slippage will be recovered at this late stage.

Expenditure £433,747.04 (Cumulative £1,186,508)

- **Nottingham Broadband** which was approved at the August 2015 IIB has returned the following milestones data for quarter 1 as BT reporting is one quarter behind:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q1	Commencement of next wave of planning and surveys (i.e. BDUK Milestone 0)	Achieved

Expenditure £761,439 (Cumulative £11,133,173 (this includes corrections to previous quarters)

- **Seymour Link** which was approved at the August 2015 IIB has returned the following monitoring data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Structures complete	Works have been delayed due to high levels of rainfall, although one action was taken during the Quarter to ensure that all structures were complete within the quarter.
		1235 net additional jobs	Redevelopment of 33 hectares of brownfield land

Year	Quarter	Forecast	Actual	Forecast	Actual
2016-17	Q1			33 hectares released for development- on target	15.65
	Q2				17.35

The promoter has supplied the following update:

The provisional development deal with BILSTEIN Ferdinand went unconditional during the quarter and a contract has been awarded to Derbyshire company B & K for the construction of a 120,000 sq. ft. logistics and office building on Plot 14. Furthermore, discussions are progressing with a potential occupier for a 480,000 sq.ft building on Plot 13 for which planning approval has recently been secured.

i - Eurovia's programme of works is generally on target despite the impacts from the past few months of heavy rainfall. One area of concern is completion of the bridge over the Doe Lea river - utilities cannot be connected over this section of the link road until the bridge deck has been constructed. The earthworks contractor (Fitzwise Ltd) have all but completed their works and the additional works to help speed the road construction programme. All other works are progressing and all orders for utilities have been placed.

ii - A two week slippage has been identified

iii - measures- taken to bring the works back on target include additional labour resources and longer hours working over the weekends - agreed with the planners.

The provisional development deal with BILSTEIN Ferdinand has gone conditional and construction works by Derbyshire company B & K for the hi-tec 200,000 sq. ft logistics and office building has started on Plot 14. Furthermore, discussions are progressing with a potential occupier for a 480,000 sq.ft building on Plot 13. A planning application has been approved with the aim of commencing construction works during November 2016.

Expenditure figures were not supplied in time for writing this report

- **HS2 Toton Feasibility studies** which was approved at the February 2016 IIB has returned the following data for quarter 1:

Output	Progress Reported
1. Report into the feasibility of extending the Nottingham Express Transit system west of an East Midlands HS2 Hub Station to Long Eaton, south to East Midlands Airport and further west to Derby	- Findings presented HS2 strategic Board - Final report published and issued to D2N2 LEP chief officer
2. Contribution to the development of integrated Derby/Derbyshire and Nottingham/Nottinghamshire traffic/transport model suitable for HS2 Hub Station connectivity scheme assessment	- Early transport model development work identified - D2N2 Gateway Connectivity - Mass Transit Strategy feasibility study bid completed and submitted
3. Report into the initial feasibility of the potential for tram-train services to fill in gaps in provision to an HS2 East Midlands Hub Station at Toton, where heavy rail is not economically viable.	- Included in above

Expenditure £0 (Cumulative £174,644)

- **HS2 Staveley** which was approved at the February 2016 IIB has not provided a project update but have supplied the expenditure figures below:

Expenditure £8,065 (Cumulative £8,065)

- **Newark Southern Link Road** which was approved at the November 2015 IIB has returned the following data for quarter 2:

Year	Quarter	Key Milestones/deliverables from delivery plan scheduled to be achieved	Status (achieved or delayed)
2016-17	Q2	Housebuilder start on site	Achieved

Expenditure £4,515,205

Other projects which have started but not completed their grant offer letter have provided the following expenditure figures:

- Southern Growth Corridor £450,504
- A46 Corridor, Cotgrave Employment Units £109,439
- Harworth Access Rd £49,755

