

D2N2 INFRASTRUCTURE INVESTMENT BOARD

29th March 2018

D2N2 Programme Update

Programme Overview

Following the last IIB meeting we have reviewed all the projects across the programme and identified any risks associated with delivering the agreed financial and output targets.

Accompanying this report are a number of tables that provide further details on all of the projects across the programme:

Annex A – details of the 4 Projects deemed to be High Risk

Annex B – provides an update on progress of all approved or pre-compliance projects and includes a RAG rating.

Annex C – provides an update on projects still awaiting full business case approval.

Performance Update

The Budget Report provides the latest financial position for 2017/18, which clearly identifies that there is a significant in year underspend. This has been managed between Derbyshire County Council and Nottingham City Council, with an agreement for that funding to be returned in future years to be utilised for the LGF programme.

In order to ensure that we are not in a similar position next financial year we have worked with all the projects across the programme – both approved and outline to understand a clear timetable for delivery.

For approved projects they have all submitted full spend profiles for next year, and any change to that will require approval via a formal change control process.

In terms of projects awaiting submission of full business cases, we have met with all of them and have a revised and realistic timetable for projects to come forward for full approval which is included in Annex C.

Based on the information provided we are confident that 2018/19 should be a far better year in terms of financial performance and we are currently estimating that we should be on track with our financial targets.

Following the quarter 4 monitoring returns due in Mid-April we will undertake a full assessment of the output performance against the targets and report back at the May IIB Meeting.

Sajeeda Rose

D2N2 Local Enterprise Partnership

Annex A – High Risk Projects

Projects at High Risk are:

Project	Why is this high risk?	Mitigation	Action for IIB
Gedling Access Road	The promoter has reported that the start date for commencement has slipped by 12 months due to delays in some land being purchased through a Compulsory Purchase Order. Nottinghamshire County Council have asked for the funding profile to change from £5.4m in 17/18 and £5.4m in 18/19 to £5.4m in 18/19 and £5.4m in 19/20.	The promoter has provided an update to the IIB and has had approval for a Pre-Compliance Agreement. A full business case is due in early 2018.	No action required from the IIB
A61 Corridor and Whittington Moor Roundabout	Failure to provide a Stage 2/Outline Business Case should have been submitted for the rest of the scheme by July.	Derbyshire County Council have submitted an Outline Business Case for the project and this will be reviewed. Business case submission dates have been agreed with the promoter.	No action from the IIB
Vesuvius	There are queries outstanding around the amount of grant requested. The amount allocated in LGF3 was £5.5m however they had previously requested a lower amount. The viability gap needs to be established before the project can proceed.	The LEP has received a viability appraisal which is currently under review from the district valuer. Further meetings will take place with the applicant should issues arise from the assessment.	No Action required from the IIB

Project	Why is this high risk?	Mitigation	Action for IIB
Newark Southern Link Road	This has been put at high risk due to output targets being missed.	Promoter provided update on project and concerns over funding to complete the project. A paper was taken to the IIB in November, board members agreed to defer the decision to a later date.	No Action from the IIB.

Annex B – Project Progress and Risk Rating

Below is a review of all LGF funded projects that have been either approved or with a pre-compliance agreement.

