**D2N2 LEP BOARD – AGENDA**

*Thursday, 19 December, 2019, 2.00 pm – 4.00pm*

Rushcliffe Arena, Rugby Road, West Bridgford, Nottingham NG2 7HY

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<td>Welcome and Introductions</td>
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<td>Minutes of meeting 24/9/19 and matters arising</td>
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<td>2.</td>
<td><strong>Local Industrial Strategy ARUP presentation</strong></td>
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| 3.1 | Chair’s Report, including:  
   a) Advisory Boards (**Annex A**)  
   b) Implementation of the LEP review (**Annex B**)  
   c) Marketing and Comms Update  
   d) Update from the LEP Chairs’ Network meeting | Elizabeth Fagan | Paper | 15.30 |
| 3.2 | D2N2 Chief Executives Report, including:  
   a) Staffing Update  
   b) Local Industrial Strategy inc Arup report (**Annex A**)  
   c) Mid-year and Annual Performance Review (**Annexes B and C**)  
   d) Growth Hub and Brexit Support  
   e) ESIF Update | Sajeeda Rose | Paper | 15.40 |
| 3.3 | Policy Update from BEIS | David Wright | Verbal | 15.45 |
| 4. | **Standing Items** |   |   |
| 4.1 | Performance Review and Update, including:  
   LGF Project for Approval – Gedling Access Road | Sajeeda Rose  
   Tom Goshawk | Paper  
   Paper | 15.50 |
| 4.2 | Development Corporation Update  
**Exempt item under Local Government (Access to Information) Act** |   | Paper for noting |   |
| 4.3 | HS2 Update report |   | Paper for noting |   |
4.4  D2N2 Enterprise Zone – Markham Vale & Paper for noting & 15.55  

5.  Any other business  

6.  **Date of next meeting**: Friday, 31 January, 2020 (10 am – 12 noon) NE Derbyshire DC  

*Tea/coffee will be available on arrival*
Item 1.4: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Tuesday 24 September, 2019

Riverside Chambers Boardroom, Full street, Derby DE1 3AF

Chair Elizabeth Fagan
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Graham Cartledge Business Representative
Cllr Kay Cutts, MBE Nottinghamshire County Council
Paul Harris Business Representative
Jane Howson VCS Representative
Jayne Mayled Business Representative
Prof Kathryn Mitchell H E Sector Representative
Emma Rigler Business Representative
Cllr Simon Robinson Rushcliffe Borough Council
Viv Russell Business Representative
Cllr Martin Thacker NE Derbyshire District Council
David Williams Business Representative
David Wright Area Lead D2N2, BEIS

Also in attendance

Anthony May Nottinghamshire County Council CEO
Nicki Jenkins sub for Nottingham City Council CEO
Frank Horsley representing Derbyshire County Council
Greg Jennings sub for Derby City Council CEO
Kath Marriott Rushcliffe Borough Council CEO
Dan Swaine Joint CEO Bolsover and NE Derbyshire DCs

Officer Support

Sajeeda Rose Chief Executive, D2N2
Tom Goshawk Head of Capital Programmes, D2N2
Natalie Gasson Head of Operations, D2N2
Apologies

Apologies were received from Board members Cllrs Barry Lewis, David Mellen and Chris Poulter and Karen Smart and Dawn Ward. From the supporting officers, apologies were received from Scott Knowles from East Midlands Chamber.

1.1 Welcome and Introductions

The Chair welcomed attendees to the meeting including Cllr Martin Thacker who was attending for the first time. She invited him to introduce himself briefly to the group.

1.2 Declarations of interest

The Chair reminded all Members that Declarations of Interest should be stated to be recorded where an interest arose.

No declarations were made.

(1.3 Closed discussion on future strategic direction)

1.4 Minutes of last meeting and matters arising

The Minutes of the previous meeting held on 9 July, 2019 were confirmed as a true record.

There were no matters arising other than those already covered on the agenda.

2. Items for Strategic Discussion

2.1 Chair’s Report

The Chair updated Board on a number of developments since the last Board, including:

a) Advisory Board Updates
b) Implementation of the LEP review update
c) Marketing and Communications update.

The Chair invited the respective Advisory Board Chairs to provide a verbal update to the group now that all were set up and running.

For the Place Board, Chair David Williams reported that the second meeting of this board had received the priorities from Derby and Derbyshire, whilst those of Nottingham and Nottinghamshire would be presented to the next meeting in October. The Derby/Derbyshire presentations included more than 30 priorities and on the basis that a similarly full list might be expected from Nottingham/Nottinghamshire, a key task going forward would be to refine to a manageable number by the end of the calendar year.

For the People and Skills Board, Chair Prof Kath Mitchell reported receiving a good presentation on data, following which there had been discussion on putting forward priorities aligned to LEP objectives. She felt some concerns over consensus about priorities. Jane Howson indicated her view that there had been coalescence around employer engagement and social inclusion.
For the Business Growth Board, Chair Viv Russell reported that the second meeting had focused on refining the purpose and structure the group around productivity and growth and a number of working groups had been set up on the back of that looking at performance, business engagement and strategy and policy.

For the Innovation Board, Chair Paul Harris reported that a positive inaugural meeting had taken place on 20 September. Discussions had focused on how to stimulate businesses to focus on innovation, how to make support systems more intuitive and means by which businesses could better engage with public authorities with a focus on innovation.

The Chair thanked the Advisory Board Chairs for their summaries and indicated that further consideration of connectivity between the groups would be explored at a forthcoming meeting of these representatives. The priorities and plans of the Boards would be strongly influenced by the outputs from the LIS, which would also require the cross functional workings of the Boards. The newly appointed Head of Operations would be supporting each of the boards to maximise those opportunities.

In addition, the LEP’s new Head of Marketing, Robert Harding would be joining on 30 September, 2019 with an early remit of shaping and creating LEP communications going forward.

On the LEP review, Elizabeth Fagan confirmed to Board that the overlap with Sheffield City Region had now been removed and recorded thanks to all Councillors and District Leaders for their support.

The Chair drew Members’ attention to the Draft Collaboration Framework for submission to Government which was appended to the report and invited them to consider and approve the document.

Board NOTED the report and APPROVED the Draft Collaboration Framework with SCR LEP for formal submission to Government.

2.2 Chief Executive’s Report

Sajeeda Rose introduced her report updating Board on a number of items including:

a) Organisational Restructure
b) Local Industrial Strategy (LIS) Development
c) Towns Fund announcement
d) Growth Hub and Brexit Support
e) ESIF Update
f) North Derbyshire Manufacturing Zone

and referred members to the detailed notes under each item.

Cllr Cutts asked the total cost of the new structure, which was confirmed at £750,000.00 – the additional costs were funded through the capacity funding released by Government following the LEP review to put in place resources to meet the role of LEPs set out in the review.

The Chief Executive confirmed that D2N2 was one of the largest LEPs with the smallest executive team and thanked Members for their support in putting in place this revised structure. The LEP executive and team structure was now more fit for purpose to proactively deliver the strategic and operational demands of it to meet the expectations of all stakeholders and to deliver the outcomes expected of the LEP in line with the recent LEP review.
Tenders for consultants to help build the LIS were currently being considered with a view to confirming appointments soon. Based on the vision set by the board the intention was to work towards completing a draft strategy by the end of the calendar year.

On the Towns Fund, the Chief Executive confirmed to Board that 8 towns in the D2N2 area received an award of funding and further information was currently awaited to inform how best to get this support into the identified towns. D2N2 would work alongside the towns to ensure alignment and co-ordination with the emerging priorities within the LIS.

In response to a query as to whether any updated timetable for issue of the prospectus had been given to BEIS, David Wright reiterated that it was due shortly, alongside more detail about the separate Heritage High Street Fund.

Board NOTED the report.

2.3 Policy Update from BEIS

David Wright was invited to give a verbal policy update to the Board.

He referred to 3 funds in place to support the co-ordination of arrangements for businesses to prepare for leaving the EU, namely the business-readiness fund, funding via Growth Hubs and the local authority funding for information flow and statutory responsibilities.

On the LEP’s Place-based strategy, he indicated that flexibility with long-term goals and vision would be key, as would demonstrating the impact that previous projects have had. He confirmed that Government did recognise the impact of the LEP’s work in this area, which was positive. This was reiterated by the Chair, who reported that her recent meeting with BEIS Director General for Enterprise, Nick Chism had strongly reflected that view.

3. Standing items

3.1 Capital Programmes Performance Update


The Chief Executive drew attention to the request to approve delegation of the decisions of the September and November Investment Board meetings to Board Chair, Elizabeth Fagan who also chaired the Investment Board. This was due to timings of this separate Board having been set after the published dates for the main D2N2 Board and in order not to hold up projects that could otherwise proceed by delaying formal ratification of decisions on these two occasions only. Future Investment Boards would be set to ensure better sequencing with D2N2 Board.

Full paperwork would be circulated to Board immediately after IB to update on decisions taken.

Cllr Cutts indicated that she would not support this action and wished her vote against the recommendation to be minuted.

Board NOTED the report and APPROVED delegation of the approval of LGF schemes to the Chair and Investment Board for the September and November 2019 meetings.
3.2 Development Corporation Update

Anthony May of Nottinghamshire County Council spoke to a briefing paper updating Members on work towards the detailed feasibility study for the proposed locally-led Development Corporation around HS2, Ratcliffe Power Station and East Midlands Airport.

Work on the economic case was progressing well, with identification of the gross development value awaited prior to going ahead with investment invitations.

Meetings had taken place of the Executive Board and last week of the Oversight Board to consider further what should be put to Government in November/December, 2019.

He reminded Board of the timetable for moving to sign-off of the business case by the Secretary of State/Treasury in February/March, 2020 before passing through both Houses of Parliament and into legislation.

Board RECEIVED the update report with thanks.

3.3 HS2 Update Report

Board RECEIVED an update report for information and noting on developments with HS2.

4. Any Other Business

None.

5 Date of next meeting

Tuesday, 19 November, 2019 (10.00am – 12.00 pm) – Derbyshire County Council.
D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT

DATE: 19 December 2019
REPORT LEAD: Elizabeth Fagan
AGENDA ITEM: 3.1

TITLE: Chair’s Report

1. INTRODUCTION

1.1 This report updates members on significant developments since the last Board meeting, specifically:

   a. Advisory Boards
   b. Implementation of the LEP Review
   c. Marketing and Communications Update
   d. Update from the LEP Chairs Network meeting.

2. RECOMMENDATION

Board is asked to NOTE the report.

3. ADVISORY BOARDS

Since we last met as a Board, all Advisory Boards have had meetings. The Innovation, People and Skills and Business Growth Boards will meet again in December and the Place Board in early January.

In addition to the update below I will invite each of the Chairs of the respective boards to provide feedback at the board meeting.

An inaugural Innovation Board meeting was held on 20 September, 2019 with focused discussions around drivers and barriers to innovation including:

   a) start up and ‘next stage’ space for businesses;
   b) making use of digital technology to reduce travel necessity;
   c) encouraging R&D investment across more businesses, and
   d) how to engage with small businesses to encourage innovation.

The Innovation Board agreed to set-up three “task and finish” groups of all which met in early December.

- The Changing Business Behaviour group considered their experiences and available evidence to work towards the production of a report that includes recommendations to stimulate and support innovate behaviours in businesses – with a focus on leadership and development.
- The Perceived Barriers to Innovation group. Key barriers identified were: gaps in leadership and management skills and capabilities to embrace greater innovation into the business; location of the business and its connectivity and therefore access to a skilled workforce to drive innovation. There was agreement that to remove some of these barriers a targeted and account-managed approach that looked at the business environment and
type of business should be explored as part of the overall approach to supporting business growth.

- The Public Sector and Private Sector Partnerships group discussed the merit of trialling 2-3 pilot pieces of work that could strengthen relationships between the two sectors through new ways of working. Potential areas for trials include procurement of social services and the retrofitting of council houses.

The Business Growth Board meeting was held on 17 September, 2019. There was a detailed presentation by the hosts, the EPC Group, followed by discussions on the region’s productivity lag and the role of D2N2’s new Advisory Boards in shaping the LIS.

Members are keen to develop a clearer definition of productivity; explore how supply chains operate within the region and consider how we share best practice to support business growth from other LEP areas.

The Business Growth Board agreed to set-up four “task and finish” groups, all of which met in November.

- The Performance group and the Business Engagement group focused on the importance of a regional definition and measurement of productivity to help shape and strengthen business engagement.
- The Business Growth Strategy group looked at the levers required for businesses of all sizes to scale up and the implementation of more innovate procedures.
- The Communications group agreed begin work in the New Year to audit current communication channels and examples of best practice.

The Place Board met on 1 October, 2019. The main focus of the agenda was hearing from Nottingham and Nottinghamshire in terms of their respective place plans and emerging priorities. This followed the discussion at the previous meeting on priorities in Derby and Derbyshire.

