

Item 1.3: CONFIRMED Key Decision/Action Points from Board**D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING**

Friday, 19 May, 2017

Derbyshire County Council, County Hall Matlock DE4 3AG

Chair Peter Richardson
 Minutes Sally Hallam

1. Present and Apologies**D2N2 Board Members in Attendance**

Cllr Barry Lewis	Derbyshire County Council
Andrew Pickin	Business Representative
Cllr Kay Cutts	Nottinghamshire County Council
Cllr Bob Wheeler	S Derbyshire District Council
David Williams	Business Representative
David Williams (Geldards)	Business Representative
Ian Morgan	Business Representative
Cllr Jon Collins	Nottingham City Council
Cllr Ranjit Banwait	Derby City Council
Melanie Ulyatt	Business Representative
Peter Gadsby	Business Representative
Prof Edward Peck	H E Representative
Cllr Roger Blaney	Newark and Sherwood District Council
Dawn Ward	F E Representative
Jane Howson	V C S Representative

Also in attendance

Adrian Smith	Nottinghamshire County Council (sub for CEO)
Chris Henning	Nottingham City Council (sub for CEO)
Ian Stephenson	Chief Executive, Derbyshire County Council
Paul Robinson	Derby City Council
Andrew Muter	Newark and Sherwood District Council
Justin Homer	BEIS (sub for Area Director)

Officer Support

David Ralph	Chief Executive, D2N2 LEP
Matthew Wheatley	Growth Plan Manager
Lindsay Allen	Senior Programme Manager, D2N2 LEP

Observers

Cllr Martin Rawson

Derby City Council

Cllr Tony King
Rachel Quinn

Derbyshire County Council
D2N2 Active Engagement Officer

Apologies

These were received from Frank McArdle and Anthony May, who sent a substitute.

1.1 Welcome and Introductions

The Chair opened the meeting with a welcome to all new members joining Board for the first time and also welcomed Derbyshire County Councillor Tony King, portfolio holder for economic development, who was attending as an observer.

1.2 Declarations of Interest

Cllr Lewis declared an interest as CEO of UK Vineyards Association, whose members may be bidding for funding from the LEP in due course and more generally informed the committee of his role as Office Manager for one of the East Midlands MEPs.

1.2 Minutes of last meeting and matters arising

The Minutes of the meeting held on 10 March, 2017 were approved as a true record.

On matters arising, David Ralph confirmed that allocations for LGF 3 had been circulated as required. These were not yet in the public domain due to purdah, but had been agreed.

On HS2, DR confirmed that a working group had now been set up of DfT/Highways England/Network Rail to look at high-level shared issues.

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

2. Updates for Information

2.1 Chair's Report

The Chair introduced a report updating Members on Business Engagement, D2N2's response to the Industrial Strategy consultation, the D2N2 review and next steps for Midlands Engine.

On business engagement, Andrew Pickin gave a verbal update to the group.

He reported that, despite uncertainties due to the forthcoming election and perceived risks associated with a hard Brexit, a presentation to the Growth Hub by the FSB had noted significant business confidence in the first quarter of 2017 from businesses in this area compared to others in the country. This was due in part to high export intentions and the availability of credit. Challenges remained over operating costs and finding suitably skilled staff.

Comments offered by Board in response included concerns over weak productivity and the view that, whilst a number of organisations such as CBI, FSB and East Midlands Chamber put forward business perspectives in the appropriate forums, there was no one single 'business voice' speaking for all.

Scott Knowles of EM Chamber indicated that Chamber worked collaboratively with both CBI and FSB and met quarterly with BEIS, albeit informally.

DR drew attention to the copy of the D2N2 response to the Industrial Strategy consultation that had been included for information with the papers. He corrected a typographical error – there were 4 sites within Nottingham Enterprise Zone, not 3.

David Williams (Geldards) gave an update on initial work undertaken on his D2N2 review, confirming that he still had to meet with some consultees. It had become apparent to him that a more detailed review to give greater credibility would be of more use and could include outcomes resulting from the general election such as any changes that were made to the Industrial Strategy. He proposed involving outside consultants and sought approval from Board to complete this work, with a view to producing a report for the September meeting instead of the next one in July. Ball park figures for cost were up to £20,000.

On next steps for the Midlands Engine, DR confirmed that he had recently chaired the Midlands Engine task force workshop to collate responses to the ME Strategy. A formal response would be submitted by the end of June following sign-off by the ME supervisory Board.

For Nottingham City Council, Chris Henning informed the committee that a £4m budget over 2 years for Midlands Engine had been agreed. Governance work was under way and it was intended to appoint a small team, including Programme Director, by the end of the summer.

In a short general discussion, concerns were voiced that government focus and support towards the new West Midlands Mayor may mean that without careful attention the East Midlands may be marginalised.

Board **NOTED** the report.

Board **AGREED** to progress the appointment of consultants to supplement review work undertaken by DW (Geldards).

ACTION: DW (Geldards) to liaise with DR.

3. Items for Decision

3.1 Chief Executive's Report

David Ralph presented a report to Board including the Local Growth Fund Annual Accounts, measures to challenge poor project performance – particularly in the context of over-programming and thirdly, reporting on the SEP refresh.