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Infinity Park, Derby</p> <p>Infrastructure investment to unlock 4,500 jobs and 382 homes on the site.</p> <p>LGF Investment - £12.995m</p>	Derby City Council	The initial infrastructure works on the site have been completed. Work is continuing on the Victory road realignment and the T12 Southern Spur road. Derby City Council and the site owners are continuing to market the site to potential occupiers.	Key risk in relation to delay in output delivery, therefore outputs have now been re-profiled	
<p>Chesterfield Higher Level Skills Centre</p> <p>Conversion of the former St Helena's centre to create a centre for higher level educational programmes. To deliver 42 jobs and 1049 learners.</p> <p>LGF Value - £3.48m</p>	University of Derby	The project is complete and courses have begun. Monitoring is taking place of the outputs.	No Major risks are in place for the current project.	
Vision University Centre, Mansfield	Vision West Notts College	The project is complete and courses have begun. Monitoring is taking place	The project has only partially delivered	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
Construction of a new facility to deliver further education courses and programmes at West Notts College. This delivers 1544 Learners. LGF Value - £2.61m		of the outputs. Higher education programmes have begun at the college campus.	the outputs forecast for the scheme – D2N2 will work with the promoter to recover the outputs as forecast in the original business case.	
Bioscience Expansion, Nottingham Construction of a new facility in Nottingham to enable greater growth in the bioscience sector. The project will deliver 250 direct Jobs and 750 indirect. LGF Value - £6.5m	Nottingham City Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	
The Spot, Derby Placemaking initiatives in Derby City Centre to	Derby City Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
regenerate The Spot area and promote the creation of 11 jobs. LGF Value - £0.71m				
Medicity, Boots Campus Nottingham Conversion of disused workspaces on the Boots EZ Campus to enable growth in MediCity businesses. This delivers 772 direct and indirect jobs. LGF Value - £0.74m	Medicity	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	
Ada Lovelace House, Kirkby in Ashfield Refurbishment of the old police station in Kirkby In Ashfield to create small business space.	Ashfield District Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>The project aims to create 9 Jobs.</p> <p>LGF Value - £0.14m</p>				
<p>Bulwell Market</p> <p>Placemaking works to the Bulwell Market area to encourage growth in Job numbers and market stalls. Delivering 30 new jobs.</p> <p>LGF Value - £0.1m</p>	Nottingham City Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	Issues remain around clarification of monitoring figures and proof of the creation of jobs – The promoter is working with the LEP and external VFM advisors to seek clarifications on the issue.	
<p>Dakeyne Street, Nottingham</p> <p>Refurbishment of a disused building in the creative quarter of Nottingham to provide new office space, the project will create 2 Jobs</p> <p>LGF Value - £0.18m</p>	Nottingham City Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
Nottingham Broadmarsh/ Southern Gateway Demolition and rebuilding of the Broadmarsh car park as well as pedestrianisation and Placemaking works to transform Nottingham's Southern Gateway. The project will deliver 11,770 Jobs. LGF Value – £10.3m	Nottingham City Council	The demolition works to the old car park site are taking place and are currently nearing completion. Traffic re-routing has begun on the site and works continue to progress.	No major risks are in place for the current project.	
Newark Southern Link Road Creation of a new link road between the A46 and A1 in Newark to facilitate growth in housing and employment. The project will deliver 3118 Jobs and 3250 Houses.	Newark and Sherwood District Council	Construction works for the road continue to take place however there has been a large viability gap found for the completion of the road.	A large viability gap has been identified in order to complete the road in its entirety and therefore the project will currently not deliver its full outputs - Ongoing discussions with the applicant to explore	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £7m			options for further funding solutions.	
<p>Harworth Access Road, Bassetlaw</p> <p>Transport works to the A1 and A614 in Harworth to allow the delivery of 6596 Jobs and 855 Homes.</p> <p>LGF Value – £1.1m</p>	Nottinghamshire County Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No Major risks are in place for the current project.	
<p>Nottingham Cycle City ambition package</p> <p>Creation of 4 new cycle corridors in Nottingham to improve the sustainable transport offer across the city and allow segregated cycling.</p> <p>LGF Value – £6.1m</p>	Nottingham City Council	The Cycle City package of works are nearing completion and full spend will be achieved before the end of the financial year.	No Major risks are in place for the current project.	
Becketwell, Derby	Derby City Council	Land purchases have been completed for the former Debenhams building.	The promoter has warned that the	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Purchase of the former Debenhams site and demolition of the building to allow space for new development to create 142 Jobs and 99 Homes.</p> <p>LGF Value – £4m</p>		<p>The project is out to the market looking to tender for a developer to commission the project works.</p>	<p>project may be late in delivering its final business case in line with the date set in the pre compliance funding agreement.</p>	
<p>Derby Cycling and Placemaking</p> <p>Placemaking and cycling works in Derby city centre to allow for the rejuvenation of key thoroughfares and create 35 jobs.</p> <p>LGF Value – £1.65m</p>	Derby City Council	<p>Construction works are in progress on various phases of the project. Works will continue to progress and monitoring continues.</p>	<p>No Major risks are in place for the current project.</p>	
<p>Our City Our River, Derby</p> <p>A programme of flood defence works along the River Derwent in Derby to protect the city</p>	Derby City Council	<p>Construction on the various phases of the project are continuing and planning permissions for the works are being sought and granted. The project is continuing to spend to profile and job</p>	<p>Some match funding remains unidentified for the project – Derby City council are</p>	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
from flooding. The project will aid the creation of 8042 jobs and 1060 houses. LGF Value – £12m		outputs are being delivered to a faster pace than expected.	continuing to seek external match funding for the project.	
Seymour Link Road, Markham Vale Construction of a new road to link the North of the Markham Vale site with the rest of the business park. The road allows for new business space and will create 1235 Jobs. LGF Value – £2.52m	Derbyshire County Council	Construction works have been completed and ongoing monitoring of the projects outputs is now taking place. Multiple employment units have been built on the sites adjacent to the road	No major risks are in place for this project.	
A57/A60 Junction, Worksop Junction improvements to the roundabout of the A57/A60 roundabout in Worksop which allows the creation of 6000 new jobs and 1752 Homes.	Nottinghamshire County Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No major risks are in place for this project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £1.83m				