The Board also considered a presentation on the region’s natural capital assets and their significance for future growth from the Environment Agency and Natural England.

A number of workstreams emerging from the main Place Board have also been progressed following the meeting which included:

a) focused discussions on the 4 place plans to inform the LIS.
   b) a series of housing workshops across the region jointly facilitated with Homes England to explore the barriers for accelerating housing delivery, and
   c) a workshop with the 4 transport authorities to explore future transport priorities in the context of the ambitions of the LIS.

The next Place Board meeting has been scheduled for the 9 January, 2020 where it will review the draft LIS, consider the review of Enterprise Zones and consider the outcomes of the Housing workshops.

The People and Skills Advisory Board met on 22 October, 2019. The meeting analysed progress across all current People and Skills priorities (as defined in theme 2 of Vision 2030) and identified gaps. This work resulted in the identification of 4 priority work-streams:

- Labour Market Intelligence (LMI) – use of effective LMI to inform all age careers pathways and informed decision making
- Inclusive Recruitment and Employment Practice – supporting employers to maximise the benefits of a more inclusive workforce
• **D2N2 Apprenticeship Growth Plan** – enabling effective use of investment locally
• **Reduce Skills Mismatch** – enabling closer alignment between skills provision and the needs of D2N2 employers

The first 3 work-streams met early December to scope priorities, approaches and agree measures of success. A summary is provided at Annex A.

I met with Advisory Board Chairs as a group on 23 October, 2019 to discuss their early observations on how each Board was developing, to be confident that their individual plans were aligned with and would be supportive of the emerging LIS priorities.

Discussions were positive and we can be confident that collectively the Advisory Boards are developing plans to explore a range of areas to help shape the LIS.

A meeting of the appointed Inclusion Representatives across all D2N2 Boards took place on 19 September, 2019 which explored the synergies and cross overs between the different boards in the context of inclusive growth.

4. **IMPLEMENTATION OF THE LEP REVIEW**

At the last board meeting the board approved the formal collaboration agreement with Sheffield City Region (SCR) as part of the formal transition for the removal of overlaps between the two LEPs. I can now confirm the board of SCR have also approved the same framework at their meeting on the 4th of November.

In recognition of D2N2’s full compliance with the LEP review and in particular the resolution of the overlaps I received a letter from the Minister Jake Berry which is attached at Annex B.

5. **MARKETING AND COMMUNICATIONS UPDATE**

The priority for Marketing and Communications is to develop a new marketing strategy for D2N2 to help support the delivery of the vision for the region emerging from the LIS with an emphasis on improved messaging, greater engagement and stronger influence and profile.

The focus over the last few months has been the delivery of the D2N2 Annual Conference and Annual Review. With these now delivered, attention is on developing a new engagement plan to support and improve how we communicate to stakeholders and creating clear and concise messaging underpinned by a consistent tone of voice.

**KEY UPDATES**

**D2N2 Annual Conference**

Our Annual Conference took place November 13 at Pride Park Stadium, Derby. Nearly 200 people attended the conference, giving it an 87% rating of good or excellent. This was the best attended annual conference since we were established. The 2018/19 Annual Review was published and distributed at the Annual Conference.

**D2N2 Press and Media**

Works has started to review our media database and develop a stronger set of measures to understand the impact of our coverage across online, social, broadcast and print media.
In October, media monitoring picked up a project not following correct branding guidelines. D2N2 provided funding in 2016 to the Coalite site to support work to remove chemical contaminants from the site, necessary to develop it.

The article in Business Link East Midlands about the site failed to mention D2N2 and the amount of money invested via the Local Growth Fund. The marketing team proactively contacted the developers, ISEC and St Francis Group and their PR company, UK Networks. We took a robust stance to remind all parties of the contract obligation to reference the LEP funding in all their press communications.

An email with guidelines has been sent to all LGF projects to remind them all of their contractual obligations to reference D2N2 in media releases.

**D2N2 Website**

Following copy rewriting and a review of our SEO (search engine optimization) the number of visitors to our website has grown significantly. Our website now enjoys 20% more visitors than in 2018.

![Website visits](chart1.png)

**Website visits (Sept – Oct 2019)**

Work is continuing the development and implementation of a new website to replace the LEP, Technical Assistance and Schools platforms. It is anticipated that the project will be completed towards the end of Quarter 1, 2020.

**D2N2 Social Media**

Our Twitter account has now amassed over 8000 followers and accounts for around £1000 worth of earned media per month. Our social videos have been viewed over 20,000 times via social media since we introduced them in June 2019. Our LinkedIn page continues to grow and has begun to contribute to more significantly to support engagement.
Twitter impressions and engagement (Sept – Oct 2019)

Impression Definition: The number of times a tweet of ours was shown in a user’s timeline. This, combined with the engagement metric, is a good proxy for brand awareness.

Engagement Definition: The number of times a Twitter user interacted (clicked a link, ‘liked’ the content, retweeted, or replied directly) with a tweet we published.

Elizabeth Fagan
Chair
19 December, 2019
1. BACKGROUND
1.1 At the People & Skills Advisory Board on the 22\textsuperscript{nd} October 4 priority work-streams were identified for action. This paper provides an overview of progress to date against each work-stream.

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<th>Objective</th>
<th>Progress</th>
<th>Next steps</th>
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<td><strong>1. Labour Market Intelligence (LMI)</strong> – use of effective LMI to inform all age careers pathways and informed decision making</td>
<td>Development of an LMI strategy for D2N2 that supports the needs of young people and adults in making informed career choices. To include: • Regular programme of LMI production; • A strategy for targeting and dissemination and; • Identification and more effective use of analytical resources to build sustainability.</td>
<td>A working group, led by Lisa Vernon, met on the 28\textsuperscript{th} Nov to consider:  • Who needs LMI and for what purposes?  • How is LMI best presented and disseminated?  • Who can assist delivery?  • What best practice exists?  • What will success look like and how will we measure it?</td>
<td>The results are now being drawn into a draft strategy for presentation back to the P&amp;S Advisory Board. Following that input a work programme and associated communications plan will commence and targets / measures will be agreed.</td>
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<td><strong>2. Inclusive Recruitment and Employment Practice</strong> – supporting employers to</td>
<td>Development of a strategy for D2N2 to widen workforce participation to currently underemployed groups to include:</td>
<td>A working group, led by Rachel Quinn, met on the 2\textsuperscript{nd} December to consider:  • Who are the most underemployed individuals in D2N2 and why?  • How many people could be brought into the workforce?</td>
<td>More data was identified as necessary therefore next priorities will be:  • Engaging with employers to understand barriers and;  • Identification of best practice.</td>
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<td>maximise the benefits of a more inclusive workforce</td>
<td>• Improved access to resources, advice and support to enable more inclusive HR practice and • A strategy for raising awareness of the business case for and importance of workforce inclusion.</td>
<td>• What is good practice in this field and who is currently delivering it? • What are the barriers to inclusive recruitment? • What will success look like and how will we measure it?</td>
<td>• Engagement with the growth hub and Skills Support for the Workforce (SSW) project to identify potential delivery opportunities. • Agree measures of success (to include the disability and mental health employment gap)</td>
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| 3. D2N2 Apprenticeship Growth Plan – enabling effective use of apprenticeship funding locally. | Development of a plan for growing apprenticeships in key D2N2 sectors. Activity to include: • Developing understanding of the existing profile of uptake of apprenticeship in D2N2 and fit with labour market needs; • Identifying opportunities for increasing take up and/or impact to support growth in key sectors. | A working group, led by Rachel Quinn, met on the 3rd December to consider: • Who are the largest providers of in D2N2, what apprenticeships are they delivering and to whom? • Does the profile of apprenticeship support our industry mix? • Levy vs non Levy take-up. • Success of transfer onto apprenticeship standards from Framework. • What challenges prevent apprenticeship take-up in D2N2? • What will success look like and how will we measure it? | Focus agreed as : • Improvising referral routes and pathways; • Supporting SMEs to engage with the new system and; • Shifting perceptions of apprenticeships as ‘only for young people’ Next steps were agreed as: • Further data needed (18/19). • Broaden group to include more employers and universities. • Engage Growth Hub skills lead. • Agree measures of success |

Rachel Quinn  
Head of People and Skills  
19 December, 2019
Dear Elizabeth,

Thank you for your letter of 1 August congratulating me on my appointment.

I am pleased to note the resolution of the overlap with Sheffield City Region and thank you for your efforts in progressing this to a conclusion. Now we have this clarity around each LEPs' membership and accountability I am looking forward to continuing to work with both of you on your local growth priorities, reflecting your new geographies and ongoing commitment to collaborate.

I thank you for all the work you are doing to boost productivity and ensure more prosperous local economies. It is with regret that I am unable to commit to a meeting at this time, due to pressures upon my diary.

I would urge you, and your LEP Board colleagues, to continue to work with my officials to progress the development of an ambitious and compelling Local Industrial Strategy, that will set high aspirations for the D2N2 economy, and its contribution to the Midlands Engine and the overall prosperity of the UK economy.

Thank you for writing in on this important matter.

[Signature]

RT HON JAKE BERRY MP
1. INTRODUCTION

1.1 This report updates Board on the following:
- Staffing Update
- Local Industrial Strategy
- Mid-Year and Annual Performance Review
- Growth Hub and Brexit Support
- ESIF Update

2. RECOMMENDATIONS

2.1 Board is invited to

a. NOTE the report

3. STAFFING UPDATE

Following the organisational restructure, I can confirm that all the remaining vacant posts have now been appointed. We have made appointments to the Head of Strategy and Policy and Head of Business and Innovation roles, both of whom will be joining us early in the new year.

Will Morlidge will take up the role of Head of Strategy and Policy. He will be joining us from the Careers and Enterprise company, but he also has a background of working in various civil service departments including DFE and BEIS, in addition to Government Office for the East Midlands prior to that.

Frank Horsley has been offered the role of the Head of Business and Innovation. He is currently the Head of Economic Development at Derbyshire County Council and has experience of working in various economic development roles engaging with businesses across the region.

We have also appointed Lisa Vernon to the Enterprise and Skills Co-ordinator role and Dan Heffernan as the Careers Hub Co-ordinator. Both are now both in post, along with an appointment to the vacant Enterprise Co-ordinator role, Liam Jackson, who will join the team in the New Year.

4. LOCAL INDUSTRIAL STRATEGY

Since the last board meeting, we appointed Arup as consultants to support the development and production of our Local Industrial Strategy. Paul Harris and I have been working closely with the consultancy team to develop and deliver a strong and compelling vision for the region.
As part of developing the strategy we have undertaken significant consultation and engagement with a range of partners including the advisory board members, and the private sector board members. We have held joint business engagement sessions with both the Chamber and the CBI, along with several individual consultations to inform the emerging strategy.

Given the specific focus on delivering Clean Growth we also held a workshop with key energy users, providers, academics and policy makers to inform our emerging priorities for moving towards a cleaner economy.

There is a separate report from Arup within the board pack (Annex A) on the work to date and we will have a detailed presentation and the opportunity for discussion at the board meeting to inform the next stage of developing the strategy.

5. MID YEAR AND ANNUAL PERFORMANCE REVIEWS

We had a Mid-Year Review with colleagues from the Cities and Local Growth Team on 26 September, 2019 to review progress within the financial year against all aspects of D2N2’s Delivery, Strategy and Governance.

Overall we were able to demonstrate that we are continuing to make strong progress towards the milestones set within the Improvement Plan following the Annual Performance Review in January, 2019. Actions from the meeting and an updated Improvement Plan are attached as Annexes B and C.

The key areas to highlight where we need to continue to focus in order to fully comply with the agreed milestones are:

- **Maintain focus on delivery**: by ensuring that all remaining uncontracted projects are committed within the financial year and fully spend against the spend target. We are making good progress towards contracting uncommitted projects and are working up the pipeline to mitigate against the risk of any project falling out of the programme. In terms of financial spend we are on track to deliver this year’s target of £40M and are exploring opportunities to accelerate additional spend and utilise the remaining £6M underspend that we have carried forward from last year.

- **Focus on Output performance**: one of the milestones we have not met is in relation to delivery against output targets. Whilst overall we have made strong progress on outputs delivered to date, we recognise that this is a current challenge within our programme and represents a key risk to our ongoing performance. Therefore, we are working with individual projects that are not performing against their output targets to review progress and bring forward mitigation action to the next Investment Board.

- **Board Membership**: In order to meet the target for a 2/3rd majority private sector board by 28 February, 2020 set within the LEP review we will need to recruit to the vacant private sector seat following Peter Gadsby’s departure from the board in July 2019. Options for recruitment are currently being explored with the Chair and Deputy Chair to ensure that we find a suitable candidate to complement the existing board membership.
Finally, the Annual Performance Review for this year has been scheduled for 23 January, 2020. We will provide a full update and report from that meeting at the next board meeting.

