

**MINUTES** of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 30 June 2017 at County Hall, Matlock.

**PRESENT**

Councillor J Clarke (Gedling Borough Council), Councillor K Cutts (Nottinghamshire County Council), Councillor D Davis (Ashfield District Council), Councillor C Hart (Erewash Borough Council), Councillor T King (Derbyshire County Council), Councillor B Lewis (Derbyshire County Council), D Ralph (D2N2 LEP), Councillor A Syrett (Bolsover and North East Derbyshire District Councils) and Councillor S Webster (Nottingham City Council).

Also in Attendance – M Ashworth (Derbyshire County Council), L Clare (Department for Transport), D Gartside (Derby City Council), T Goshawk (D2N2 LEP), C Henning (Nottingham City Council), J Homer (Cities and Local Growth), K Hopkinson (D2N2 LEP), J Jaroszek (Erewash Borough Council), R Kaur (Highways England), J Seymour (Derbyshire County Council), S Wainwright (Derbyshire County Council), A Westray-Chapman (Bolsover and North East Derbyshire District Councils) and V Wheelwright (Cities and Local Growth).

Apologies for absence were submitted on behalf of Councillor J Collins (Nottingham City Council), P Gadsby (D2N2 LEP), G Jennings (Derby City Council), P Richardson (D2N2 LEP) and D Swain (Bolsover and North East Derbyshire District Councils).

Declarations of interest – Councillor J Clarke in respect of Gedling Access Road Update Report (Minute 30/17) and Councillor S Webster in respect of Nottingham City Hub Progress Report (Minute 30/17).

**27/17      APPOINTMENT OF CHAIRMAN      RESOLVED** that Councillor B Lewis be appointed as Chairman of the Board.

Councillor B Lewis (Derbyshire County Council)  
(in the Chair)

**28/17      APPOINTMENT OF VICE CHAIRMAN      RESOLVED** that Councillor J Collins be appointed as Vice Chairman of the Board.

**29/17      MINUTES      RESOLVED** to confirm the minutes of the meeting of the Board held on 23 March 2017.

**30/17      PROJECT UPDATES AND HIGH RISK PROJECTS**      The Board received a project update which included the two projects at high risk, Nottingham City Hub and Gedling Access Road.

Nottingham City Hub sponsors were required to submit a full stage 2 business case by March 2018 and would remain at high risk until this was delivered. The stage 2 business case would address the achievement of project outcomes as described in the report and included the project timeline, governance and monitoring, funding agreement, heads of terms, estate utilisation numbers, cost, budget and cashflow, risk, cashflow and outcomes. Images of the design as it has developed through stage 1 were also contained in the report.

The promotor of the Gedling Access Road has reported that the start date for commencement has slipped by 12 months due to delays in purchasing land through a Compulsory Purchase Order. Nottinghamshire County Council has asked for the Gedling project funding profile to change from £5.4m in 17/18 and 18/19 to £5.4m in 18/19 and 19/20. A further report would be made to the Board later in the year. The Board agreed that the project should remain at high risk.

John van de Laarschot, Joanne Clifford and Matthew Varley from Nottingham College were in attendance to present an update to the Board on the City Hub Project. The following information was presented:-

- The Project would deliver LEP outcomes, including 450 new jobs in the construction process, new integrated FE and skills provision, and an estimated 1,426 additional learners relevant to the local skills markets.
- The project was on schedule and the stages with completion dates were detailed. The land transfer, including enabling works, and the Heads of Terms have been agreed.
- The project was within budget. An Independent MS to oversee the project and an Independent professional advisor to provide critical challenge and reassurance to funders have been appointed.
- A Capital Project Board (CPB) and Terms of Reference have been established.
- The next step was the Planning application.

The Board asked a number of pertinent questions including matters relating to the disposal of buildings, the final uses of the hub, the timing risk relating to the Planning Application and procurement overlap and the status of temporary jobs.

It was noted that Nottingham City Council supported this complex project and monitored its progress. It was confident that the new team now in place has put the project back on track.

The Nottingham College representatives stepped out of the meeting to allow the Board to discuss their update.

The Board debated the information provided and all matters relating to the project. It was agreed that the key milestone for the project was the planning application, which still had to be addressed and the project should remain as high risk. A further presentation should be requested made to the Board and scheduled after the planning application has been considered.

**RESOLVED** (1) to note the report;

(2) that the Nottingham City Hub project be kept at high risk and a further presentation be made following consideration of the planning application;

(3) that the Gedling Access Road project be kept at high risk and the promotor be requested to report to the Board in six months.

