D2N2 LEP BOARD

Friday, 20 January, 2017
9.30am – 10.15am Midlands Connect Strategy presentation followed by
10.15am – 12.00pm main Board agenda

Ground Floor meeting room
Nottingham City Council, Loxley House, Station Street, Nottingham NG2 3NG
D2N2 LEP BOARD

Friday, 20 January, 2017 10.15 am – 12.00pm
Nottingham City Council, Loxley House, Station Street, Nottingham NG2 3NG

The meeting will be preceded by a 45-minute presentation on Midlands Connect Strategy from 9.30am. This presentation and associated Board papers – within the Chair's report, at Appendix 1a and 1b – are an exempt item under the Local Government (Access to Information) Act.

1. Preliminaries
   1.1 Welcome and Introductions Verbal 10.15
   1.2 Declarations of Interest Verbal 10.20
   1.3 Minutes of last meeting and matters arising Paper 10.25

2. Updates for Information
   2.1 Chair’s Report, including: Peter Richardson Paper 10.30
      (i) Midlands Connect – Strategy and Midlands Engine update (app.1a draft full strategy cover report and app.1b draft MC full strategy)
      (ii) Media Coverage Report (appendix 2)

3. Items for Decision
   3.1 Chief Executive’s Report, including: David Ralph Paper 10.45
      (i) Accountability and Transparency Next Steps:
         LEP Assurance Framework (app.1) Proposed Changes (app.2)
      (ii) 2017/18 Business Planning Workshop

4. Standing Items – Updates
   4.1 Skills update inc. Area-Based Review Melanie Ulyatt Verbal 11.10
   4.2 D2N2 Business Growth Hub Update Report Including 3 appendices: David Williams Paper 11.25
4.3 D2N2 Enterprise Zone

(i) and (ii) Nottingham and Derby
(iii) Markham Vale

Peter Gadsby Paper 11.35

Cllr Western Paper 11.45

Item 4.4 is an exempt item under Local Government (Access to Information) Act

4.4 GPF Report Capital Projects (plus summary)

Cllr Collins Paper 11.50

4.5 Infrastructure Investment Board Report

Cllr Western Paper 11.55

4.6 HS2 Report (for information)

5. Any other business

6. Date of next meeting: Friday, 10 March 2017
   2.00 pm – 4.00pm (Derby Arena Velodrome)

Tea/coffee will be available on arrival
Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Thursday, 17 November, 2016

iHub, Infinity Park Way, Infinity Park Derby DE24 9FU

Chair Peter Richardson
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Cllr Alan Rhodes  Nottinghamshire County Council
Andrew Pickin  Business Representative
Cllr Anne Western  Derbyshire 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 Martin Rawson  Derby City Council (sub for Cllr Banwait)
Melanie Ulyatt  Business Representative
Peter Gadsby  Business Representative
Prof Edward Peck  H E Representative
Cllr Roger Blaney  Newark and Sherwood District Council
Stuart Cutforth  F E Representative
Sylvia Green  VCS Representative

Also in attendance

Anthony May  Chief Executive, Nottinghamshire County Council
Chris Henning  Nottingham City Council (sub for CEO)
Ian Stephenson  Chief Executive, Derbyshire County Council
Paul Robinson  Chief Executive, Derby City Council
Scott Knowles  Chief Executive, East Midlands Chamber
Rowena Limb  BEIS

Officer Support

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

These were received from Board members Cllr Ranjit Banwait, who sent Cllr Martin Rawson as substitute member; Andrew Muter, Frank McArdle and Ian Curryer who sent Chris Henning as substitute.

Prior to the commencement of the formal meeting, Members listened to an information presentation delivered by Ian Pritchard of Goodman and Simon Ward from Propernomics on the proposed East Midlands Intermodal Park south of Burnaston, Derby near the A50. A short question and answer session followed and David Ralph informed the speakers that he could put them in touch with D2N2’s Logistics sector to liaise going forward on developments.