6. GROWTH HUB AND BREXIT PREPARATION

General Progress

Engagement of SMEs continues to be steady, the Growth Hub Marketing Manager has developed a marketing Strategy to drive engagement via multiple channels. The Chamber are soon to issue a tender to deliver circa 300 workshop events over the next 2.5 years, which will help to drive further engagement on specific topics.

The only gaps in staffing are the two Adviser posts at Nottinghamshire County Council which are expected to be recruited early 2020.

D2N2 Business Investment Fund

The grant scheme was launched in August. Grants of between £3,500 and £20,000 will be awarded to SME projects that can clearly demonstrate step changes in their business activity contributing to improved productivity and efficiency. Around 40 EOI’s have been submitted to date with 20 going to full application stage so far. The current pipeline of projects amounts to over £1.5m of project value and around £400k of grant spend.

Brexit Readiness

East Midlands Chamber delivered a suite of Brexit readiness events in partnership with the Growth Hub during October, 2019. There are expected to be more events early in 2020 after the outcome of the election and when further funding is anticipated.

The D2N2 Growth Hub is working with GLLEP and LLEP to commission a pan-LEP consultancy support to help SMEs to prepare for EU Exit and generally improve the resilience of their businesses. This support should become available in February, 2020.

7. ESIF UPDATE

ERDF

The last LEP level calls launched at the end of June and closed at the end of September 2019, with £7.1m available for D2N2. In total 16 outline applications requesting £12.9m were submitted. It was noted that the Calls for Priority Axis 1, 2 and 3 were oversubscribed. MHCLG are not allowed to over-programme or create reserve lists, and there would be no flexibility to transfer funds between priority axes.

For PA1 D2N2 received 5 applications requesting £6.5m against a call value of £3.302 million.

ESIF sub committee agreed that the following programmes should move to full application

- Driving Research and Innovation – University of Nottingham
- Aerospace unlocking potential – University of Nottingham
- Innovate 4 Rail – University of Derby
• Instils – MediLink

For PA2 D2N2 received 2 applications for £473,464 against a call value of £236,732
ESIF sub committee agreed that the following programme should move to full application.

• Digital Connectivity for Nottinghamshire SMEs – Nottinghamshire County Council

For Priority Axis 3 D2N2 received 8 applications requesting £5.3m against a call value of
£2,203,723 ESIF sub-committee agreed that the following programmes should move to forward
application:

• Better off in Business 3 – Princes Trust
• D2N2 SME Growth & Innovation 3 - East Midlands Business Limited
• Enscite 3 continuation – University of Derby
• FEAST 3 – Food and Drink Forum
• Internationalising SMEs Phase 3 - East Midlands Business Ltd

For PA4 D2N2 received one project extension application for £900,000 against a call value of
£1,432,045. ESIF sub-committee did not approve on the basis of past performance.

The sub-committee agreed to transfer any unallocated funds to the Midlands Engine Investment
Fund subject to their ability to absorb. Any funding remaining in the D2N2 LEP allocation outside
of contracted and selected applications will be transferred to the national Reserve Fund and will be
made available through national calls.

ERDF Reserve Fund

The ERDF Reserve Fund will be launched at the start of 2020. Fund calls are likely to be focused
on specific priorities and approaches. Calls will be England-wide by Priority Axis with separate
Category of Region funding envelopes within each call.

The current planning assumption is that the Reserve Fund call will apply to all Priority Areas
currently available in D2N2. If funding envelopes in other financially smaller PAs are below viable
thresholds, these may not feature in the Reserve Fund call.

The Reserve Fund will be established by the end of 2019 and will prioritise multi-LEP projects and
innovation, either in substance of activity or mode of service delivery. England-wide calls will be
published early 2020 and will be focused on specific priorities and approaches. There will be no
link to residual local allocations. The amount ultimately spent in LEP areas will be determined by
the quality of project proposals and Operational Programme level allocations.

The Reserve Fund will prioritise activities that support fresh approaches and which bridge the gap
with the ERDF domestic successor’s priorities, such as:

• Applications that are EITHER Pan-LEP area, on the basis of existing pan-regional structures,
such as the Northern Powerhouse and Midlands Engine, or other pan-LEP area propositions
OR community-level initiatives against criteria that will be developed;
• Clear delivery of the Industrial Strategy and (where relevant) Grand Challenges AND multi-
Foundation based;
• Innovation, either in substance of activity or mode of service delivery; and
• Links to domestic growth initiatives.

The LEP and local partners will be expected to:
• raise awareness of the transition to the Reserve Fund and how it will work towards the delivery of the Industrial Strategy, D2N2 Local Industrial Strategy and contribute to local growth;
• publicise and provide accurate and clear information to potential applicants regarding the funding opportunities provided by the Reserve Fund and give details regarding accessing and obtaining funding ensuring transparency at all levels;
• support clear understanding about the selection process and the delivery of the Reserve Fund;
• prepare the market to the establishment of the Reserve Fund and the shift in focus towards England wide calls, more multi-LEP activity and projects aligned with the Industrial Strategy.

ESF

DWP open calls

All calls within the final call schedule at LEP level agreed with DWP are now open.

There are 6 live calls at the time of writing:

- (IP2.1) Fuller Working Lives. Call Value £1M. Closes 10 December 2019
- (IP1.4) Health and Social Care Workforce Development Programme. Call Value £1.8M. Call closes 30 December 2019.
- (IP 1.4) Active Inclusion Programme. Call Value £4.5M. Call closes 8 January 2020.
- (IP2.1) STEM skills in D2N2. Call Value £1M. Call closes 30 January
- (IP2.1) Leadership and management training for SMEs. Call Value £1.7M. Call closes 2 February 2020
- (IP1.1) Healthy Work. Call Value £4M. Closes 6 February 2020

The D2N2 Technical Assistance (TA) Service

The TA service continues to deliver a series of events across D2N2 to promote the ESF calls with interested organisations to support quality applications and the development of strong delivery partnerships.

The final ESF workshops this year will focus on the following calls:

- Active Inclusion Programme
- D2N2 STEM Skills
- Leadership and Management Skills in SMEs
- Healthy Work (call expected to be announced shortly)

ESF National Reserve Fund

The Reserve Fund will help to ensure that we are able to make best use of remaining ESF programme funds. Specifically, it will aim to invest the full value of the ESF Programme to maximise local growth, employment, education and social inclusion opportunities and ensure that 2023 performance framework and Programme targets are met.

Taking into account the total value of planned Calls plus all existing programme commitments DWP have confirmed a Reserve Fund starting value of just under £390.6m. D2N2 LEP will consult widely with partners to develop a call schedule with DWP to be considered under the Reserve Fund. The future call schedule will provide further funding opportunities to address strategic employment and skills priorities.
The future D2N2 Reserve Fund call schedule will need to bring forward programmes that add value and do not duplicate current and future ESF and other employment and skills provision supported by ESFA, DWP etc.

Applicants to calls supported through the Reserve Fund will need to bring 50% of eligible match. Market testing of the likely availability of match by Priority Axis will therefore need to be undertaken to ensure sufficient match is available within D2N2 to bring forward high quality applications against a realistic call schedule.

**EAFRD**

In the D2N2 LEP area 13 projects have been approved and contracted to date, with a total grant value of £1.52m offered. There are currently 4 applications in appraisal with a total grant request of £0.78m. There are no full applications outstanding.

**EAFRD Reserve Fund**

The remaining balance in LEP allocations has now been gathered together to form the EAFRD Growth Programme National Reserve Fund (NRF) which opened in November 2019 and will close on 16 February, 2020. There is a minimum of £35m available within the Reserve Fund.

The 3 programmes which rural businesses can apply for support are:

- Business Development
- Tourism Infrastructure
- Food Processing.

The maximum grant under the Business Development and Tourism themes will be limited to £175,000, whilst the maximum grant under the Food Processing theme will be limited to £750,000. The minimum grant has been reduced from £35,000 to £20,000 to allow more micro and small businesses to apply for this support.

D2N2 and the Rural Payment Agency (RPA) will be holding two workshops in December to promote the calls to rural businesses and support their applications.

- Friday 13 December, 2019 at Nottinghamshire County Council, Nottingham, (10.00 – 11.30)
- Monday 16 December, 2019 at Bakewell Agricultural Centre, Derbyshire (10.00 – 11.30)

D2N2 LEP are working with partners to plan for more events in the New Year.

The RPA are aiming to progress an expression of interest from receipt to decision in 30 working days. D2N2 LEP have reconvened the D2N2 Rural Reference Group to offer advice to the RPA on local strategic fit of eligible projects with endorsement of the advice from the Chair on behalf of the ESIF sub-committee.

*Sajeeda Rose*

19 December, 2019
Item 3.2 Annex A

Report by Arup to D2N2 Board

Introduction

The purpose of this report is to update members on development and progress made with the D2N2 Local Industrial Strategy (LIS).

The LIS is being developed as a compelling, place-explicit document. Its intent is to capture the imagination of businesses, residents and government. The LIS must be ambitious but also be grounded in evidence. It must narrate what the D2N2 area has achieved and why it can continue to deliver. At its heart, the LIS will provide a series of practical propositions to tackle the underlying productivity issues prevalent in the region.

Work and Engagement to date

Arup were commissioned in October, 2019 to draft D2N2’s Local Industrial Strategy. The following work has been undertaken to date:

- Review of the existing evidence base and identification of gaps
- Mapping of the challenges and opportunities to be addressed in the LIS
- Development of a Vision, Guiding Principles and Propositions, including evidence review of ‘what works’
- Engagement and consultation with businesses and stakeholders
- Development of an initial storyboard and structure for the LIS.

Focused engagement and consultation has taken place as part of the emerging LIS with several key groups:

- Workshop with the Local Officers Group – including representatives of all 17 local authorities
- Half day workshop focusing on Clean Growth, jointly hosted with University of Nottingham
- CBI round table, with representatives from businesses from across the region
- Three workshops with the upper tier authorities and Place Board Directors
- One to one consultation conversations with Place Board Directors
- Workshop with the LEP Chair and Chairs of Advisory Boards
- Weekly meetings with Paul Harris and Sajeeda Rose

Emerging Vision

D2N2 – at the heart of England – are in pursuit of clean and green growth, powering jobs of the future. Our track record shows we can drive revolutionary change and innovation. Pushing the boundaries of knowledge, science, connectivity and culture, our cities, towns and villages have something for everyone.

Emerging Guiding Principles

Guiding Principles

Three Guiding Principles have been created – supported by evidence – to provide an overarching narrative. They focus on: green and clean; sectors and jobs; and, people and place.

Guiding Principle # 1: The most ambitious carbon turn-around in the country
D2N2 was the birth-place of the industrial revolution. We will now lead the charge of a green revolution, rapidly changing the course of our carbon-driven economy. The necessity to replace our coal-fired energy system will be a regional catalyst to drive a cleaner, more productive and inclusive economy. If we cannot do it in the East Midlands, nobody can.

**Guiding Principle #2: Enhance the capacity and capability of our people and businesses to prosper and innovate.**

Skills is the route to productivity and we need to ensure our population is ‘skilled for life’ to enable social mobility. We will enable the growth of our expanding and productive firms – across sectors - who have the potential to turn the tables on our lagging GVA. We will elevate our historic sectors who can do more, such as health and pharma, advanced manufacturing and R&D. The East Midlands will thrive on its people and business.

**Guiding Principle #3: Delivering connectivity-led growth in all corners of the region.**

Our cities, towns and villages are home to outstanding natural and cultural assets and a diverse economy brimming with potential. Our central location makes us one of the most accessible regions in England. HS2 is a golden opportunity to become a super connected region – a stronger heart working for the entire country. With investment in education, mobility and digital infrastructure, we will ensure people can access a greater range of opportunities wherever they choose to live.

**The Propositions**

Each Guiding Principle will have a set of Propositions. The propositions will not be a list of projects. Local Industrial Strategies are not intended to list projects, following guideline from Government. However, it is the intention that the propositions will be supported by actions describing what could be delivered to effect change for the region.

The Propositions will be detailed in the LIS, with evidence to support what is being described, and the LIS will include successes that have already been delivered – including city centre growth and projects in the towns and wider area. It is important to demonstrate to Government that the region is successful in concept through to delivery.

It is proposed that the LIS will include short, medium and long-term areas of focus and will describe how, collectively, the projects will deliver long term impact for the D2N2 area.

The document will conclude with a list of ‘asks’ to Government.