<p>Derbyshire Broadband</p> <p>Implementation of new broadband infrastructure throughout Derbyshire connecting businesses and homes to superfast broadband. This supports the delivery of 3000 jobs.</p> <p>LGF Value – £2.19m</p>	Derbyshire County Council	Infrastructure works have been completed and ongoing monitoring of the projects outputs are now taking place.	No major risks are in place for this project.	
<p>Nottinghamshire Broadband</p> <p>Implementation of new broadband infrastructure throughout Nottinghamshire connecting businesses and homes to superfast broadband. This supports the delivery of 388 jobs.</p>	Nottinghamshire County Council	Infrastructure works have been completed and ongoing monitoring of the projects outputs are now taking place.	No major risks are in place for this project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £2.63m				
<p>D2N2 Sustainable Travel Programme</p> <p>A collection of sustainable transport improvement works over the entirety of the D2N2 area.</p> <p>LGF Value – £5.8m</p>	4 upper tier authorities	<p>Derby – Phase 1 works are complete</p> <p>Derbyshire – Ilkeston and Chesterfield works have now both been completed</p> <p>Nottinghamshire – Works are continuing with the West Bridgford project and Newark/ Mansfield designs are complete.</p> <p>Nottingham – Project works are complete</p>	No major risks are in place for this project.	
<p>A61 Corridor</p> <p>A programme of transport works along the A61 including the Whittington Moor Roundabout supporting the creation of 8,298 jobs and 6,670 homes in line with the HS2 strategy.</p> <p>LGF Value – £16.04m</p>	Derbyshire County Council	The project has completed the initial phase of sustainable transport improvements. Business case delivery for the rest of the project is behind schedule, an Outline submission has been received and Final Business case is expected in Summer 2018.	The project has failed to deliver a Final Business Case and spend has fell behind initial profiles with significant delays – DCC have established a project control board to oversee	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
			the Business case and dates have been set for delivery.	
<p>EZ Sustainable Transport Package, Nottingham</p> <p>The creation of a new foot/cycle bridge over the Midland Mainline connecting the Boots EZ Campus with the Nottingham Science Park EZ as well as sustainable transport works on the Boots site.</p> <p>LGF Value – £6m</p>	Nottingham City Council	<p>Commitment has been made for the construction of the pedestrian bridge over the Midland mainline. The contract for the bridge is due to be signed this month.</p> <p>Cycle routes are continuing to progress and the Boots to Beeston route is due for completion in the autumn.</p>	No major risks are in place for this project.	
<p>Southern Growth Corridor, Nottingham</p> <p>Creation of a new sustainable bus route through Nottingham City Centre linking Gedling with the Boots EZ site.</p>	Nottingham City Council	The large majority of the project has reached its completion. Phase 2 of the project with the Vale road Bus lane is due to be completed in March 2018.	No major risks are in place for this project.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
LGF Value – £6.12m				
<p>Gedling Access Road</p> <p>Creation of the new Gedling Access Road to allow for the creation of 1050 Homes and 22,500m² of commercial floorspace on the site.</p> <p>LGF Value – £10.8m</p>	Nottinghamshire County Council	A pre compliance funding request has been granted to the project and legal arrangements for this are currently being put together. Nottinghamshire County Council are aiming to deliver a Final Business Case to the LEP by April 2018.	The Start date for the project has been delayed by 12 months due to complications with Compulsory Purchase Orders.	
<p>A52 Wyvern, Derby</p> <p>A programme of transport improvements on the A52 and Wyvern/ Pride Park sites to allow for the creation of 3,300 new jobs.</p> <p>LGF Value – £6.72m</p>	Derby City Council	Works on the project have begun and junction changes have taken place to two roundabouts on the site. All land purchases have been completed to allow the project to progress.	Cost overruns have been identified which may impact the completion of the project. The applicant are looking to secure additional funding to meet the gap.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>Tudor Cross, NE Derbyshire/Bolsover</p> <p>Remediation works to the former Coalite site in North East Derbyshire/ Bolsover. The project will deliver 1525 Jobs and 660 Homes.</p> <p>LGF Value – £5.8m</p>	Derbyshire County Council	Works on the remediation of the site are continuing to progress with large areas of the site being treated. The project sponsor are working with the Environment Agency to confirm the remediation is complete to the correct standards.	Possible changes to the outputs being delivered – A formal request will need to be delivered to the IIB to sanction any change to the outputs.	
<p>Sutton Indoor Market, Sutton In Ashfield</p> <p>Regeneration of the Idlewells Indoor Market in Sutton in Ashfield, aiming to create 57 new jobs.</p> <p>LGF Value – £0.38m</p>	Ashfield District Council	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No major risks are in place for this project.	
<p>A46 Corridor, Rushcliffe</p> <p>A four phased programme across Rushcliffe borough to</p>	Rushcliffe Borough Council	Phase 1 and 2 of the project have now been completed for the project and monitoring will continue to take place for the project. Phase 3 and 4 of the	Ongoing work is required to develop a fully Local Assurance	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>deliver new business units and homes. The project will create 2,183 jobs and 3000 homes.</p> <p>LGF Value – £6.25m</p>		<p>project are currently working through their business cases for delivery to the LEP.</p>	<p>Framework compliant project and ensure the original outputs can be achieved.</p>	
<p>Midland Mainline, Market Harborough</p> <p>Rerouting of the Midland Mainline at Market Harborough to straighten a length of the track to create journey time savings.</p> <p>LGF Value – £5m</p>	<p>Leicestershire LEP/ Network Rail</p>	<p>Project works on the site are continuing to take place, Leicestershire LEP are acting as the accountable body for the project and have notified the project is running to programme.</p>	<p>No outstanding risks to the project at this point in time.</p>	
<p>Buxton Crescent</p> <p>Refurbishment of the Buxton Crescent building to create a new 5 star hotel in the peak district. The project will deliver 140 Jobs.</p> <p>LGF Value – £2m</p>	<p>Derbyshire County Council</p>	<p>Works are continuing to progress on the Buxton Crescent site with an estimated completion in summer 2018.</p>	<p>No outstanding risks to the project at this point in time.</p>	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
Institute for Advanced Manufacturing, Nottingham	University of Nottingham	Construction works have been completed and ongoing monitoring of the projects outputs are now taking place.	No outstanding risks to the project at this point in time.	
Construction of a new research facility for Advanced Manufacturing on the University of Nottingham's Jubilee campus. The project aims to create 260 jobs.				
LGF Value – £5m				
Sherwood Visitor Centre, Edwinstowe	RSPB	Construction of the new visitor centre is underway and the project is expected to be completed by July 2018.	Funding still remains outstanding for the projects third phase (old centre demolition) - Monitoring of the funding situation is taking place and the RSPB will provide fundraising updates.	
Construction of a new Sherwood Visitor Centre to replace the old and outdated attraction. The project will create 29 Jobs and attract 350,000 visitors to the area per year.				
LGF Value – £0.5m				

