

MINUTES of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 28 April 2016 at County Hall, Matlock

PRESENT

Councillor N McDonald (Nottingham City Council)
(in the Chair)

Councillors D Collins (Derbyshire County Council), K Greaves (Nottinghamshire County Council), J Hollingsworth (Gedling Borough Council), D Meale (Nottinghamshire County Council) and M Rawson (Derby City Council)

Also in Attendance – M Ashworth (Derbyshire County Council), E Austen (BIS Local), J Battye (Derbyshire County Council), T Clegg (Derby City Council), T Goshawk (D2N2 LEP), R Kaur (Highways England), J Seymour (Derbyshire County Council), K Sharman (Nottinghamshire County Council) and S Wainwright (Derbyshire County Council)

Apologies for absence were submitted on behalf of Councillor J Clarke (Gedling Borough Council), Councillor J Collins (Nottingham City Council), C Cooper-Smith (Ashfield District Council), Councillor D Davis (Ashfield District Council), P Gadsby (D2N2 LEP), K Hopkinson (LEP), and Councillor A Western (Derbyshire County Council)

16/16 **MINUTES RESOLVED** to confirm the minutes of the meeting of the Board held on 24 February 2016.

17/16 **LOCAL GROWTH FUND (LGF) 1 & 2 PROJECTS UPDATE**

D2N2 had successfully approved 13 projects from the LGF 1 programme during the 2015/16 financial year, and had allocated £39.05m. A number of projects were in phases due to their size and complexity, and these needed to progress in order to deliver the next part of funding. Infinity Park had anticipated that it would require approvals for the T12 Phase 2 project in July 2016. The Cuttle brook realignment phase of the project was expected to start delivery around the same time, and was currently waiting on planning approvals before submission.

Newark Southern Link Road had commenced in the design of the next phase of the project whilst the first phase was still on-going, with an expected completion date of 30 September 2016. The design of the following phases was scheduled to finish in June 2018 with works anticipated to commence in November 2018. Further discussions were planned with Derby City around how to take the Our City Our River project forward through the next phase. Further updates would be provided to future meetings.

The position of projects from the 2015/16 year left D2N2 in a strong position for the forthcoming financial year. Subject to all approvals in 2016/17, D2N2 would be allocating £55m of funding. Details were provided of 2016/17 starts and when the projects were expected to submit their Stage 1 and two business cases to the LEP. With regard to the Enterprise Zone Sustainable Transport project, it was noted that there would be an update at the next meeting of the Board. Information was also given around the Growth Deal 2 projects.

A monthly report had previously been requested detailing the high-risk projects for 2015/16. In terms of the Replacement Derby City Cycle and Place Making project, £5.65m had now been allocated for a replacement Derby City Council project which would deliver similar or improved outputs, and discussions were taking place around this. A business case for the project would be presented to the Board in due course. The Harworth Access road project has been pushed back into the 2016/17 financial year due to waiting for the Sheffield City Region funding to be approved and for a commitment that any overspends to be underwritten.

Nottinghamshire County Council and Bassetlaw District Council had agreed to underwrite any unexpected costs, and the business case was expected to be presented to the next meeting. In relation to the Nottingham Skills Hub, on-going discussions were taking place with Barclays regarding the financial modelling of the merged colleges, and there had been an indication of an unwillingness to provide additional funding. It had therefore been decided by the LEP and Accountable body to delay issuing the grant offer letter until further discussions had been held – this was due to take place on 29 April 2016.

18/16 LOCAL GROWTH FUND (LGF) 3 UPDATE The Government had previously requested that LEPs worked up a pipeline of projects to support future rounds of funding, and D2N2 had received 35 submissions. In order to have a strong list of projects, the LEP was working with external assessors with a view to improving project submissions, and this had resulted in a pipeline of 45 projects which were being assessed. LGF3 was a competitive process, and D2N2's best projects would need to be put forward in to order to be successful in attracting funding.

The Government had recently stated that a further allocation of £1.8bn of Growth Deals would be released later in 2016, and alongside this was a £2bn allocation for the Home Building Fund. This would provide financial assistance to developers to unlock and accelerate large housing developments and infrastructure. The Government would also be inviting all LEPs to bid for £475m from the Local Majors Fund, and this was designated to funding major transport improvements to local networks.

A letter had been received from Greg Clark MP further outlining the process for LGF3. The LEP would be presenting a single proposal to Government before the summer recess, and this would include the individual projects. No formal decisions had yet been made regarding the final prioritisation of projects. The proposed projects would be reported to the D2 and N2 Joint Committees for consideration and recommendations regarding prioritisation, and a further update would be given to the Board at its meeting on 26 May. There would be a report to the LEP Board for final approvals of the LGF3 submissions in June prior to the submission of the prioritised project list to Government in July 2016.

It was suggested that each local authority considered their major projects and whether these should be supported. It was generally agreed that the prioritised projects should be ambitious but realistic.

19/16 LOCAL GROWTH FUND BUDGET 2016/17 AND PROJECT MONITORING

The final accounts for 2015/16 had now been produced. Funding originally allocated in 2016/17 had been accelerated into 2015/16 for Bioscience Expansion, Broadmarsh and Nottingham City Cycle. The Skills Hub grant offer had not been completed in time before 31 March, so funding had been accelerated on the Broadmarsh project to allow the total allocation to be spent. Interest earned during the year had totalled just over £126,000, and this had been put into a reserve and would be available to be spent in future years.

The 2016/17 allocation of £55,400,930 had recently been received by Derbyshire County Council. Cashflow profiles had now been received from promoters, and based on this there would be a cashflow underspend of £8.39m in 2016/17. As a result, funding on some projects would need to be accelerated again to ensure all funding was spent before 31 March 2017. A further update on the projected spend for the year would be provided to the next meeting.

Details were provided around project monitoring for a number of projects, and this included key milestones/deliverables from the delivery plan and whether these had been achieved.

20/16 REVIEW OF THE LOCAL ASSURANCE FRAMEWORK

Following the recent audits undertaken by Government, all LEPs had been asked to review their Local Assurance Frameworks (LAF). The D2N2 LAF had been reviewed to ensure it fully adhered with the Government's LEP Assurance Framework. The main changes were that the Terms of Reference for the Board had been inserted, RIBA stages had been updated following changes in the Plan of Work, information about the Officer's Group had now been included, and more details had been added regarding descriptions of

roles and responsibilities. The revised D2N2 LAF was presented, and the IIB agreed to the changes that had been made.

It was also reported that work had been undertaken on the D2N2 website, and information was now provided on the Board. The LAF would also be published on the website.

21/16 HIGHWAYS ENGLAND STAKEHOLDER EVENTS It was stated that Highways England would shortly be starting its next round of stakeholder events, and details around these would be circulated to members.

22/16 DATE OF NEXT MEETING The next meeting of the Board was scheduled for 26 May 2016 at 10.00am.