**Next steps**

Over the next three weeks, the final stakeholder consultations will take place, including:

- 9 December – LIS Advisory Board Session
- 9 December – Feedback from Innovation Board (LEP representative attending)
- 10 December – Roundtable with Chamber businesses
- 12 December – People and Skills Advisory Board
- 17 December – Business Growth Advisory Board
- 19 December – Main D2N2 Board Meeting

By 19 December, 2019 it is our aim to have agreed guiding principles and propositions along with the main components of the place narrative.
A full first draft of the LIS will be developed in January, 2020 subject to conversations with government. Finalisation and production of the LIS is on track to be completed by the end of February, 2020.
**Location:** Apex Court, City Link, Nottingham  
**Date:** 26 September 2019  
**Time:** 1.30 p.m.

**Action from 2018-19 Annual Performance Review**
N.B. incomplete or on-going Action Points relating to Delivery have been incorporated into the Improvement Plan, likewise incomplete and on-going Action Points relating to Governance and Strategy are monitored alongside the Improvement Plan – within a single record referred to as “Improvement Plan Plus”.

<table>
<thead>
<tr>
<th>Action #</th>
<th>Action Point</th>
<th>Date completed</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LEP to complete a review of GPF and set out its recommendations for future scheme arrangements.</td>
<td>TBC - 29 Nov 2019</td>
<td>The completed GPF Review will be presented to the Investment Board for consideration at its November 2019 meeting</td>
</tr>
<tr>
<td>2</td>
<td>To keep CLGU informed of progress with review of LEP resourcing.</td>
<td>On-going</td>
<td>Update provided at MYR – restructure almost complete</td>
</tr>
<tr>
<td>3</td>
<td>CLGU to report any changes in Local Authority scrutiny arrangements that may impact on LEPs and the Accountable Body relationship.</td>
<td>Confirmation to LEP in email 3 April 2019</td>
<td>Compliance Team confirmed that NAF and LA scrutiny guidance are aligned</td>
</tr>
<tr>
<td>4</td>
<td>To complete the actions set out within the website transparency Action Plan by 1 April 2019.</td>
<td>1 April 2019</td>
<td>Actions completed and compliant website maintained – website rebuild commissioned</td>
</tr>
<tr>
<td>5</td>
<td>To keep CLGU updated on progress with production of new data resource.</td>
<td>April 2019</td>
<td>Power BI monitoring source is live on the D2N2 website (on LGF page)</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Date</td>
<td>Notes</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>6</td>
<td>To keep CLGU informed if total &quot;new learner&quot; output forecast continues to be at risk and will not be achieved.</td>
<td>30 May 2019</td>
<td>Review of outputs undertaken and present to Investment Board in May 2019. The published &quot;new learner&quot; target is unrealistic and likely to be the result of a typo. This has been reported to central CLGU colleagues and the formal note of the MYR will be a further record of the search for a resolution.</td>
</tr>
<tr>
<td>7</td>
<td>To seek clarity from the CLGU central team regarding functionality of the LGF data return to better enable consistency of reporting and liaise with relevant LEP and Accountable Body staff to ensure return completed in line with expectations.</td>
<td>24 May 2019</td>
<td>Initial meeting held between CLGU and LEP on 29 Jan 2019. Further work undertaken to improve data presentation following internal training session on 29 May 2019.</td>
</tr>
<tr>
<td>8</td>
<td>To revise Q3 LGF return to reflect actual project risk rating. (<em>Where there is a difference between the delivery and output risk-ratings the highest rating to be used and position noted in the commentary.</em>)</td>
<td>24 May 2019</td>
<td>Q3 return submitted with risk ratings revised.</td>
</tr>
</tbody>
</table>
## Action Point Update

N.B. Following the APR an Improvement Action Plan was drafted in partnership with the LEP, this included and built on APR Action Points (as above) and additional actions arising from the LEP Review (as set out below) these have also been incorporated into the Improvement Plan Plus.

<table>
<thead>
<tr>
<th>Action #</th>
<th>Action Point</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>D2N2 is to conclude its review of Governance ensuring that the arrangements allow local stakeholders to be enfranchised.</td>
<td>ToR and new governance structure approved at meeting of Board in March 2019 Inaugural meetings of new groups underway and the cycle of future meetings in place</td>
</tr>
<tr>
<td>2</td>
<td>Board diversity and attendance to be continually progressed</td>
<td>D2N2 Board agreed in the revised articles of association which included provision on attendance and that no substitutes are allowed in March 2019</td>
</tr>
<tr>
<td>3</td>
<td>LEP D2N2 to approve the new revised LAF</td>
<td>LAF published on website by 01/04/19</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>4</td>
<td>Completion of the revised LEP D2N2 website which provides easily accessible information about the work of the LEP and its governance structures</td>
<td>Update provided at MYR</td>
</tr>
<tr>
<td>5</td>
<td>Development and completion of the Local Industrial Strategy ensuring its harmonisation with other local strategies.</td>
<td>Update provided at MYR</td>
</tr>
<tr>
<td>6</td>
<td>D2N2 to maintain its proactive approach to collaboration with neighbouring LEPs and the Midlands Engine across sectors and spatial interventions e.g. HS2. Maintenance of collaborative relationships within and cross-LEP</td>
<td>Draft collaboration agreement currently with Sheffield City Region. Ongoing engagement is taking place with fellow East Midlands LEP CEOs and regular catch-ups are held</td>
</tr>
<tr>
<td>7</td>
<td>D2N2 will evaluate its current programmes and interventions made to date in line with the Strategic Economic Plan.</td>
<td>Focus Consultants Ltd have been appointed to undertake an investment; investigating impacts alongside a thematic evaluation. A report will be presented to the January 2020 Investment Board after a full round of consultation with relevant partners.</td>
</tr>
</tbody>
</table>

The LEP provided an update on their Board recruitment process; as of July 2019 there has been a private sector Board vacancy. The LEP has identified the skill set/experience needed to offer the most complementary addition to the existing Board and are looking to take a more targeted approach to the recruitment, recognising it might take longer to fill the post. It was noted that that until this position was filled the LEP would not be compliant with the LEP Review which set a target of 66% private representation on the Board by 28th February 2020. **LEP Action Point**

The LEP provided an update on their website rebuild; the work has been commissioned and they will collaborate with their chosen design team to ensure they create a user-friendly compliant website; which will go live early in 2020. The development of the LEP’s wider marketing and communications strategy created a delay to the commissioning of this work. The LEP sought some insight into what the Compliance Team considered “good” website presentation. **CLGU Action Point**

The LEP provided an update on their staff restructuring; acknowledging this had been a challenging process. Three vacancies remain to be filled and additionally the LEP are seeking to source some consultancy resource to provide analytical support to their Skills Advisory Panel. The LEP undertook to ensure a “meet the team” section would
be included within their new website – helping to make LEP roles and responsibilities more transparent. **LEP Action Point**

CLGU noted the positive work undertaken by the LEP to drive forward the development of the collaboration agreement with Sheffield City Region.

The LEP confirmed that the evaluation of its current programmes and interventions has been commissioned. They are hopeful that some data will be available to showcase at the LEP AGM on 13 November 2019; with the final report being presented to the Investment Board in January 2020.

**Compliance**

CLGU acknowledged that the LEP had been timely in resolving the compliance issues raised during spot-checks and asked the LEP to remain vigilant in ensuring their website and processes remained compliant with the National Assurance Framework.

CLGU reprised the need for pictorial evidence of LGF branding compliance. The LEP shared some images at the meeting of signage in situ at project sites and remarked on the positive work that had been undertaken by their communications team to work directly with local authority press teams to ensure more effective publicity for project delivery milestones. CLGU requested that pictorial evidence of branding compliance continues to be shared and where possible added to the projects page on the LEP website. **LEP Action Point**

**Improvement Plan**

*Updated Improvement Plan appended*

CLGU stipulated that meeting (or exceeding) milestones and targets in the Improvement Plan would not automatically increase the marking of the LEP to 'Good' following the Annual Review.

The LEP expressed concern that their good progress, evidenced by the achievement of Improvement Plan milestones, may not be recognised by an improved Annual Performance Review marking and made a plea for transparent decision making to be provided alongside the final APR markings.

CLGU recognised the good progress that had been made towards meeting commitment and expenditure Improvement Plan targets.

The LEP are working towards a milestone of 6 additional projects being approved by the end of December 2019 and confirmed that 3 projects were to be recommended for approval at the 30 September 2019 Investment Board meeting and a further 3 at the November 2019 meeting. They were confident that the full value of the LGF programme would be committed by the end of the current financial year (with just one element of the A46 Regeneration Corridor Programme to be approved within the 20/21 financial year, but as the LGF programme is currently over-committed this additional approval could be considered outside the financial scope of the programme).
N.B. Three of these project approvals relate to the A61 Programme (currently Red RAG rated). With the elements of this programme now being treated as five individual “projects” there will be much greater clarity around the risk presented to the programme.

CLGU noted a confusion with the terminology used within the Improvement Plan in relation to “spend” which had resulted in “outturn” being used to determine progress as opposed to “expenditure”. CLGU and LEP agreed to revise the Improvement Plan; ensuring financial milestones reflected the focus on LGF Expenditure as opposed to outturn. **CLGU/LEP Action Point**

Despite this confusion the LEP remain confident they will be able to report both the full defrayal of their annual LGF allocation and the full re-balancing of their capital swaps by the end of the current financial year.

CLGU urged the LEP to continue to maximise reported LGF expenditure and commitment, reflecting that progress during the 19/20 financial year would be crucial in determining final programme payments for 20/21.

### Delivery

**Local Growth Fund**

CLGU reflected on the LEP’s failure to meet the September 2019 output target set within the Improvement Plan (500 new learners and 300 jobs) and the overall issue of their Programme’s unrealistic and unachievable “learner” target (147,000 learners to be supported).

The former issue was the result of two of their programme’s larger schemes under delivering, but the LEP is confident that these headline milestone outputs will be achieved by the end of the financial year.

In order to address the project under-delivery the LEP, led by their Chair, have a performance review planned with the project sponsors where they hope to identify mitigating measures.

The LEP recognise that output achievement may be a limiting factor for them but the approach to be adopted above is indicative of the “grip” they are seeking to maintain on output delivery.

On the latter output issue CLGU/LEP noted that the MYR formal note would act as a further record of the issue. If this did not elicit a response from CLGU, the LEP set out its intention to write to the CLGU Director to formally advise that the target could not be met and to suggest a revised target based upon actual skills project forecasts. **LEP Action Point**

The LEP expressed concern that some of the nuance of their programme management issues could get lost within a centrally assessed assurance process. CLGU advised the LEP to use their LGF data return to provide commentary on the actions they are taking to mitigate risks and other programme delivery issues. Recognising that the data dashboard commentary text box did...
not appear the most obvious mechanism for doing this – on screen the text box could be expanded to allow Compliance colleagues to read and review all the commentary provided. CLGU agreed to share commentary relating to the Quarter 4 LGF data return completion. **CLGU Action Point.**

The LEP agreed to ensure that all LGF data returns submitted are robust, provide the adequate quality of data and appropriate explanatory notes to assist central colleagues in their understanding of programme delivery. **LEP Action Point**

CLGU asked for an update on the RAG rating of the uncontracted **Woodville-Swatlincote Regeneration Route project.** The LEP confirmed that the Red RAG rating applying at the start of September 2019 had now reduced to Amber following a meeting with the project sponsors. The landowners had agreed Heads of Terms to facilitate land delivery with the local authority meaning no CPO process would be required.

The LEP reflected on the position with Red RAG rated project (**Red for outputs** **Newark Southern Link Road,** where there appeared to be no easy solution to the project’s significant funding gap. The LEP had clearly demonstrated their commitment to seeking a solution through funding a feasibility study and continuing to work closely with partners, specifically Homes England.

The LEP provided an update on the requirement for them to develop a “project pipeline” advising CLGU that subject to any funding being released following the conclusion of the September Investment Board, the LEP will engage with existing and new projects to monitor their deliverability and bring forward a finalised set of recommendations for funding allocations to the November Investment Board. The concern about managing the expectations for “pipeline projects” given the current over-commitment within the Programme was considered and noted.

**Growth Hub**

CLGU acknowledged a positive programme performance summary for the D2N2 Growth Hub. But noted feedback that indicated some requested statistics had not been provided and that compliance with the Growth Hub Monitoring and Evaluation framework was unclear. The LEP were asked to clarify the Growth Hub’s full compliance with the Growth Hub Monitoring and Evaluation framework. **LEP Action Point**

**ESIF**

CLGU acknowledged the LEP’s positive ESIF programme delivery and asked the LEP to consider how they could use the proposed National Reserve Fund to support the delivery of their Local Industrial Strategy priorities.
## Governance

CLGU recognised the work of the LEP and its Chair to achieve the successful resolution of the overlap geography.

CLGU were encouraged to see the very good progress made with achieving a gender balance within Board membership (current level 47%) but recognised there was work still to be done to meet the LEP Review target of 50% by 1 April 2023.