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
Sherwood Energy Village, Ollerton Construction of new business space for small to medium business uses in a former coalfield area. The project will create 38 jobs. LGF Value – £0.5m	Coalfields Regeneration Trust	Construction of the business units is continuing to progress, construction completion is due to take place in May 2018.	The projects build phase is running one month behind schedule – The project promoter has assured output delivery will not be delayed and enquiries are coming in for the units.	
Museum of Making, Derby Refurbishment of the Derby Silk Mill to create a new visitor attraction as well as community and business space. Delivering 141 jobs and 150,000 visitors per annum. LGF Value – £3.7m	Derby City Council	The project received Final Business Case approval at the December 2017 IIB. The project began construction in February 2018 and the works are anticipated to be completed in June 2020.	No outstanding risks to the project at this point in time.	

Project	Promoter	Current Status and Next steps	Key Risk and Mitigation	Risk Rating
<p>N2 Town Centres, Nottinghamshire</p> <p>A programme of town centre improvement projects across Nottinghamshire to improve the town centres of the region. The project will create 665 Jobs.</p> <p>LGF Value – £7.63m</p>	<p>Nottinghamshire County Council</p>	<p>The initial projects from the programme are beginning to submit project business cases for approvals by Nottinghamshire County Council and the LEP. Pre compliance funding requests are being worked up for the projects. Legal agreements are currently being negotiated between the Derbyshire and Nottinghamshire County Councils.</p>	<p>No outstanding risks to the project at this point in time.</p>	