Appendix 2 shows a summary of the programme outputs

Sarah Wainwright, Accountable Body, Derbyshire County Council

Appendix 1

SUMMARY BUDGET MONITORING QUARTER 2										
Monies received		Payments:	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Total Originally allocated	Total Project Allocation	Notes
11th April 2016	55,400,930.00	Seymour Link	125,000.00	125,000.00	125,000.00	125,000.00	500,000.00	500,000.00	2,520,000	
		Cycle City Nottingham	1,943,024.00				1,943,024.00	1,943,024.00	6,100,000	
		A57/A60	915,000.00				915,000.00	915,000.00	1,830,000	
Total	<u>55,400,930.00</u>	Newark Southern Link Rd				6,000,000.00	6,000,000.00	6,000,000.00	7,000,000	
		Broadmarsh	710,000.00				710,000.00	710,000.00	10,300,000	
		Our City Our River				2,500,000.00	2,500,000.00	2,500,000.00	12,000,000	
		Skills Hub			200,000.00	3,590,000.00	3,790,000.00	3,790,000.00	30,000,000	
		Infinity Park		1,250,000.00	1,250,000.00	1,500,000.00	4,000,000.00	4,000,000.00	12,995,000	
		Becketwell				3,000,000.00	3,000,000.00	2,850,000.00	6,400,000	
		Harworth Access			575,000.00	525,000.00	1,100,000.00	1,100,000.00	1,100,000	
		D2N2 Sustainable travel programme				2,485,000.00	2,485,000.00	1,800,000.00	5,800,000	
		A61 Coridor				500,000.00	500,000.00	500,000.00	12,800,000	
Programmed spend 16/17	53,169,770.00	EZ Sustainable Transport			2,000,000.00		2,000,000.00	3,000,000.00	6,000,000	
		Southern Growth Corridor			2,000,000.00		2,000,000.00	2,000,000.00	6,120,000	
Under programme	<u>2,231,160.00</u>	A52 Wyvern			3,500,000.00		3,500,000.00	3,500,000.00	6,720,000	
change of Becketwell profile	- 150,000.00	A46 Corridor, Rushcliffe			1,800,000.00	200,000.00	2,000,000.00	2,000,000.00	6,250,000	
Change of D2N2 sustainable transport	- 685,000.00	Drakelow				2,200,000.00	2,200,000.00	4,000,000.00	2,200,000	
Change of profile Institute for Advance Manufacturing	- 1,400,000.00	Buxton Crescent				3,000,000.00	3,000,000.00	1,500,000.00	3,800,000	
		Institute for Advanced Manufacturing			5,000,000.00		5,000,000.00	3,600,000.00	5,000,000	
EZ change of profile	1,000,000.00	Coalite				5,797,800.00	5,797,800.00	5,797,800.00	5,797,800	
Buxton change of profile/Drakelow	- 1,500,000.00	Medicity				740,000.00	740,000.00	740,000.00	740,000	
Drakelow (connected with above)	1,800,000.00	Ada Lovelace House				143,946.00	143,946.00	143,946.00	143,946	
Total Available	<u>1,296,160.00</u>	Bullwell Market				100,000.00	100,000.00	100,000.00	100,000	
less		Dakeyne Street				180,000.00	180,000.00	180,000.00	180,000	
							-			
LEP Management	200,000.00	LEP Management				200,000.00	200,000.00			
Balance	<u>1,096,160.00</u>									
Available for Acceleration	<u>977,906.00</u>									
Available for Reallocation (real underspend)	<u>118,254.00</u>									
Total	<u>1,096,160.00</u>									
		Payments made	<u>3,693,024.00</u>	<u>1,375,000.00</u>		Total	<u>54,304,770.00</u>	<u>53,169,770.00</u>	<u>151,896,746.00</u>	
						Difference	<u>- 1,096,160.00</u>			

Appendix 2

Programme Monitoring-July 16

Projects-Approved

Infinity Park
Derby Cycling and placemaking-The Spot
Our City Our River
Derbyshire Broadband
Seymour Link
Newark Southern Link Rd
Bioscience expansion
Nottingham Broadmarsh
Cycle City Nottingham
Nottinghamshire Broadband
A57/A60 Worksop
Chesterfield Centre for Higher Level Skills
Vision University Centre

2015-16						2016-17			2016-17 to 2032			Total		
Jobs		Homes		Learners		Jobs	Homes	Learners	Jobs	Homes	Learners	Jobs	Homes	Learners
Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
						228			4,272	382		4,500	382	-
									10.6			11	-	-
106	106	128	128			275	68		7,661	864		8,042	1,060	-
									3,000			3,000	-	-
						200			1,035			1,235	-	-
							650		3,118	2,600		3,118	3,250	-
									250			250	-	-
									11,770			11,770	-	-
												-	-	-
						388						388	-	-
						120			5,880	1,753		6,000	1,753	-
									45		1,049	45	-	1,049.00
											1,544	-	-	1,544.00
106	106	128	128	0	0				37,042	5,599	2,593	38,359	6,445	2,593

Projects-Yet to be approved

Harworth Access Road
Nottingham Skills Hub
D2N2 Sustainable transport
A61 Corridor
EZ Sustainable transport
Rolls Royce, Hucknall
Southern Growth Corridor
A61 Whittington Moor roundabout
Gedling Access Road
A52 Wyvern
A46 Corridor, Rushcliffe
Drakelow Park
Midland Mainline
Buxton Crescent
Institute of Advanced Manufacturing
Ashbourne Airfield

2015-16						2016-17			2016-17 to 2032			Total		
Jobs		Homes		Learners		Jobs	Homes	Learners	Jobs	Homes	Learners	Jobs	Homes	Learners
Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
									2,067	855		2,067	855	-
									450		1,426	450	-	1,426
												-	-	-
									6,390	4,850		6,390	4,850	-
												-	-	-
									2,000	900		2,000	900	-
												-	-	-
									Figures not known to date			Figures not known to date		
										1,120		-	1,120	-
									3,300			3,300	-	-
									2,800	1,600		2,800	1,600	-
									1,385	2,239		1,385	2,239	-
												-	-	-
									140			140	-	-
									60			60	-	-
									400			400	-	-
-	-	-	-	-	-	-	-	-	18,992	11,564	1,426	18,992	11,564	1,426
106	106	128	128	-	-	-	-	-	56,034	17,163	4,019	57,351	18,009	4,019

Grand Total