The LEP advised CLGU of the progress made to meet the expectations of the LEP Review through the establishment of a D2N2 Scrutiny Committee. The Accountable Body confirmed this working group would meet twice a year, those meetings would be held in public and it was anticipated that the first meeting would be held before the end of the calendar year. CLGU asked the Accountable Body to explore the possibility for the private sector to be represented on the Committee; in an advisory capacity, to better reflect the make-up of the LEP.

### LEP/Accountable Body Action Point

## Strategic Impact

CLGU noted the launch of the LEP’s stakeholder consultation on its Local Industrial Strategy (LIS) evidence base on 24 September 2019. The LEP provided an updated on their extensive consultation with local stakeholder organisations and their inclusive approach in developing the evidence base and emerging direction of travel e.g. the role of Universities.

In view of their on-going restructure the LEP will procure external consultancy support to convert their evidence base and propositions into a LIS document. The LEP reported that they were currently reviewing a tender for this support. Whilst this procurement process had been on-going several separate workstreams have been progressing (through the theme boards) that will directly feed-in to the LIS development.

The LEP anticipated a short delay to their initial timeframe for the work and were now looking for a December completion – although would need to factor in a separate Board session to sign-off on the document.

## LEP Feedback

The LEP reflected on the work they had undertaken over the past year to achieve compliance and meet all the requirements of the Ney Review and the Strengthened LEPs Review, and that as an organisation they were committed to continuous improvement; always looking to learn and improve – citing the work undertaken with SEMLEP to learn from their “Exceptional” rating.

The Accountable Body confirmed that a full internal audit of LEP performance was undertaken every year and they were content with progress.
**AOB**

There was no AOB

**MYR Action Points**

<table>
<thead>
<tr>
<th>Action #</th>
<th>Action Point</th>
<th>Owner</th>
<th>Date to be completed</th>
<th>Date completed</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LEP to continue with recruitment of a private sector Board Member to establish the target make up required (66% private sector)</td>
<td>LEP</td>
<td>28 Feb 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>To provide insight into what CLGU Compliance Team consider “good” website presentation</td>
<td>CLGU</td>
<td>31 Oct 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>To ensure a “meet the team” section is included within new website</td>
<td>LEP</td>
<td>31 Jan 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>To continue to share pictorial evidence of branding compliance and where possible include on website</td>
<td>LEP</td>
<td>31 Dec 2019 (and ongoing)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>To revise the Improvement Plan; ensuring financial milestones reflected the focus on LGF Expenditure as opposed to outturn</td>
<td>CLGU and LEP</td>
<td>18 Oct 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>To advise CLGU Director that published Growth Deal “learner” target could not be met and suggest a revised target based on skills project forecasts</td>
<td>CLGU</td>
<td>31 Dec 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>To share commentary relating to the Q4 LGF data return completion</td>
<td>CLGU</td>
<td>4 Oct 2019</td>
<td>1 Oct 2019</td>
<td>Commentary shared and Q1 data return revised</td>
</tr>
<tr>
<td>8</td>
<td>To ensure LGF returns meet data and narrative quality requirements</td>
<td>LEP</td>
<td>22 Nov 2019 (and ongoing)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>LEP to ensure full compliance with the Growth Hub Monitoring and Evaluation framework.</td>
<td>LEP</td>
<td>31 Dec 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>To explore the possibility of the private sector being represented on the D2N2 Scrutiny Committee; in an advisory capacity</td>
<td>LEP/ Acct Body</td>
<td>30 Dec 2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attendees:

LEP Attendees:
Sajeeda Rose, CEO D2N2
Tom Goshawk, D2N2 Head of Programmes
Natalie Gasson, D2N2 Head of Operations

Accountable Body Attendees:
Peter Handford, Section 151 Officer, Derbyshire County Council

Government Attendees:
David Wright, Area Lead, Cities and Local Growth Unit
Melanie Phythian, Assistant Area Lead, CLGU (note taker)
## Improvement summary

**Summarise the improvement that needs to be made, including KPIs**

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Monitoring process</th>
<th>Area Lead progress update</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. D2N2 to reconcile LGF underspend and output delivery from previous years to ensure delivery against targets.</strong></td>
<td>D2N2 will continue to monitor the progress of project milestones at each Investment Board (bi-monthly) with Local Growth Fund budget a recurring item on the agenda.</td>
<td>A change from 31/07/19 to 30/09/19 for the first key milestone date has been formally noted. The change corrects a typo in the original document</td>
</tr>
<tr>
<td>D2N2 to report:</td>
<td></td>
<td>A review of projects and the setting of individual project milestones took place at Investment Board (IB) in March 2019. Reviews to be carried out at each IB (bi-monthly). The £2.5m Fairham Pastures element of the A46 Regeneration Corridor was withdrawn ahead of the September IB reducing the programme overcommitment from £7m to £4.5m</td>
</tr>
<tr>
<td>- £18m of LGF outturn and expenditure by 30/09/19</td>
<td></td>
<td>Regular meetings are in place with the project sponsors who are yet to present their Full Business Cases (FBC) to the IB. Projects are currently on track to deliver their business cases within the projected milestones</td>
</tr>
<tr>
<td>- £28m of LGF outturn and expenditure by 31/12/19, including at least £11m (38%) of the underspend carried forward from previous years.</td>
<td>D2N2 will inform CLGU of summary of catch ups with projects and the risk to the programme via monthly catch up meetings, IB papers and quarterly improvement plan meetings.</td>
<td>£8.43m LGF outturn and £6.94m LGF expenditure were reported at Q1 (23 August 2019). Forecasts</td>
</tr>
<tr>
<td>- And a further £12m of underspend by 31/03/20. By end of 2019/20 a total £23m of the &quot;underspend&quot; (79%) will have been utilised, leaving a remainder of £6m &quot;underspend&quot; that will be carried forward into 2020/21.</td>
<td>D2N2 Board papers.</td>
<td></td>
</tr>
<tr>
<td>D2N2 Board will receive updates on LGF spend and outputs and programme risks at each Board meeting.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Milestones

**Add key milestones and dates (where possible)**

**Area Lead progress update**

To be completed on a quarterly basis, referencing progress on KPIs
<table>
<thead>
<tr>
<th>Improvement summary</th>
<th>Milestones</th>
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<tbody>
<tr>
<td>Summarise the improvement that needs to be made, including KPIs</td>
<td>Add key milestones and dates (where possible)</td>
<td>Note how you will monitor progress</td>
<td>To be completed on a quarterly basis, referencing progress on KPIs</td>
</tr>
</tbody>
</table>

- A review of projects that have yet to be approved has taken place at the March 2019 Infrastructure and Investment Board which provided future timescales and milestones, these milestones will continue to be monitored at each (bi-monthly) meeting of the Investment Board. Based on milestones:
  - an additional 1 project will be fully approved and contracted by 31/08/19
  - Approve 6 additional projects by December 2019.

- All projects will continue to be monitored throughout the year and regular catch ups with the project sponsors will be held to monitor progress. Monthly meetings with red rated schemes and quarterly meetings with amber risk rated schemes

- 31/08/19 milestone met - Riverside Business Park project approved at May 2019 IB

- As at 26/09/19 7 projects and one programme (with 5 elements) remain uncontracted – value £50.3m (All have milestones mapped for progress towards approval – with any slippage being considered by the IB)

- 3 projects to be recommended for approved at the September 2019 Board:
  - Derby Assembly Rooms
  - Standard Gauge Sustainable Transport*
  - 21st Century Transport Corridor*

* Latter two schemes part of overall A61 Corridor Programme but agreed with project sponsor (Derbyshire CC) that the programme’s 5 schemes would be reported upon as individual projects to ensure clarity on progress and risk.

- 3 additional projects forecast to be approved before December 2019 (Gedling Access Road and Ashbourne Airfield and the Clowne
- If progress is not achieved against milestones a decision on whether projects will be removed from the programme will take place at the September 2019 Investment Board.

- 480 learners and 1,300 jobs will be achieved in 19/20 by 31/03/2020.

<table>
<thead>
<tr>
<th>North element of the A61 Corridor Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gedling Access Road public enquiry cancelled as all objections withdrawn. Risk rating of project to reduce and LGF expenditure to be accelerated</td>
</tr>
<tr>
<td>Two additional Amber rated projects reported in Q4 18/19 – A52 Wyvern and Tudor Cross (Coalite). Project management issues at Derby City Council (which led to the A52 Wyvern delivery problems) will need to be taken into consideration when the IB make their approval decisions for the FBC’s of the remaining Derby City Council projects (3 projects totalling £14.11m). No changes to RAG ratings reported in Q1 19/20 return</td>
</tr>
<tr>
<td>Milestone revised – the 19/20 Q1 re-profile of milestones reinforced that the original 30/09/19 milestone (500 learners and 300 jobs) would not be met (by 26/09/19 12 learners and 40 jobs had been reported) and due to slippage and failing to account for the number of projects only reporting outcomes at Q4 would have been unachievable hence the Improvement Plan milestone has been revised to reflect the outcome of the Q1 output reprofile exercise (as presented to the Sep IB)</td>
</tr>
</tbody>
</table>

2. D2N2 to develop a pipeline of new schemes aligned to its strategic priorities.

- D2N2 to establish a process for refreshing the project

- The project pipeline development process will be overseen by the LEP

- A report setting out the concluded findings of the D2N2 Pipeline Call (carried out in July 2019) will be presented to the Investment Board
<table>
<thead>
<tr>
<th><strong>Improvement summary</strong></th>
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<td>Note how you will monitor progress</td>
<td>To be completed on a quarterly basis, referencing progress on KPIs</td>
</tr>
<tr>
<td>pipeline to be agreed by the LEP Board in May 2019.</td>
<td>Investment Board (IB) and presented to the IB in September</td>
<td>at its September meeting. The Board are being requested to note the report and allow D2N2 officers to bring a firm recommendation to the November IB for final funding decisions</td>
<td></td>
</tr>
<tr>
<td>A draft pipeline will be presented to the Investment Board September 2019.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. D2N2 and Accountable Body to revise the Quarter 3 LGF return to reflect the higher project risk rating.

- D2N2 to revise the 18/19 Quarter 3 LGF return with the reallocated risk placed on each project.
- Cities and Local Growth Unit (CLGU) to confirm acceptance of the revised monitoring return via the agreed quarterly deadlines.
- Meeting held with Tom Goshawk (D2N2) and Sarah Wainwright (AB) to discuss changes to presentation of data return 29.01.19. Changes noted in LGF Q3 data return submitted
- LEP to ensure the Q2 LGF return dashboard is included within the 29 November IB meeting papers, ensuring oversight of the data submissions – recognising that some explanatory information will need to sit alongside the dashboard figures

4. D2N2 to keep CLGU informed over the new learner outputs forecasting and whether the current target is at risk of not being achieved

- D2N2 to work with project sponsors and report to CLGU on the progress of learner outputs
- An initial report and review will be presented at the May Investment Board
- D2N2 will report back to the Cities and Local Growth Unit (CLGU) through regular monthly catch up meetings, IB papers and quarterly improvement plan meetings.
- The programme’s unrealistic learner target (147,000) has been raised with central colleagues. If no resolution after mid-year review the LEP will raise as an issue
<table>
<thead>
<tr>
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<td><strong>To be completed on a quarterly basis, referencing progress on KPIs</strong></td>
</tr>
</tbody>
</table>
| 5. Reviews of the Growing Places Fund and Enterprise Zones to take place with a finalised report commissioned and agreed for both funding streams. | • Work tendered in April 2019  
• Contract to be awarded by June 2019.  
• Reports presented to the September 2019 Investment Board.  
• Future GPF scheme arrangements to be in place within recommended timeframe. | • Regular updating will be submitted to the D2N2 LEP Board and Investment Board throughout the process.  
CLGU will be informed of the progress through regular catch up meetings (monthly) | • Both reports have been concluded and the Enterprise Zone Review will be presented to the Place Board on 1 November 2019 and the Growing Places Fund Review will be presented to the 29 November 2019 Investment Board |
| 6. D2N2 will ensure that monitoring for all funded programmes is carried out on a quarterly basis | • D2N2 will continue to inform projects of the monitoring requirements and will clearly articulate potential sanctions for not receiving information.  
• D2N2 will submit a completed EZ Monitoring return by the 24 May 2019 and all future quarterly returns within prescribed deadlines. | • Monitoring reports will be submitted to the Investment Board on a quarterly basis (in-line with CLGU set submission deadlines) with sanctions available to be used for projects not complying with the monitoring timescales.  
• Key LGF project milestones will be shared with CLGU on a monthly basis. | • Monitoring requirements have been articulated and reinforced to all projects; which has led to an improvement in returns |


**Improvement summary**

**Summarise the improvement that needs to be made, including KPIs**

<table>
<thead>
<tr>
<th>Milestones</th>
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</tr>
</tbody>
</table>

- D2N2 to undertake cross-LEP programme monitoring of programmes and projects to ensure greater transparency of added value of LEP activity on a quarterly basis. This to begin to be reported to Boards in June 2019.
- D2N2 to implement new data source to illustrate programme performance from June 2019.