DR referred to the accounts for LGF, which showed a full draw down of funding for the second year in a row. He reminded the committee that £500m worth of public money passed through the LEP, which was a sizeable responsibility and brought inevitable challenges to spending wisely. It had become apparent that many projects were falling

significantly behind the agreed timelines set out in their initial proposal or agreed Stage 1 or 2 business case.

Board was advised that a more rigorous business case approval process that had been produced by the liB Officer Group, so that more detailed and accurate information would be required earlier in the decision-making process.

Cllr Collins welcomed initiatives to rule out risky projects that had little chance of completion so that money could be made potentially available to others. A degree of over-programming was in his view inevitable, as drop-outs occurred from time to time regardless of process.

DR also drew attention to the ongoing need to appoint to the programme management of the LGF programme, which had been operating for the last 6 months under interim arrangements with junior Accountable Body (AB) and LEP staff shouldering the burden of responsibility.

On the SEP refresh, Matthew Wheatley updated Board on activity so far to obtain evidence for the review, highlighting current gaps in infrastructure, housing and regeneration as well as in innovation. He asked Board to agree to the use of external consultant support to obtain this information.

Board **NOTED** the proposals to address slippage and weak project performance (particularly in the LGF programme). This would be considered further by liB
Board **AGREED** to implement additional LGF resource as set out in the D2N2 Business Plan
Board **NOTED** the update on the SEP refresh.

4. Standing Items – Updates

4.1 Skills

Melanie Ulyatt introduced an update report on Skills work currently being undertaken.

The Skills and Employment Strategy had been redrafted in light of local authority comments. The Skills and Employment Commission would reconvene in July and it was hoped that plans for moving forward the SGS would be presented to it.

There was funding for one Institute of Technology per LEP area and bids would be looked at carefully to identify a good provider.

MU also drew Board's attention to the 14-month pilot scheme for a Skills Portal. It was noted that tying in apprenticeships to business had been a longstanding challenge and this new facility would be a one-stop shop for skills bringing together students and employers in one digital platform. The portal had been endorsed by the Growth Hub Project Board, but required further clarity on the procurement process and key outcomes.

Board **NOTED** the report.

4.2 D2N2 Business Growth Hub Update Report

David Williams updated the meeting on progress with the Growth Hub, highlighting 4,101 interventions to date and an 88% satisfaction rating from the second customer satisfaction survey. He asked that those responsible for Growth Hub staff pass on thanks for helping to produce these good results.

Chris Pook had been appointed to be the new Growth Hub Manager and would take up his new job in June. Development going forward would focus on how the Hub should move on beyond signposting.

DW underlined the crucial role that skills would play in growing businesses and paid tribute to the work put in by Melanie Ulyatt on this.

Board **NOTED** the developments with Growth Hub in the Operational Activity report.

4.3 (i) and (ii) Enterprise Zone Nottingham and Derby

Peter Gadsby introduced an update report covering progress in the Enterprise Zone and invited any comments from Board.

Board **NOTED** the report.

4.3 (iii) EZ Markham Vale

Ian Stephenson presented a report updating Board on continued progress with Markham Vale and the Enterprise Zone in general.

Board **NOTED** the strong progress being made on infrastructure and development.

4.4 GPF Report Capital Projects

Cllr Collins presented a report updating Board on the status of the Growing Places Fund (GPF) programme.

He reiterated the previously reported need to consider alternative uses for funding than loans which were not attractive to borrowers.

David Ralph reported that Price Waterhouse Coopers had been asked to produce an options paper which would come back to Board in due course.

Board **NOTED:**

- (i) the status of projects including due diligence,
- (ii) the requests for deferment of loan repayments, and
- (iii) the GPF review being undertaken.

4.5 HS2 Update Report

David Ralph presented a report updating Board on the development of the East Midlands HS2 Growth Strategy. He confirmed that the Growth Strategy would be submitted in July, 2017 setting out an economic model for achieving the Hub station at Toton, as well as development of Chesterfield station and the Staveley Depot. Further work would be undertaken to look at aspects of development including infrastructure connectivity.

Board **ENDORSED** progress on the development and delivery of the HS2 East Midlands Growth Strategy.

4.6 Infrastructure and Investment Board

Ian Stephenson spoke briefly to the Infrastructure and Investment Board update report, informing the group that one project, namely the Skills Hub remained high risk pending receipt of a full stage 2 business case.

The requirement for a stronger management role of the liB and AB had been picked up and Board's attention was drawn to revised Terms of Reference outlined on page 3 of the report.

Board **NOTED** the budget update and **NOTED** the update on LGF3.

Board **APPROVED** Phase 2 of the A46 Corridor ad Derby Cycling and Placemaking projects.

Board **NOTED** the change in Terms of Reference

Board **RECEIVED** an update on the Skills Hub and **RECEIVED** updates on all projects.

Item 4.6 (a) liB Report – Midland Mainline

Board considered a confidential report on the Midland Mainline project.

Board **AGREED** to release £5m funding to LLEP for the Midland Mainline project.

5. Any Other Business

None.

6. Date of next meeting

Wednesday, 12 July, 2017 (11.00 am – 1.00pm)

Venue: Edwinstowe