**31/17      ANNUAL ACCOUNTS**      The Annual Accounts have been prepared as a summary of the financial decisions and transactions that have occurred during the 2016/17 period. The table in the report detailed how monies were distributed across the Local Growth Fund (LGF) projects. Of the £55.4m grant available, £44.65m was released to contracted projects.

The Government confirmed that if the 2016/17 allocation could not be spent on LGF projects, then with the agreement of the Accountable Bodies Section 151 Officer, it could be spent against Derbyshire County Council's Capital Schemes and reimbursed completely against the LGF programme in future years. A payment of £10,754,301 was made to Derbyshire County Council for Highways Maintenance and Street Lighting LED schemes and approved by the County Council's Cabinet on 25 April 2017.

**RESOLVED**      to note the report.

**32/17      LOCAL GROWTH FUND (LGF) 3**      On 15 June 2017 D2N2 released a finalised list of Local Growth Fund 3 projects and the allocation of funding. The total programming funding amounted to £77.844 million and the shortfall would be covered as follows:-

<b>Funding Breakdown</b>	<b>Amount £m</b>
LGF3	62.99
Underspend – LGF 1 and 2	4.14
GPF to be allocated to LGF3	4
Funding covered by Upper Tier Authorities	6.714
<b>Total funding envelope</b>	<b>77.844</b>

A brief synopsis of the 18 listed projects was delivered to the Board .

**RESOLVED** that through the LEP Officers Group all project promoters are required to provide a grant funding profile for their projects up to the 2020/21 financial years. All promoters must submit this to the LEP and Accountable Body before the next meeting of the IIB in July 2017.

### **33/17      QUARTER 4 2017 MONITORING OUTPUTS**

For Quarter 4 only 24% of the job target was met and 0% of the housing target, there were no learner figures forecast for this quarter. Disappointment was expressed at the low percentage achieved of the job target.

From the projects which had targets this quarter the promoters have provided an update –

- Infinity Park - The project also had a target of 114 jobs in the previous quarter and reported a 0 return so cumulatively 80 jobs have been achieved from a target of 228.
- Newark Southern Link Road – The first house completion was not due until quarter 3 of 2017/18 and there have been delays with some of the road infrastructure.
- Our City Our River – 64 jobs have been evidenced
- Nottinghamshire Broadband - Nottinghamshire County Council are seeking alternative ways to evidence jobs created
- Seymour Link - The BILSTEIN Ferdinand building is near completion, they have recruited 3 people with larger numbers during Summer 2017.
- A46 Corridor (Phase 1 Cotgrave Employment Units) – The units would not be completed until July 2017. Rushcliffe Borough Council has 6 firm pre let units.

The Local Assurance Framework states that the IIB will write to the promoters of projects with delays of more than 3 months requesting a written explanation. If the IIB was not satisfied with the response it could request repayment of the funds to the LEP or not to release further funds.

**RESOLVED** that (1) the IIB writes to the promoters of the six projects requesting a written response detailing why the project is delayed. If the IIB are not satisfied with the response then the IIB can request that the funds are repaid to the LEP or decide not to release any future years funding;

(2) the promoters be requested to submitted their responses prior to the July 2017 IIB Board; and

(3) the 6 projects listed are classified as high risk due to not delivering their outputs.

**34/17      CHANGES TO THE LOCAL ASSURANCE FRAMEWORK**

Following a review of the approval process in the Local Assurance Framework (LAF) by the LEP and IIB Officers it was proposed to change the process from a 2 stage approval process to a 3 stage process –

- **Expression of Interest (EOI)** – a high level business case to be submitted to the LEP using the Infrastructure Pipeline Application Form and include the 6 required details. EOI submissions will be available to submit on an annual basis as detailed in section 5 (Business Case Development and Value for Money)
- **Outline Business Case (OBC)** - an outline business case is required to be submitted by the promoter to the LEP when the project has reached the 12 milestones detailed in the report. The LEP and Accountable Body will carry out an assessment of the business case in line with the EOI submissions and the requirement of the LAF and report back to the LEP officers group. Once approved by the LEP CEO, D2N2 will inform the promoter and allow them to progress to the final submission stage.
- **Final submission** - The final submission requires a full business case to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the promoter to the Chief Executive of the LEP and the Accountable Body. The project needs to have met the 14 milestones detailed in the report before submission.

The Local Assurance Framework was attached as an appendix to the report.

**RESOLVED** to approve the proposed changes to the Local Assurance Framework.

**35/17      DATE OF NEXT MEETING**      The next meeting will take place on Friday 28 July 2017 commencing at 10.00am in Committee Room 1, County Hall, Matlock.