- Board papers + website.

- **24/05/19 Milestone met - the EZ monitoring return was submitted to CLGU in May 2019 as required**
- LGF project milestone returns submitted monthly in line with CLGU’s requests
- Monitoring information presented to LEP Board and Investment Board from June 2019
- June 2019 Milestone met - LGF programme performance dashboard live on D2N2 website as of April 2019

- D2N2 are to ensure that they adhere to government branding guidelines.

- D2N2 will continue to enforce branding guidelines with project sponsors and will update progress quarterly. This will include returning to completed projects and projects in progress to ensure compliance.
- D2N2 to ensure draft press notices relating to known LGF project milestones are submitted to CLGU within 2 weeks.

- Quarterly reports will be returned to CLGU demonstrating compliance with guidance and including examples of progress.
- Media monitoring reports provided to D2N2 LEP Board will flag where media coverage failed to meet the relevant government branding guidelines

- A second quarter branding report to be submitted by end of September 2019
- Agreed with CLGU that LEP press notices will be issued to meet two week timeframe for securing a quote, with the acceptance that milestone details may change. Work continuing with project sponsors to ensure notification of milestones given in time for CLGU to request a Ministerial quote (within 2 week

---

7. D2N2 are to ensure that they adhere to government branding guidelines.
<table>
<thead>
<tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>timeframe but ahead of sharing a draft press notice)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Monitoring requirement unmet - Sep LEP Board media report lacking branding detail</td>
</tr>
</tbody>
</table>

8. D2N2 to ensure that plaques recognising contributions of government funding are distributed and utilised by project sponsors

- D2N2 will assess the status of recognition for funding across its projects by the end of May 2019.
- All projects will comply with the visual recognition by the end of June 2019.

- Visual evidence of the compliant plaques for completed projects will be provided to CLGU by D2N2 by the end of July 2019 and thereafter at the point of each project completion.

- Milestone not met – update provided at MYR. Publicity plaques have been produced and are in the process of being distributed to projects. Visual evidence provided at MYR meeting – copies of images to be shared with CLGU.
Progress record for 2018 Annual Performance Review Governance Related Action Points

Last Review Date – 26 September 2019

<table>
<thead>
<tr>
<th>Action Point Summary</th>
<th>Milestones</th>
<th>Monitoring process</th>
<th>Area Lead progress update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summarise the Action that needs to be undertaken</td>
<td>Add key milestones and dates (where possible)</td>
<td>Note how you will monitor progress</td>
<td>To be completed on a quarterly basis</td>
</tr>
</tbody>
</table>
| 1. D2N2 is to conclude its review of Governance ensuring that the arrangements allow local stakeholders to be enfranchised. | • The ToR for each of the boards agreed at the March 2019 LEP Board Meeting.  

• First meetings of the new Board structures to take place in May 2019. | • D2N2 to inform Government CLGU of the new governance structures being utilised through LEP Board papers.  

• Invitation to CLGU to attend each Board. | • ToR and new governance structure approved at meeting of Board in March 2019  

• Inaugural meetings of new groups underway and the cycle of future meetings in place |
| 2. Board diversity and attendance to be continually progressed | • D2N2 Board in March 2019 agreed the revised articles of association which included provision on attendance and that no substitutes are allowed.  

• Board to ratify new members. | • D2N2 informing government CLGU of the changes through the LEP Board meetings and regular local team catch up meetings.  

• D2N2 to formally record non-attendance of Board members within meeting minutes. | • Articles of Association formally agreed (including provision on attendance) and new Board members ratified at meeting in March 2019  

• D2N2 company incorporated by 01/04/19  

• LEP Board recruitment for a private sector member is currently underway  

• Board induction and training sessions in place – extended to public sector members |
| 3. LEP D2N2 to approve the new revised LAF | • D2N2 Board reviewed and approved the revised LAF which conforms with the requirements of the revised National Assurance Framework at the March 2019 LEP Board.  
  
  • New LAF published on D2N2 website by 1 April 2019. | • LEP D2N2 informing government CLGU of the changes through the LEP Board meetings and regular local team catch up meetings. | • March 2019 Board papers confirm approval of LAF  
  
  • Milestone met - LAF published on website by 01/04/19  
  
  • Amendments made in line with May 2019 compliance checks within specified deadline |
|---|---|---|---|
| 4. Completion of the revised LEP D2N2 website which provides easily accessible information about the work of the LEP and its governance structures | • D2N2 will complete the website review and update by August 2019 ensuring all National Assurance Framework requirements are fully met.  
  
  • Website information will be kept regularly updated; specifically, information relating to government funded projects | • D2N2 to inform CLGU of progress against website action plan and compliance with NAF.  
  
  • Website information will be kept regularly updated; specifically, information relating to government funded projects | • Milestone delayed – website refresh now underway; replacing the LEP, TA, and Schools platforms. A supplier (“WeAreFramework” – based in Nottingham) has been appointed  
  
  • In the meantime the existing LEP website will be updated and maintained in line with NAF requirements |
| 5. D2N2 to keep CLGU informed of the progress with regards to LEP resourcing | • April begin work to review D2N2 capacity. Process to be overseen by the Board Nominations and Renumeration Committee. | • D2N2 informing CLGU of progress through regular catch up meetings. | • The LEP has concluded its staff review and its new structure is agreed. The LEP continues to fill vacant positions. The new website will include a “meet the team” section to ensure transparency of roles and responsibilities |
### Progress record for 2018 Annual Performance Review

#### Strategy Related Action Points

**Last Review Date** – 26 September 2019

<table>
<thead>
<tr>
<th>Action Point summary</th>
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<td><strong>Add key milestones and dates (where possible)</strong></td>
<td><strong>Note how you will monitor progress</strong></td>
<td><strong>To be completed on a quarterly basis</strong></td>
</tr>
</tbody>
</table>
| 1. Development and completion of the Local Industrial Strategy ensuring its harmonisation with other local strategies. | • D2N2 officers to continue to work with CLGU to ensure Area Lead is well sighted on developing plans to enable planned and meaningful engagement with Govt to test thinking and development throughout co-design process.  
  
• D2N2 to submit a draft Local Industrial Strategy to Government by November 2019 at the latest. | • D2N2 will engage regularly (at least monthly) with the CLGU Area Lead throughout the development of the Local Industrial Strategy. | • Work-ongoing – Area Lead fully engaged with development process. The LEP is now working to a December 2019 timeframe for submission of its draft LIS |
2. D2N2 to maintain its proactive approach to collaboration with neighbouring LEPs and the Midlands Engine across sectors and spatial interventions e.g. HS2. Maintenance of collaborative relationships within and cross-LEP

<p>| | | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>• D2N2 will continue to engage with neighbouring LEPs including through the Midlands Engine as well as with Sheffield City Region in the development of its LIS and specifically with SCR on a collaboration agreement for the overlap areas.</td>
<td>• Regular updates will be provided to the CLGU Area Lead.</td>
<td>• At its September 2019 meeting the LEP Board approved the Draft Collaboration Framework with SCR LEP for formal submission to Government following SCR Board’s approval (on the agenda for their next board meeting on 4 November 2019)</td>
</tr>
</tbody>
</table>

3. D2N2 will evaluate its current programmes and interventions made to date in line with the Strategic Economic Plan.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• D2N2 will work to put together an evaluation tender by May 2019.</td>
<td>• Regular updates with CLGU Area Lead throughout the production of the Local Industrial Strategy</td>
<td>• Focus Consultants Ltd have been appointed to undertake an investment evaluation and will investigate impacts alongside a thematic evaluation of the programme. The report will be presented to the January 2020 Investment Board after a full round of consultation with the relevant stakeholder partners</td>
</tr>
</tbody>
</table>

• Evidence from the previous programmes gathered summer 2019 to inform the preparation of the LIS.
1 Introduction

This paper provides an update on the performance of the D2N2 Capital Programme including the Local Growth Fund, Growing Places Fund and Enterprise Zones. The paper details the latest updates of all programmes as presented to 30 September, 2019 Investment Board meeting.

2 Recommendation

The LEP Board are asked to NOTE this paper:

3 Local Growth Fund (LGF)

3.1 Performance Update

Given the increased focus on performance on the back of the annual performance review we have agreed and set milestones with government to track performance of the programme and ensure that we deliver the targets for 2019/20. The new targets include the use of underspend from previous years.

We are confident that we are making good progress in achieving the targets set and will continue to monitor and track performance through the Investment Board.

A full review of the programme and in particular projects yet to be formally approved was undertaken by the Investment Board at its meeting on 30 September, 2019.

The Financial Milestones agreed for this year are:

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>Total 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milestone target</td>
<td>£8M</td>
<td>£10M</td>
<td>£10M</td>
<td>£12M</td>
<td>£40M</td>
</tr>
<tr>
<td>Actual spend</td>
<td>£8.4M</td>
<td>£15.8M</td>
<td></td>
<td></td>
<td>£24.2M</td>
</tr>
<tr>
<td>achieved to date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forecast spend</td>
<td>£8.4M</td>
<td>£15.8M</td>
<td>£10M</td>
<td>£18M</td>
<td>£46M</td>
</tr>
</tbody>
</table>
The LEP and Accountable Body have worked with all projects to agree quarterly profiles to monitor ongoing progress.

The annual forecast of project spend currently stands at £46.39m. As of this date, D2N2 has released £24.2m as part of the Quarter 1 and 2 payments to projects and recorded £20.8m of actual expenditure.

The output targets to be achieved by the 31/09/19 are:

<table>
<thead>
<tr>
<th></th>
<th>Target 31/09/19</th>
<th>Achieved by 31/09/19</th>
<th>Full Year Forecast 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created</td>
<td>300</td>
<td>124</td>
<td>1,396</td>
</tr>
<tr>
<td>Learners</td>
<td>500</td>
<td>350</td>
<td>480</td>
</tr>
</tbody>
</table>

One of the milestones we have not met is in relation to delivery against output targets. Whilst overall we have made strong progress on outputs delivered to date, we recognise that this is a current challenge within our programme and represents a key risk to our ongoing performance. Therefore, we are working with individual projects that are not performing against their output targets to review progress and bring forward mitigation action to the next Investment Board.

D2N2 will continue to monitor the projected spend and outputs of projects quarterly against actuals to ensure that the LEP reaches its end of year targets and will highlight any risks to achieving the performance targets to both the Investment Board and main Board.

A programme overview with a RAG rating on progress and performance is included as Appendix A to this paper, with a specific highlight on the two high risk projects within the programme.

Three projects were approved at the September Investment Board:

1. **Derby New Assembly Rooms** - £4.48m towards the redevelopment of the Assembly Rooms following fire damage. The project will reinvent the performance space and offer placemaking benefits to Derby City Centre, increasing the amount of visitors to the city, footfall and enhancing the night time economy.

2. **A61 Standard Gauge for Sustainable Travel** - £1.69m of LGF towards improvements to local highways infrastructure to enable safer and more efficient sustainable transport options to the A61 whilst helping to improve its resilience following large increases in housing and employment space along the corridor.

3. **A61 21st Century Transport Corridor** - £3m contribution towards an Intelligent Transport System that increases both the capacity and efficiency of the A61 once again working to mitigate any potential negative impacts of the Housing and employment development in the locality.

### 3.2. Local Growth Fund Evaluation

In line with the recommendations of the D2N2 Improvement Plan we have commissioned an independent assessment of the Local Growth Fund. This exercise is being undertaken to review the impact of the programme and projects across the Local Growth Fund programme as well as to inform any future funding calls that may come forward such as the UK Shared Prosperity Fund.

After a competitive tendering exercise, Focus Consultants have been commissioned to begin the work and will progress through the work in the following months, presenting their eventual findings to the Investment Board.
3.3 Local Growth Fund Pipeline

As the Local Growth Funding is drawing to a close, all of the £250m allocated to D2N2 through the three funding rounds needs to be fully committed and spent by March 2021 or the LEP risks having to return the unspent funding to the Government.

In order to prepare for any possible underspend which needs to be utilised, we announced a call for both short- and medium-term projects to come forward and be assessed for potential funding. We received a combination of 26 short term projects for spend by March 2021 and 32 Medium term projects for investment between 2021-2025.

All the projects have been independently scored and verified by Thomas Lister Regeneration specialists and will be presented to the Investment Board on 7 January, 2020 for review.

The main focus will be on the short-term projects should any of the existing projects in the Local Growth Fund programme not be able to spend or deliver outputs before March 2021. The LEP Team are working through submissions with prospective project sponsors to ensure that projects are able to deliver should they be called upon.

In relation to the medium term projects the Investment Board will be provided with an overview of the schemes that have come forward with a view to agreeing how these should be taken forward.