Action: DR to progress

1.1 Welcome and Introductions

The Chair welcomed all to the start of the formal meeting and extended particular welcome to new member, Stuart Cutforth of Chesterfield College who was attending his first Board in the capacity of F E representative.

1.2 Declarations of Interest

None was received.

1.2 Minutes of last meeting and matters arising

The Minutes of the meeting held on 19 September, 2016 were approved as a true record.

On matters arising, David Ralph informed the group that he had picked up on further VCS involvement in LEP matters concerning devolution. Letters had gone out to Nick Hurd, MP and Sir John Peace, together with correspondence to all local MPs to prompt them to lobby over LEP priorities ahead of the Autumn Statement. Infrastructure project updates, including Coalite would follow under item 4.5. The planned visit to Toton proposed HS2 site had now been earmarked for the spring when weather conditions would possibly be more favourable.

2. Updates for Information

2.1 Chair’s Report

The Chair presented a report updating Members on changes in Board membership following the July AGM, on recent Ministerial/MP meetings and on Devolution next steps.

On Midlands Engine, Chris Henning from Nottingham City Council reported that there had been much activity including a Supervisory Board meeting in Coventry which had also been attended by Cllr Western. The ME team had been working closely with government to put together pan-regional schemes ahead of the Autumn Statement. It was envisaged that whilst specific asks were unlikely to be answered on 23 November, government would show support in the form of requests for further fleshing out of proposals in time for the March 2017 budget.
The Midlands Engine trade mission to China was being seen as a successful exercise in cementing relationships for the future. Further work was being done to set out priorities going forward and Sir John Peace had expressed a desire to meet up with the 10 LEP Chairs.

On Devolution, Anthony May from Nottinghamshire County Council informed the Board that substantial devolution deals would continue to require an Elected Mayor. Locally, it was well known that there was insufficient support for the mayoral model. Instead, it was proposed that a Joint Committee be explored for Nottinghamshire and Derbyshire to consider joint action on significant areas such as transport skills and the use of the public-sector estate. Early proposals would be considered by the 19 Councils over the next few weeks and the LEP would be invited to contribute to these discussions. Anthony would report back to future Board meetings on any significant progress.

David Williams voiced the frustrations spelled out by businesses, many of whom were of the view that the big vision was being used to hide behind whilst longstanding local issues over which there was an element of control were being neglected.

Board NOTED the report.

3. Items for Decision

3.1 Chief Executive’s Report

David Ralph presented a report to Board outlining LEP Finance, KPIs and initial proposals for a SEP refresh and supplemented his written report with a presentation covering a mid-year review of the LEP.

It was noted that overall D2N2 LEP’s delivery in terms of spend was stronger than many other LEPs and this LEP was seen as a good example of one that could prioritise and implement. In terms of an indicative envelope for LGF 3, however, this was a highly competitive process as other LEPs would fight for their share of the pot. For this reason, it was important for our MPs to keep up the pressure by lobbying.

Going forward, there were clear plans for 4 out of the 5 identified priority areas, but recognition of the Government’s agenda on housing needed to be factored in to the revised Business Plan and a greater emphasis on Skills.

DR asked Board to give consideration to whether they wished to get an external perspective on the LEP from consultants and/or to look at operating models from other similar LEPs like New Anglia.

He also raised the possibility of replacing the traditional format of the ‘Away Day’ envisaged for early in the New Year with a workshop at which issues could be explored in greater depth.

The Chair thanked the Chief Executive for the useful mid-year review, which was generally welcomed. In a short discussion following the presentation, the overall view expressed was not in favour of hiring external consultants although use of a workshop to flesh out plans going forward was seen as a good suggestion.
Board **NOTED** the report and **AGREED** to proceed by means of a smaller working group to provide input on producing a new business plan.

**Action:** DR to set up working group.

On the proposed SEP refresh [item 3.1 (iv)], Matthew Wheatley introduced a report setting out a proposed timescale for publication of a revised SEP in time for the AGM in July 2018 and drew attention to suggested key issues for consideration as outlined in Appendix A.

