

Agenda item 6

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)**07 September 2017****Foundry Park-change of outputs**

Foundry Park was originally submitted as an application to the D2N2 Capital Programme Pipeline in October 2015. This was assessed and ranked as part of the Pipeline process. This project requested £4.1m to deliver 688 jobs. However after further investigation these outputs are for the entire 6 phased project and the Local Growth Fund (LGF) is only being requested for Phase 1a of the project. Therefore only the outputs relating to the phases funded by LGF can be claimed by the LGF.

Under the Local Assurance Framework any project which has significantly changed (by 10% or more) from what was originally proposed will be written to formally by the IIB. The IIB will write to the promoter requesting a written response detailing why the project has changed. Following receipt of the response the IIB may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.

The revised business case submitted from Erewash Borough Council and Trust Utility Management as their written response seeks £3.444m investment to support Phase 1a which will see the refurbishment of the former Foundry building to create new business park/incubator unit facilities, together with the provision of associated on site infrastructure. Specifically Phase 1 a will provide:

2.3ha employment land remediated and redeveloped

1,452m² of new employment floor space created

79 new jobs created

Comparatively to the original business case that was submitted and other similar LGF interventions this project provides a low job output figure for the amount being awarded. See analysis below

Project	Jobs	LGF (£m)	Cost per Job	Notes
Foundry Park	79	3,624,000	45,873	
Seymour Link	1235	2,500,000	2,024	
A52 Wyvern	3300	6,720,000	2,036	
Coalite	1525	5,797,800	3,802	660 Homes also

The Board are recommended to

Remove the projects current allocation therefore decreasing the programme overspend. The LEP will continue to engage with the sponsor in future to work towards a stronger offer from this project or alternative projects.