3.4 Gedling Access Road Approval

Due to the General Election being called for 12 December, 2019, the meeting the meeting of the Investment Board on 29 November, 2019 was cancelled. The Gedling Access Road project will now be presented to the LEP Board as a separate item at this meeting.

3.5 Local Growth Fund Scrutiny Committee

In line with the requirements of the National Assurance Framework, D2N2’s Accountable Body have created a scrutiny working group to look at the Delivery of the Local Growth Fund programme.

The first meeting of the group took place on 1 December, 2019 and was opened out to all of the 19 Local Authorities to attend. The group will continue to scrutinise the LEPs delivery of the LGF over the remainder of the programme.

4 Growing Places Fund (GPF)

4.1 GPF overview

To date, 8 loans have been approved totalling £11,093,000 from rounds 1 and 2. One project is currently under review from round 3 of the Growing Places Fund and is working through the external due diligence process to bring forward a funding decision to the November meeting. The Guildhall project has been removed from the due diligence process due to a lack of response from the promoter, the promoter has now been informed of the removal from the pipeline and their potential allocation will be returned to the unallocated section of the Growing Places Fund.

A summary of the overall funding position is set out below:
<table>
<thead>
<tr>
<th>D2N2 Capital Allocation</th>
<th>£24,348,668</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td></td>
</tr>
<tr>
<td>Boots NEZ</td>
<td>-£5,000,000</td>
</tr>
<tr>
<td>Prometheus</td>
<td>-£240,000</td>
</tr>
<tr>
<td>Derby Magistrates Court</td>
<td>-£515,000</td>
</tr>
<tr>
<td>Castleward</td>
<td>-£850,000</td>
</tr>
<tr>
<td>DSF Pipeline</td>
<td>-£2,150,000</td>
</tr>
<tr>
<td>LIME House</td>
<td>-£180,000</td>
</tr>
<tr>
<td>Medicity</td>
<td>-£600,000</td>
</tr>
<tr>
<td>Marble Hall</td>
<td>-£1,500,000</td>
</tr>
<tr>
<td>Total</td>
<td>-£11,035,000</td>
</tr>
<tr>
<td>Funds Unallocated</td>
<td>£13,311,668</td>
</tr>
<tr>
<td>Funds Returned (Principal)</td>
<td>£884,023</td>
</tr>
<tr>
<td>Subtotal</td>
<td>£14,197,691</td>
</tr>
<tr>
<td>Projects under review</td>
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<tr>
<td>J26</td>
<td>£2,000,000</td>
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<td>Total available</td>
<td>£12,197,691</td>
</tr>
<tr>
<td>Interest Available</td>
<td>£607,047</td>
</tr>
</tbody>
</table>

### 4.2 GPF Review

Blue Sky Corporate Finance have been commissioned to undertake a review of the existing finance available through the Growing Places Fund and present new potential products to the LEP which would be alternatives to utilise the remainder of this funding. Blue Sky have consulted with various stakeholders across the area including lead council officers, place marketing organisations, business membership organisations and key local businesses to inform the emerging options.

Following the conclusion of this process a set of options and final outcomes will be delivered to the Investment Board to decide future steps for the fund.

### 5 Enterprise Zones

#### 5.1 Enterprise Zone Review

D2N2 has commissioned Cushman and Wakefield (C&W) to undertake a review of the Enterprise Zones to date as well as a forward looking perspective of potential growth in the sites. C&W will present the initial findings of the review to the Place Board in January and will continue to work towards a finalised report following any feedback on the draft from this point.

The finalised report is anticipated to be presented to the LEP Board at a future date.
5.2 Enterprise Zones Sites Update

- **Boots EZ** – Work has begun on the NTU MTIF Centre which was part funded by the Local Growth Fund. The project will create new floorspace for Medical Technology companies to grow and develop and is expected to be completed in Q3 2020.

- **Nottingham Science Park** – Work is continuing to progress on the Elizabeth Garrett Anderson building as funded through the Building Foundations for Growth Fund. The building is expected to open in Q1 2020.

- **Infinity Park Derby** – Derby City Council and developer partners are working with various live enquiries who have an interest in developing on the site. D2N2 and Derby City are working together to facilitate new developments where possible and are organising a workshop with partners to discuss how to accelerate future pipeline developments.

- **Beeston Business Park** – The site is continuing to progress with new units being developed and a new occupier is moving to the site creating over 100 new jobs.
## Appendix A High Risk Projects

Two projects remain on the high risk register as part of the programme overview, these projects are:

<table>
<thead>
<tr>
<th>Project</th>
<th>Why is this high risk?</th>
<th>Mitigation</th>
<th>LGF Amount</th>
<th>Action for IB</th>
</tr>
</thead>
</table>
| A61 Corridor Derbyshire County Council | Delays in the submission of the project’s business case have led to multiple phases not delivering against projected spend.                                                                                         | The promoter has provided previous updates to the IIB on progress and has had approval for a Pre-Compliance Agreement to support the development of the full corridor development.  

The IIB formally replaced the Whittington Moor element of the programme at the February IIB with a new project at Clowne.  

The project will now be monitored against the milestones provided for each element at the March meeting of the IIB. | £15.64M    | The Investment Board will continue to monitor the progress of the delivery of various elements for the project.  

The Investment Board approved two further projects at the September meeting.  

The delivery of the Clowne North phase is expected for the January meeting and the remaining phases in March. |
| Newark Southern Link Road Newark and Sherwood District Council | This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.  

The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England alongside D2N2 to look for potential solutions to the issue. The project is undergoing a financial review of the viability of the project and Homes England are assessing the ask to the site. | £7M        | The LEP continue to meet with the project promoter alongside other partners. A full update on the project is expected in January 2020. |
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>LGF Award (£m)</th>
<th>Approval Status</th>
<th>LGF Expenditure to be achieved in 2019/20 FY</th>
<th>LGF Expenditure being achieved before March 2021</th>
<th>Scheme Delivery not in line with project plan</th>
<th>Output Delivery not in line with agreed profile</th>
<th>Other Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chesterfield Centre for Higher Level Skills</td>
<td>University of Derby</td>
<td>3.48</td>
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<td>Project Open - Outputs being monitored</td>
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<tr>
<td>Vision University Centre</td>
<td>West Notts College</td>
<td>2.61</td>
<td>Approved</td>
<td></td>
<td></td>
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<td></td>
<td>High Risk - Project is not delivering against anticipated output targets. An output review will be provided at the January Investment Board</td>
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<tr>
<td>Bioscience Expansion</td>
<td>Nottingham City Council</td>
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<td>High Risk - Project is not delivering against anticipated output targets and funding remains to be determined for the conclusion of the road. See the above high risk table for further details.</td>
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<td>2019/20 Funding</td>
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<td>Scheme Delivery not in line with project plan</td>
<td>Output Delivery not in line with agreed profile</td>
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<td>Castleward</td>
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<td>Project Name</td>
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<td>Output Delivery not in line with agreed profile</td>
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<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
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</tbody>
</table>

- **Achieved / On Track**
- **Medium Risk / Manageable Risk**
- **High Risk / Behind Schedule**
1 Introduction

This paper seeks an approval of Local Growth Funding for the Gedling Access Road (GAR) project.

The project is being directly presented to the LEP Board due to the postponement of the 29 November, 2019 Investment Board Meeting, in order to ensure that the project can start on site in January in line with its construction timetable.

2 Recommendation

The LEP Board are recommended to approve £10.8m of Local Growth Funding for the Gedling Access Road Project.

A full business case has been submitted and reviewed which complies in full with the Local Assurance Framework.

3 Project Overview

The applicant for the project is Nottinghamshire County Council as the transport authority for the area.

The primary objective of the project is to provide infrastructure to unlock a mixed residential and employment redevelopment comprising up to 1050 dwellings and 6 hectares of employment use, along with community facilities.

The employment land comprises of 4,500m² of B1 use classes and 18,000m² of B2 light industrial use classes which will support the creation of up to 200 jobs.

Without the infrastructure work being implemented this key strategic development site in Gedling, Nottinghamshire, would not be able to come to forward and deliver the housing and employment targets for the area.

The second objective of the GAR is to provide a 'bypass' link to the east of Gedling, and consequently Nottingham City Centre. The construction of GAR will have positive impacts on the transport network by improving connectivity of the local road network and reducing traffic congestion in Gedling village. The current networks are either at, or nearing capacity and therefore does not provide certainty or reliability for the people or businesses in the area.
The proposed scheme involves constructing a 3.8km long access road, located 6km east of Nottingham City Centre.

The Gedling Access Road (GAR) follows a southern route from a new junction with the B684 Mapperley Plains, running parallel with the A6211 Arnold Lane, through the centre of the former Gedling Colliery site to the east of which is the Gedling Country Park. The route terminates at a new junction created with the A612 Trent Valley Road, Gelding. The scheme will incorporate seven key junctions along its length to integrate the new road with the existing highway network and provide accesses to the proposed former Gedling Colliery mixed use redevelopment.

The Local Growth Fund contribution is part of an overall package of funding which is set out below:

<table>
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<tr>
<th>Funding Source</th>
<th>TOTAL</th>
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<tr>
<td>Home and Community Agency</td>
<td>£7,170,000</td>
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<td>Nottinghamshire County Council</td>
<td>£5,400,000</td>
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<tr>
<td>LGF</td>
<td>£10,800,000</td>
</tr>
<tr>
<td>Keepmoat Homes/CIL</td>
<td>£17,000,000</td>
</tr>
<tr>
<td>S106</td>
<td>£529,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£40,899,000</strong></td>
</tr>
</tbody>
</table>

4 Approvals

All necessary approvals are in place for the scheme to be delivered which include:

- Planning Permission was approved in February 2015.
- The Compulsory Purchase Order and Side Roads Order were confirmed by the Secretary of State for Transport on 8 October, 2019.
- The County Council’s Finance and Property Committee approved the schemes budget and acceptance of any cost overruns on 4 July, 2019.

5 Procurement

Through the Midlands Highways Alliance’s Medium Schemes Framework, Balfour Beatty have been selected as the contractor to deliver the GAR. Approval to enter into contract with Balfour Beatty was obtained at the County Council’s Communities and Place Committee meeting on 4 July, 2019 and the contract started on 15 July, 2019.

The contract is defined in two stages, the first being the preconstruction and the second which is construction, further approval is required through the County Councils Communities and Planning Committee to progress to the second stage, this was approved at the meeting on 5 December, 2019.
6  State Aid
We have confirmation that the project complies with State Aid regulations.

7  Business Case
An Outline Business Case for the project was approved on 18 May, 2016. £500,000 was approved as pre-compliance funding on 5 December, 2017. This funding contributed towards the early project development and was provided at risk to the applicant and subject to the approval of a final business case.

The business case has been reviewed by D2N2 and Derbyshire County Council as the Accountable Body. In addition, an independent Value for Money assessment has also been completed by Hatch Regeneris which has confirmed that the benefit cost ration of the scheme is 2.7 which constitutes strong value for money.

8  Delivery Programme
The delivery timetable for the scheme is set out below:

- Pre-construction works July 2019-December 2019
- Construction works January 2019-September 2021

9  Outputs and Outcomes
Through the intervention the project will create:

- 200 jobs
- 1050 dwellings
- 3.8km new road

10  Spending Profile
The profile of expenditure of the Local Growth Fund is as follows

- 17/18  £500,000 (pre-compliance funding approved by the IIB)
- 19/20  £1,800,000
- 20/21  £8,500,000

11  Local Assurance Framework
An outline business case was approved in May 2016 and a Full Business Case has now been submitted in line with the approval process set out within the Local Assurance Framework.

The Accountable Body and D2N2 have assessed the Full Business Case submission and confirm that the scheme fully complies with the requirements of the Local Assurance Framework.