Cllr Collins expressed the view that more than 18 months ahead was too long to wait for publication. Next summer was felt to be more appropriate. Peter Richardson proposed a small group be brought together to provide particular input on the focus of the review and key issues.

Board **AGREED** that a refreshed Strategic Economic Plan should be ready to an earlier timescale. Specific guidance on input and focus for the review would be provided by a small working group of Board members following more detailed consideration of the suggested Key Issues.

**Action:** MW to progress SEP refresh using LEPOG as the officer working group.

**4. Standing Items – Updates**

**4.1 Skills**

Melanie Ulyatt gave a verbal update to Board on work undertaken for the Skills Strategy refresh exercise and confirmed that the Skills Strategy Review would be published in March, 2017, following completion of the Area-based Review that was now under way.

Prof Peck thanked Melanie for the update. He indicated that he had not seen the draft Skills Strategy but expressed the view that it should address how to identify employer demand/need and process. He also stressed the importance of working with sectors who did not have levy in order that smaller ones did not get left behind.

Board **NOTED** the report.

**Action:** NTU and other universities to be provided with a copy of the draft Skills Strategy for discussion and comment.

**4.2 D2N2 Business Growth Hub Update Report**

Board member David Williams introduced a report to Board updating members on Growth Hub operations up to the end of October, 2016.

Both Growth Hub ‘products’ – the core contact and the enhanced local support programme (ERDF) were on track for delivery. David Williams highlighted in particular the celebratory milestone of supporting just over 3,000 businesses, something that would not have been possible without LEP support for the Growth Hub.

Board **RECEIVED and NOTED** the report.

**4.3 (i) and (ii) Nottingham and Derby Enterprise Zone**
Peter Gadsby presented a short update report to the Board covering all sites within the zone. Cllr Collins raised concerns that the funding to progress the Science Park was being delayed for no good reason. He offered to oversee the project to ensure that it met its requirements for value for money to help in its approval.

Board NOTED the report.

Action: DR to discuss with Nottingham City Council the most appropriate appraisal process that meets both the requirements of the funding, value for money and the minimum delay in progressing the project.

4.3 (iii) Markham Vale

Cllr Western presented a report updating Board on continued progress with Markham Vale and the Enterprise Zone in general which, she confirmed, continued to show strong progress.

Board NOTED the report.

4.4 GPF Report Capital Projects

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

Board NOTED the overall progress with projects and APPROVED the delegation of authority to the Sub-Group to approve the Carlton Forest Bid subject to a due diligence process being completed to an appropriate standard.

4.5 Infrastructure and Investment Board

Cllr Western introduced a report updating Board on the September and October Infrastructure and Investment Boards. She referred in particular to the approval granted for the Coalite project and thanked Board member, Peter Gadsby for his professional expertise in challenging the developer.

In respect of Drakelow Park, the developer had attended the IiB on 14 November and had been asked to make a clear submission on how funding was to be achieved, such further particulars to be considered at the December IiB meeting.

The Skills Hub had now achieved in principle revenue funding from the SFA Transaction Unit which enabled them to progress the merger and consequently the go-ahead of the reprioritizing of spend.

Some concern was expressed over the need for consistency of officer support to IiB following the departure of the officer who had been contracted to cover this meeting. Cllr Western thanked David Ralph for stepping in for the interim.
Board RECEIVED the updates on projects and NOTED the approvals of the lIiB to approve the A46 Corridor, Ada Lovelace House, Tudor Cross (former Coalite) and Medicity, pre-compliance funding for A52 Wyvern and Becketwell.

4.6 HS2 Update

DR highlighted the production of the command paper from DfT setting out the proposed revisions to the route for Phase 2B and the publication of the East Midlands Draft HS2 Growth Strategy “Fast Track to Growth” which is available on both the D2N2 and EM Councils’ websites. This had been received well and had resulted in confirmation of the drawdown of a further £625,000 to develop the Growth Strategy further.

