

MINUTES of a meeting of the **D2N2 INFRASTRUCTURE AND INVESTMENT BOARD** held on 29 June 2016 at County Hall, Matlock

PRESENT

Councillors D Collins (Derbyshire County Council), C Corbett (Erewash Borough Council), P Dunn (Derbyshire County Council), D Meale (Nottinghamshire County Council), D Ralph and M Rawson (Derby City Council).

Also in Attendance – E Austen (BIS Local), T Clegg (Derby City Council), J Davies (Bassetlaw District Council), T Goshawk (D2N2 LEP), T Gregory (Nottinghamshire City Council), C Henning (Nottingham City Council), K Hopkinson (D2N2 LEP), G Jennings (Derby City Council), D Pick (Nottinghamshire County Council), J Seymour (Derbyshire County Council), K Sharman (Nottinghamshire County Council), S Wainwright (Derbyshire County Council) and V Wheelwright (BIS Local).

Apologies for absence were submitted on behalf of Councillor R Banwait (Derby City Council), Councillor J Clarke (Gedling Borough Council), Councillor J Collins (Nottingham City Council), P Gadsby (D2N2 LEP), Councillor A Syrett (Bolsover District Council) and Councillor A Western (Derbyshire County Council).

23/16 **APPOINTMENT OF CHAIR RESOLVED** that Councillor D Collins be appointed to Chair the meeting.

Councillor D Collins (Derbyshire County Council)
(in the Chair)

24/16 **MINUTES RESOLVED** to confirm the minutes of the meeting of the Board held on 28 April 2016.

25/16 **LOCAL GROWTH FUND (LGF) 1 & 2 PROJECTS AND HIGH RISK PROJECTS - UPDATE** The Board were presented with updated details of LGF projects for phase 2 projects for 2015-16, project starts for 2016-17 and beyond and 2016-17 high risk projects.

Details were presented relating to the following high risk 2016-17 projects:

- Replacement Cycle City and Placemaking Project – A £4m replacement project was being presented at this meeting for acceptance in to the LGF 1 programme. This project still left a balance of £1.65m which had yet to be allocated therefore leaving these funds at risk.

- Nottingham Skills Hub – The merger between the two colleges was continuing to progress. Changes had been made to the building specification and the project would now create a 12,000m² building instead of 25,000m².
- A52 Wyvern – Funding issues remained with the project and a £1.9m funding gap was yet to be resolved. Discussions were continuing to take place between Derby City Council and Network Rail to bridge this gap with a resolution expected before the July IIB
- Midland Mainline Market Harborough – A separate paper was presented at the meeting.
- A61 Corridor – A Stage 1 business case was due to be submitted imminently which would outline the phased development. Concerns about what was included in this project would need to be addressed.

In terms of Phase 2 projects 2015-16 starts, the projects listed below had all been approved under the Local Assurance Framework in 2015-16. These projects would be delivered in a phased approach and funding would only be released when the new phases conformed to the LAF.

- Newark Southern Link Road – The Developers Urban and Civic were currently working towards phase 2 of the design works for the road. Issues around funding had arisen and so the drawing down of funding in this financial year remained uncertain. D2N2 were looking to hold a meeting with representatives from all parties to resolve the issues.
- Infinity Park Derby – The IPD project had £4m to spend in the 2016-17 financial year and Derby City Council had provided assurances that this would be drawn down. Works should start on the T12 extension and Victory Road sections of the project in Autumn 2016.
- Our City Our River – Derby City Council had confirmed that the next phase of the project would be LAF compliant within 2016-17 to utilise their funding allocation for this financial year.

RESOLVED that the report be noted.

26/16 **HARWORTH ACCESS ROAD** This project consisted of improvements to four junctions in the Harworth and Bircotes area, namely:

- A614 Bawtry Road / Blyth Road junction (introduction of traffic signal control).

- Blyth Road / Scrooby Road/ Tickhill Road / Main Street junction (removing two mini roundabouts and replacing them with traffic signal control).
- A1/A614 junction (entry arm improvements and circulatory carriageway closed on part of one of the two feeder roundabouts to the A1 (M) junction at Blyth, and
- A614/ Scrooby Road junction (convert to traffic signal control and widen junction).

The improvements to the four junctions area would accommodate the economic growth in the area, ensure traffic continued to flow efficiently and ensure that Harworth remained attractive to new residents and businesses looking to locate to service employment areas with ready access to the A1 (M), M1 and M18.

Funding was sought to fast track delivery of the proposed road improvements, without which fully serviced and remediated development sites might only come forward in the longer-term. Without road improvements these development sites might remain a potential only. The injection of public sector funding would accelerate the development process by facilitating early delivery of serviced and remediated employment land and also speculative industrial and warehouse units.

Bassetlaw District Council had advised that the highway improvement proposals constitute 'permitted development'. Therefore neither planning permission nor an Environmental Assessment was required.

The scheme would be constructed by the County Council's Operations Group of the new Teckal company (Via East Midlands Ltd), acting on behalf of the County Council with contract management support provided by the Highways Design Team. Nottinghamshire County Council's had sought advice from Geldards who had confirmed this project was State Aid compliant.

The business case had been forwarded to Regeneris but the Value for Money (VFM) report had not yet been completed. Approval was therefore on the basis that the project reported good VFM.

