

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)
Project Pipeline Spend Reallocation-Confidential
7th September 2016
Introduction

D2N2's Local Growth Fund currently has a £7.08m¹ unallocated underspend for the 2016/17 financial year. All Local Growth Funding is allocated on a year by year basis and total spend is expected by Government in each financial year, failure to spend can lead to future years funding being decreased.

A call was made for projects in the pipeline to submit to D2N2 by the 12th of August outlining their capability of spend in the 2016/17 financial year and their compliance with Stages 1 and 2 of the Local Assurance Framework. Each project has been reviewed by D2N2 and the outcomes of the review are listed below.

Projects Submitted

| Project Name | Original Pool and score | Funding Request (£) | Other funding and source (£) | Recommendations/Comments |
|----------------|-------------------------|---------------------|------------------------------|---|
| Former Coalite | 83 A | 5,676,000 | 13,356,000 | The project is near LAF compliance and can achieve this within the next month. The project can mobilise and spend within this financial year and was the highest ranked project in the external assessment. |
| Medicity | 73A | 725,000 | 725,000 | This project is compliant with Stage 1 and will be able to achieve Stage 2 compliance by September 30th. The project delivers good outputs and should be considered for underspend reallocation. |
| Vesuvius | 70A | 1,567,000 | 1,567,000 | The project is well aligned to Stage 1 of the LAF. The project scored well in to Pool A and the sponsor has confirmed that money could be spent by March 31st. |

¹ On the basis that the Midland Mainline project funding is removed from the 16/17 financial year

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|---------------------------|------|-----------|------------|---|
| Nottingham Castle | 66 A | 4,100,000 | 18,500,000 | The project will be compliant in the timescale needed. The funds for this year's spend will be solely from LGF funding and no match contribution will be provided until 2017-18. |
| RTBI | 62 A | 2,500,000 | 8,000,000 | This project is LAF Stage 1 compliant and could be mobilised quickly. The outputs for this project in comparison to others don't provide the same benefits. This project due to its quick nature should be placed as a reserve if any underspend project drops out. |
| Foundry Park | 62 A | 4,155,000 | 9,159,795 | Issues remain around the sites current planning permissions and a land swap which will allow the access road on the site to be built by the project sponsor. These issues should be solved in time for funding and the rest of the project is LAF compliant. |
| Ada Lovelace House | 59 B | 143,900 | 143,946 | The project is Local Assurance Framework Stage 1 compliant. The project could mobilise quickly due to this compliance and will be able to spend in this Financial Year. |
| Bulwell Market | 59 B | 100,000 | 100,000 | The project is LAF compliant and will be able to spend and deliver within the 2016/17 Financial Year. |
| Retford Enterprise Centre | 59 B | 700,000 | 725,000 | The project scores well with LAF Compliance and could be mobilised and delivered within this financial year. The project does did not score as highly in the original assessment as other projects and will therefore be classified as a reserve |
| Southern Gateway | 57 B | 4,000,000 | 15,300,000 | The project complies with the LAF and could spend within this FY. The scoring process from the LGF3 external assessment left the project further down than other LAF compliant projects. This project will be a reserve. |

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|--|------|------------|-------------|--|
| Riverside, Bakewell | 66 A | 1,900,000 | 15,500,000 | The project scores well with its LAF compliance, issues surround the project needing funding in a separate financial year. No funding can be guaranteed to be committed to the project in 17/18 therefore the project is ineligible for funding |
| NTU Convergent Science and Technology Centre | 64A | 4,400,000 | 10,400,000 | The project scores well in its compliance with the LAF but the project requires future funding which is unconfirmed to achieve full completion. Therefore the project will not be eligible for underspend from LGF 1&2. |
| Cawdor Quarry | 61 A | 30,000,000 | | This project is asking for £30million within this financial year, the underspend figure currently sits at £7.08m so the project has been deemed unviable for underspend reallocation. |
| Nottingham Cycle City | 59 B | 5,001,356 | | This project is similar to the LGF1 project and doesn't offer much more from the original. The project has some questions over its delivery and from evidence of its LGF1 spend to date the funding request looks unrealistic to deliver in this financial year. |
| Dakeyne Street | 58 B | 180,000 | 180,000 | Clarification needed over the match funding for the project. |
| Penniment Farm | 56 B | 4,000,000 | 113,900,000 | The project is well aligned to Stage 1 of the LAF but the project has planned spend in April 2017 which would be too late. The first part of the project could be achieved but the full project would not be guaranteed. This makes the project ineligible. |
| Coppice Farm | 51 B | 1,272,000 | 41,370,000 | The project is well aligned to Stage 1 of the LAF but the project has planned spend in April 2017 which would be too late. The first part of the project could be achieved but the full project would not be guaranteed. This makes the project ineligible. |