Annex C – Projects for Approval

LGF Project Update						
Project	Promoter	Outline Business Case	Final Business Case	17/18 Grant	18/19 to 20/21	Total
Nottingham City Hub	Nottingham College	Approved £5m - Sep 15	Received February 2018	2,430,000	27,380,000	30,000,000
A61 Corridor - Phase 2 Onwards	Derbyshire County Council	OBC Submitted	Expected July 2018		12,300,000	12,300,000
A61 Whittington Moor	Derbyshire County Council	Overdue July 17	Expected August 2018		3,240,000	3,240,000
Gedling Access Road	Notts County Council	Approved May 2015	Expected September 2018		10,800,000	10,800,000
Becketwell	Derby City Council	Expected October 2018	Expected October 2018		1,000,000	4,000,000
A46 Corridor, Rushcliffe phase 3	Rushcliffe Borough Council	Approved March 16	Expected September 2018	1,000,000	3,250,000	4,250,000
Ashbourne Airfield	Derbyshire County Council	Approved April 16	Expected October 2018		1,000,000	1,000,000
Castleward	Derby City Council	Expected October 2017	Expected February 2018		1,510,000	1,510,000
Woodville - Swadlincote	South Derbs District Council	Expected 18/19	Expected 18/19		6,400,000	6,400,000
Riverside Business Park	Litton Property Group	Received Nov 2017	Expected May 2018		3,900,000	3,900,000
Vesuvius	CEG	Expected November 2017	Expected May 2018		5,500,000	5,500,000
HS2 Strategic Sites	D2N2	Expected 2020/21	Expected 2020/21		2,400,000	2,400,000
Derby Performance Venue	Derby City Council	Expected April 18	Expected 19/20		8,600,000	8,600,000
Southern Gateway	Nottingham City Council	Expected March 2018	Expected April 2018		15,000,000	15,000,000
Nottingham Castle	Nottingham City Council	Approved	Expected March 2018		5,000,000	5,000,000
NTU MTIF Centre	Nottingham Trent University	Approved	Expected May 2018	460,000	8,240,000	8,700,000
Rail Research and Innovation Centre	University of Derby	Expected 18/19	Expected April 2018		900,000	900,000
Derby College IOT	Derby College	Received Feb 2018	Expected May 2018		1,300,000	1,300,000
				3,890,000	117,720,000	124,800,000