Work on site was due to commence in November 2016 and be fully operational by May 2017. Details of the project outputs and outcomes were presented in the report.

Stage 1 approval was granted on 11 May 2015 and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 had assessed the Business Case submission and approval for phase 1 was recommended.

RESOLVED to approve the project and release this year's funding on the condition that the Regeneris report confirmed that the project represented good value for money.

27/16 LOCAL TRANSPORT MAJORS The Government had made a call for submissions to a round of funding for Local Transport Major Schemes and D2N2 were advised by the Department for Transport (DfT) in April that any submission from the area should be for works costing £75m or more. Any applications to the fund needed to be submitted by 21 July and these submissions would request funding to develop a full business case to apply for Local Transport Majors Funding in future years.

D2N2 were made aware that interest had been shown in applying for the development costs from the following schemes:

- A50 South Derby (Derby City)
- Ashbourne Bypass (Derbyshire County)
- Fourth Trent Crossing (Nottinghamshire County)
- Junction 25A (Erewash Borough Council)
- NET Tram Extension (Nottingham City)

The guidance notes supplied by DfT made reference to the amount of submissions that each LEP should submit and steer LEPs towards not submitting multiple bids. Therefore, the D2N2 LEP would like to take a maximum of three submissions forward. These three submissions would include the Ashbourne Bypass scheme as the scheme had been strongly supported by the Secretary of State for Transport and therefore D2N2 see this submission as being imperative.

D2N2 had initiated discussions with the DfT about the viability of entering three submissions in this funding round and had been advised that if it could be proved that there capacity to deliver all three schemes, then these could be submitted. After reviewing the expressions of interest, D2N2 recommended that the following three projects be submitted by the 21 July deadline, these projects are:

- Ashbourne Bypass
- A50 South Derby
- NET Tram Extension project

RESOLVED to approve their support for the projects to be submitted to the Local Transport Majors Fund.

28/16 MIDLAND MAINLINE An allocation of £5m had been awarded to the Midland Mainline project in Market Harborough from D2N2 . The project was the straightening of the mainline at Market Harborough Station that provided a benefit of reduced journey times into Derby,

Nottingham, Chesterfield and Sheffield. The total estimated cost of the project was £46m for which Sheffield City Region (SCR) had allocated £5m towards and Leicester and Leicestershire Economic Partnership (LEEP) had allocated £3m. The project however still had a deficit of some £9.3m. In order to streamline the approvals process, it had been suggested that all LEPS use a single Local Assurance Framework and Accountable Body and it was recommended that this be the LLEP

A meeting had been held with all three LEPs, the Department for Transport (DfT) and BIS on 2 June 2016 to discuss the project. This included a presentation from the Network Rail (NR) sponsor. The following issues had been discussed:

Funding

- NR confirmed that the funding gap was still estimated at £9m, however this included a significant contingency and they hoped savings could be identified.
- NR confirmed that the project was not a priority for the company and, if the additional £9m was not found, they would have no issues in pulling out.
- NR confirmed that if they had to find the money it would come out of other improvements on the line and these could reduce the overall benefits assumed with the Market Harborough works.
- SCR confirmed that the £5m was allocated for the project, however they were not convinced on the benefits.

Benefits

- NR were providing more information on the local benefits to each LEP over and above the 30 second time saving.
- NR confirmed that there would be no additional trains on the line resulting from the MH works and the only real benefit was the time saving.
- NR confirmed that any timesaving was dependant on investment by the franchisee in regards to the type of trains purchased.
- NR also confirmed that they were looking at other time saving initiatives on the line which might include some of the trains no longer stopping at all of the stations. One of the stations which may be affected was highlighted as Long Eaton.

Timing

- NR had committed in the region of £6m to the project so far taking it through the design stages (GRIP) and they required confirmation

by September from all LEPs before the project could commence. The next GRIP stage was detailed design which looks at areas such as ground conditions etc.

- Any funding by the LEPs would be at risk and there would be no guarantee that the project would commence until the final cost was agreed and all funding was in place. NR had agreed to advise what the financial outlay would be up until final approval.

It was concluded that the project was progressing however, there were a number of major issues outstanding such as the final cost, the £9m shortfall and the costs associated (at risk) up until final approval.

All three LEPs had agreed that the funding was still available and a single approach for approval was recommended. NR were looking to identify additional benefits over and above the journey time savings, however, if the funding gap needed to be found from the sponsor then it could affect other projects planned on the line therefore reducing any overall benefits.

RESOLVED to (1) note the report;

(2) confirm that the Board were still willing to support the project;

(3) confirm that the project could progress through a single assurance process managed by LLEP; and

(4) convene a meeting with the LEP chairs from each represented LEP, DfT and officers to discuss the project.

29/16 **DATE OF NEXT MEETING** The next meeting of the Board was scheduled for 25 July 2016 at 10.00am.

30/16 **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

1. Replacement Derby Cycle City and Placemaking Project – Becketwell Regeneration (contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).

2. Local Growth Fund 3 Submission and Snapshot (contains information relating to any consultations or negotiations or contemplated consultations or negotiations, in connection with any labour relations matters arising between the Authority or a Minister of the Crown and Employees of, or Office Holders under, the Authority).