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|------------------------------------|--------|-----------|-----------|--|
| Broadmarsh additional public realm | 57 B | 1,000,000 | | This project is an extension of the LGF1 Broadmarsh scheme. |
| South Derby Link Road | 48 C | 260,000 | 260,000 | This project is requesting funding for feasibility and pre compliance costs therefore is not eligible for this underspend. |
| Carlton Square | B | 491,500 | 491,500 | The project was not part of the original LGF3 submissions and is therefore ineligible to apply for LGF1&2 underspend. |
| Confetti | Skills | 543,000 | 5,050,000 | The ask was for the design and planning stage to bring the project in to compliance with the LAF. Therefore this project has been deemed unviable for underspend reallocation. |
| Island Site Nottingham | N/A | 324,380 | 324,380 | This project is looking for feasibility funding to develop the project. This is not eligible for underspend. |

The projects highlighted in green are LAF compliant and can be delivered within this Financial Year.

The projects highlighted in yellow were eligible to apply for underspend funding but did not comply with delivery in this financial year.

Projects highlighted in Red were not eligible to apply for this funding due to asking for feasibility costs or not being part of the LGF3 call.

Process for Delivery

Any project that is approved in to the LGF programme at the September IIB must submit a Stage 1 business case within a month of the decision, failure to do this will result in the project being removed from the pipeline and a replacement project taking its place. A Stage 2 business case will be expected at the November IIB for approval.

Recommendations

A number of projects have been presented for consideration and it is therefore recommended that the following are asked to submit a Stage 1 business case by the October IIB.

¹ On the basis that the Midland Mainline project funding is removed from the 16/17 financial year

| Project Name | Project Description | Project Status |
|--------------------------------|---|--|
| Former Coalite Works, Bolsover | The former Coalite project will deliver remediation to a heavily contaminated site in Bolsover. The works make the housing development viable. | -Is the number 1 project in the pipeline -Total requested £5.767m -Developer appointed, planning consent in place (subject to section 106 approval) |
| Medicity | Medicity is a conversion of a disused listed building on the Boots EZ campus which will provide new medical/ health and beauty business incubator units. | -Was a pool A project when assessed -Total requested £750k -Expected to be Stage 1 compliant by 26 th August 2016 and Stage 2 by 30 th September 2016. |
| Ada Lovelace House | The project looks to create new lettable commercial business space in for start-ups and small businesses in Kirkby In Ashfield. | -Was previously part of the N2 Town Centres project -Was a pool B project when assessed -Total requested £143,946 -The project is currently Stage 1 compliant and is expected to be Stage 2 compliant by the end of September 2016. |
| Bulwell Market | The project will upgrade frontages and the general environs of the bulwell market area as well as converting underused spaces in to office and residential space. | - Was previously part of the N2 Town Centres project - Was a pool B project when assessed -Total requested £100,000 |
| Total Spend | | £6,735,900 |

The Coalite and Medicity projects were the highest ranked projects that would be eligible to be allocated underspend and therefore after an assessment of their realistic deliverability they have been recommended to the board to be approved for reallocation of funding. After these two projects have been recommended for approval the remaining budget for reallocation is £563k. The next projects which fit this funding profile are the Ada Lovelace and Bulwell Market projects which both scored 59 in pool B.

If the selected projects do not comply with the time restrictions placed on them then they will be removed from the programme. The following projects are asked to prepare a stage 1 business case to be used if the reallocated projects cannot meet the month deadline imposed. The projects that will replace the reallocated projects will be decided based on the funding allocation D2N2 has available at the time of removal. The projects are as follows:

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Restricted

- Nottingham Castle - £4.1m, this project would be dependent on the IIB approving the project knowing that the match funding contribution will be delivered in future years.
- Real Time Bus Information - £2.5m
- Foundry Park - £4.155m
- Retford Enterprise Centre – £700,000

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