12. Recommendation
The LEP Board are asked to approve the project and to release the remaining £10,300,000 of LGF.
## Local Assurance Framework

### Final stage Approval Check List:

<p>| | |</p>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>A detailed ‘Green Book’ compliant business case has been completed detailing the project and its alignment to the 5 case model.</td>
</tr>
<tr>
<td>2.</td>
<td>A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of ‘High’.</td>
</tr>
<tr>
<td>3.</td>
<td>Details confirming that all planning consents have been granted and that all pre start conditions have been met.</td>
</tr>
<tr>
<td>4.</td>
<td>Confirmation that any Section 106 or other agreements have been entered into.</td>
</tr>
<tr>
<td>5.</td>
<td>Confirmation of the results of the procurement exercise detailing:</td>
</tr>
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<td>- the tenders received (along with detailed costs)</td>
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<td>- the tender accepted (along with timescales/conditions)</td>
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<td>6.</td>
<td>Details of the construction contract to be entered into by the promoter detailing:</td>
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<td>- start date</td>
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<td>- completion date</td>
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<td>- liquidated damages/cost over runs</td>
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<td>7.</td>
<td>Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.</td>
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<td>8.</td>
<td>Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</td>
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<td>9.</td>
<td>Details of any outstanding points preventing/delaying the start-up of the construction contract.</td>
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<td>10.</td>
<td>Details of any changes for the project form the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.</td>
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<td>11.</td>
<td>Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.</td>
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<td>12.</td>
<td>Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project.</td>
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<td>13.</td>
<td>A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.</td>
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<td>14.</td>
<td>An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.</td>
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</table>
1. **Introduction**

1.1 This report provides an overview of national, regional and local activity on HS2.

2. **National Context**

2.1 The chairman of HS2 Ltd Allan Cook published his ‘stocktake’ on the progress of the project on the 3rd September 2019. He report confirmed that:

- The cost of Phase 1 (London to Birmingham) will rise from £27 billion to £36–£38 billion, and will be completed between 2028-31 – rather than by 2026.
- Phase 2a (Birmingham to Crewe) should be incorporated into Phase 1, and costs will rise from £3.5 billion to £3.6-4.0 billion.
- The coast of Phase 2b (Crewe to Manchester & Birmingham to Leeds via the EM) will rise from 28.6 billion to £32-£36 billion and will be completed between 2035-2040 rather than by 2033.
- There is an opportunity to look at delivering Phase 2b in smaller sections – linked to the delivery of NPR and Midlands Connect priorities.


2.3 This ‘stocktake’ has fed into a wider review of HS2 commissioned by the Prime Minister which is being led by Douglas Oakervee (a former Chair of HS2 Ltd). Membership of the Panel and full terms of reference for the Review are available at: [https://www.gov.uk/government/publications/hs2-independent-review-terms-of-reference/terms-of-reference-for-the-independent-review-of-hs2](https://www.gov.uk/government/publications/hs2-independent-review-terms-of-reference/terms-of-reference-for-the-independent-review-of-hs2)
2.4 The East Midlands Strategic Board chaired by Cllr Kay Cutts MBE made a submission direct to the Panel summarising the evidence base underpinning the East Midlands HS2 Growth Strategy, and making the wider economic base for delivery of the Eastern Leg of HS2. The submission is available on the EMC web-site.

2.5 The East Midlands submission complemented a wider strategic response by Midlands Connect and place-based submissions from the West Midlands Combined and the Constellation Partnership (Crewe, Stoke and Staffordshire). Transport for the East Midlands (TfEM) have written in support of the East Midlands submission, as have a number of MPs.

2.6 Cllr Kay Cutts MBE and Cllr Tish Gilby as Chair of the Chesterfield & Staveley Delivery Board met Douglas Oakervee along with Sir John Peace in the East Midlands on the 25th September 2019 to discuss the regions HS2 proposition and evidence base.

2.7 The Oakervee Report’s conclusions has been subject to extensive press speculation but will now not be published until after the General Election.

3. **Connectivity to the HS2 Hub Station at Toton**

**Local Connectivity**

3.1 Local connectivity to Hub Station and Innovation Campus from the surrounding communities of Toton, Stapleford and Long Eaton will be a key to ensuring that the development is acceptable to local communities and addresses existing severance and congestion issues.

3.2 The Toton Delivery Board met on the 11th September 2019 and considered the emerging masterplan for the Hub Station and surrounding area, which includes provision for the following local connectivity interventions:

- Pedestrian and cycleway links across the site;
- Local Highway access from Toton Lane (HIF bid proposal);
- Local Highway access from Long Eaton and Stapleford; and
- NET extensions to the Hub Station and Long Eaton (Asda).

**Strategic Connectivity: East Midlands Gateways Connectivity Study**

3.3 The East Midlands HS2 Growth Strategy sets out a comprehensive connectivity strategy based mode/market split. This approach recognises that that Hub Station and Innovation Campus will be served by a variety of modes appropriate to different markets and localities.

3.7 Whilst it will be important to maximise opportunities for access by different forms public transport, cycling, walking, there will still need to be effective road access supported by a proportionate car parking strategy. The challenge is to
set out a mix of interventions that are individually deliverable, operationally viable and collectively add up to more than the sum of their parts.

3.8 As a result, the emerging package of interventions is based around two phases: a package of measures which aim to be in place at around the time the Hub Station opens (‘Day 1’), and a package of longer term measures which will be deliverable after HS2 opens and which can respond to changing patterns of travel demand.

3.9 The initial package of measures is likely to include the following:

- The local connectivity measures set out under paragraph 3.2 above;
- Enhanced local and sub-regional bus strategy;
- Bus Rapid Transit (BRT) from Derby to the Hub Station;
- 4 conventional trains per hour between Derby & Nottingham via the Hub Station (requiring the proposed Trowel Curve);
- Conventional Compatible HS2 Services between Bedford-Leicester-Leeds & Nottingham – Birmingham (requiring the junction within the Hub Station proposed by Midlands Connect);
- New rail service between Mansfield and the Hub Station via Ilkeston and Langley Mill (the Maid Marian Line) – subject to further testing.

3.10 Following further consideration by officers, a final recommended package of ‘Day 1’ and longer term interventions will be presented to the HS2 Executive Board on the 23rd January 2020.

**M1J25 & A52 Access**

3.11 Highways England has been a key partner in the Gateways Study and has made a significant financial contribution to the modelling costs. Although some initial work was carried out on a phased highway solution which is reflected in the East Midlands HS2 Growth Strategy published in 2017, Highways England have lacked the resources to take this proposal any further.

3.12 In addition, it seems unlikely at the present time that Highways England will receive any scheme development funding in RIS2 (2020-25) for M1J25/A52 Access – although this was specifically highlighted by TfEM and Midlands Connect in representations made to Government on priorities for RIS2.

3.13 In the absence of a specific scheme, Highways England have agreed a notional set of outcomes and costs for the purposes of Gateways Study. Although far from ideal, this approach does allow high level SOBCs to be developed for the other elements of the emerging package.

4. **Chesterfield & Staveley**
4.1 The prospect of a HS2 connection at Chesterfield Station is already driving major regeneration of the town centre and adjacent commercial areas. The potential benefits of HS2 for the Chesterfield area include:

- Better connectivity for the one million people already living within 30 minutes of the station;
- 4,740 new homes and 10,220 new jobs;
- £270m net additional GVA; and 176 ha of brownfield land brought back into use; and
- Establishing an international gateway into the Peak District National Park.

4.2 A comprehensive Chesterfield HS2 station master-plan has been developed to provide a framework for public and private investment which will be given statutory weight through incorporation into the adopted Local Plan in 2020.

4.3 A new HS2 Infrastructure Maintenance Depot (IMD) at Staveley will help generate hundreds of new high quality engineering jobs within some of the most deprived communities in England. In the short term, the Depot could also provide a construction base for HS2 to align with the current plans to make the nearby Barrow Hill Roundhouse a rail industry ‘centre of excellence’ linked to the High Speed Rail College and the research and development capabilities of the Universities of Newcastle and Derby.

4.4 The prospect of HS2 co-investing in Staveley is already helping to energise landowners to bring forward a 150 hectare brownfield site, with planning applications already submitted for a new mixed-use housing and employment zone comprising around 1,500 homes and new leisure and commercial development around a revitalised Chesterfield canal.

4.5 Derbyshire County Council has also submitted proposals for the ‘Chesterfield-Staveley Regeneration Route’, which will enable this major development to proceed in parallel with HS2’s investment in the IMD. The road scheme is one of just four that have been prioritised by Midlands Connect in July 2019 for ‘Large Local Majors’ funding from the Department for Transport for the period 2020-25.

4.6 The Chesterfield & Staveley Delivery Board has recently commissioned further technical work to establish the business case for increasing the HS2 service provision at Chesterfield to two stops per hour, and for using the Staveley IMD as a base for the construction of HS2.

5. Recommendation

5.1 Members are asked to consider the issues set out in this report and direct officers accordingly.
1. **INTRODUCTION**

This report provides an update on Markham Vale and the Enterprise Zone.

2. **RECOMMENDATION**

2.1 To note the continuing progress being made on development activities, securing new occupiers and other updates regarding the Enterprise Zone in general.

3. **PROJECT BACKGROUND**

3.1 Markham Vale is Derbyshire County Council’s largest-ever regeneration project which aims to reverse the unemployment and deprivation which followed the closure of the mining and other heavy industry in north east Derbyshire. The 200 acre Markham Vale business park is strategically located in the heart of the UK’s motorway network, located in north east Derbyshire. Covering a total area of 890 acres, some 200 acres is specifically reserved for the business park transforming the area into a major business and industrial location creating 4,100 new jobs and over three million square feet of commercial floor space. The total cost of the project is estimated at £96 million but this will bring in a further £250 million of commercial investment through a significant public – private sector partnership between Derbyshire County Council and Henry Boot Developments Ltd. It involves substantial improvements to the local transport network including a new M1 motorway junction – 29A, new link roads and estate roads, improved bus links, cycle trails and footpaths.

3.2 To date, some 86% of the 200 acres of development land has been prepared for development, whilst 63% or 125 acres have been developed and occupied. Additional acreage of development land is either under offer or is in the process of being developed and further development plots are still to be created.

4. **PROJECT PROGRESS**

4.1 **Markham Vale East**

4.1.1 The three units that had recently been vacated in Waterloo Court are now let; the new occupiers are Victor Marine Ltd, RB1 Electrical Engineering Ltd and Hill Speed Motor Engineering Ltd.

4.1.2 Square One Brew House, a start-up business specialising in brewing craft beers has recently moved in to a unit at the Environment Centre.

4.1.3 Construction has recently started on a new HGV maintenance facility on a 1.6 acre plot for Transcare Ltd. This will be the third site that the Derbyshire based
fleet management company operate. When operational this new facility will create between 5 and 10 new jobs.

4.1.4 On Plot 5 South, Priority Space Ltd have secured a purchaser for their 15,000 sq. ft. factory and office unit. Details of the purchaser will be announced shortly.

4.1.5 The remaining part of Plot 9a is included within the Innovation Park Study area centered on the former Coalite site, although it continues to be marketed for development.

4.1.6 On Plot 2, the former Andrew Page Ltd building continues to be marketed by its owners; they have recently advised that a number of enquiries have recently been received.

4.1.7 Funding proposals are being developed to complete the construction of a route to work cycle path as part of an outstanding planning condition.

4.2 Markham Vale West

4.2.1 In November, Henry Boot Developments Ltd completed the construction of MV55, a 55,000 sq. ft. speculative factory unit on Plot 6 East fronting on to the M1 motorway. Marketing is underway.

4.2.2 A design review of Plot 6 West has concluded that an additional area could be released for development thereby creating a slightly larger plot. The earthworks design is currently underway with the aim of commencing works in early 2020.

4.2.3 Discussions continue with a major employer for a new office/workshop development on Plot 7 West.

4.2.4 Negotiations with two prospective occupiers are close to being concluded for two small plots within the ancillary retail area of Plot 7 East.

4.3 Markham Vale North

4.3.1 Derbyshire based Bowmer and Kirkland completed the construction of a new building on the remaining part of Plot 13. The 52,500 sq. ft. building was handed over to the client Protec International in November. This is an additional facility for the Sheffield based company and the development includes an option to construct a further 50,000 sq. ft. manufacturing facility as the business continues to grow.

4.3.2 Contracts have been exchanged for the sale of Plot 15 for a speculative development comprising two factory buildings with associated office space; one measuring 221,518 sq. ft. and a second one measuring 75,500 sq. ft.

4.3.3 Terms have been agreed with an existing occupier for a narrow strip of landed adjacent to their existing premises to enable the company to continue with their growth plans.

4.3.4 The construction of an extension to the Seymour Link Road was completed in December.

5. MARKETING AND WIDER SITE
5.1 Marketing of the development opportunities continues, using a variety of forums and techniques.

5.2 Henry Boot Developments Ltd have agreed to sponsor a number of Destination Chesterfield promoted events during 2020.

5.3 A number of corporate and family sponsors enabled eight figures of the Walking Together Mining Memorial to be unveiled in September, with one additional figure added in November. A number of successful funding and sponsorship bids were successful enabling two further events to be planned for 2020 where between 20 and 25 figures will be installed.

5.4 The Mining Memorial project was formally recognised during the year. At the Derbyshire Heritage Awards held in May, the project was awarded the Best Volunteer Project for the Walking Together installation Highly Commended for Young People in Heritage for The Story Mine project. At the Regional heritage Awards in June, the Walking Together Project was Highly Commended in the ‘Sky’s the Limit’ category.

5.5 Design work continues on a number of outstanding site remediation, plot creation and physical regeneration works; the aim is to complete these works over the next two years subject to securing funding.

5.6 The ‘Grow Your Workforce’ initiative continues to be successfully supported by business looking to recruit at Markham Vale with details of dozens of vacancies posted each month.

5.7 The Environment Centre continues to provide a focus for marketing of the site whilst also providing high quality training and conference facilities which all add to the vibrancy of the business park.