6. Any Other Business

None.

7. Date of next meeting

Friday, 20 January, 2017 (10.00am – 12 noon)  
Venue: Loxley House, Nottingham City Council
INTRODUCTION

This report is for noting and updates three areas:

1. Midlands Connect - Strategy and Midlands Engine Update
2. Devolution – D2N2 Joint Committee

In addition, the media report is attached.

2. RECOMMENDATION

2.1 Board is asked to NOTE the report
2.2 Note the proposal to develop:
  a. A D2N2 wide infrastructure strategy
  b. A D2N2 wide Strategic Road Network study
2.3 D2N2 is asked to consider putting forward a Board Member to sit on the Connect Supervisory Board.

3. Midlands Connect/Engine

Midlands Connect is shortly to publish its strategy – see Appendix 1 - and is looking to consult with stakeholders and partners ahead of its Supervisory Board meeting in mid February. The Midlands Connect Strategy is designed to directly influence future investment decisions of the Government (Budget 2017 etc), Highways England (RIS2) and Network Rail (HLOS).

The study strategy is published in Appendix and there will be a presentation from Midlands Connect at the start of the meeting.

In addition, there is a vacancy for an East Mids LEP on the Midlands Connect Board and D2N2 have been asked whether they wish to take it.

In discussing the next steps arising from this work locally, it is proposed that D2N2 should develop its own shared infrastructure strategy and strategic road network review. This will be progressed through the joint officer place (IIB) group.

A lot of activity is taking place on Midlands Engine – towards an expected Midlands Engine Government statement. This includes the establishment of an Operating Board, a series of workshops held in the last week or so and a LEP Chairs discussion with Sir John Peace. Updates can be progressed verbally at the meeting.
4. Devolution

We are pleased that D2 and N2 Local Authority Leaders have agreed to establish a single D2N2 joint committee to look initially at Transport, Skills and One Public Estate – their first meeting is scheduled for 10 February, 2017.

The Judicial Review of the Sheffield City Region consultation found it to be unlawful - Derbyshire CC may wish to update the Board on what happens next.

5. Engagements

Since the last Board Meeting, I have carried out a number of engagements, to promote the profile and activities of the D2N2 LEP, including:

- Autumn Statement (Nov 23) ‘round table’ and media event
- Annual conversation with BEIS
- Innes England East Midlands Expo
- Second D2N2 Growth Hub anniversary event
- CBI East Midlands annual dinner
- Midlands Engine - LEP Chairs Briefing
- LEP Network Management Board
- High Peak visit with David Ralph
- Miles Waghorn, MD at TechSilver Ltd technology firm, Nottingham
- Rachel Hayward, MD of Ask the Chameleon Ltd
- David Ryley, Ryley Wealth Management and founder 1% Matters charity
- Boots engagement meeting.

Future Engagements

I have a number of future engagements already scheduled before the Board next meets in March 2017. They include:

- With Kerry Bentley, MD of DBC Training of Derby
- Midlands Connect Partnership Advisory Board
- Midlands Engine Supervisory Board Meeting
- East Midlands Chamber President’s Dinner.

6. MEDIA ACTIVITY

I attach the regular **D2N2 Media Coverage Report** for the Board’s attention, detailing media coverage (in print, on radio and television, and digitally/online) achieved by D2N2.

This report lists coverage by:

- publication/media source
- date of article
- headline or summary of the news item
- ‘reach’ (maximum potential readership, listeners, viewers or website users) who might have seen the article.

There is also a ‘Highlights’ section listing the top media ‘talking points’ for the period.
Copies of individual articles mentioned in the Media Coverage Report can be supplied to Board members on request. Contact our Social Media and Marketing Officer Sam Burbage

Peter Richardson
Chairman
1. Introduction

This report considers:

- Accountability and Scrutiny
  - Revised national Assurance Framework – Appendix 1
  - Proposals actions for Accountability and Scrutiny
  - Nomination of a Board Member to lead SME engagement
- 17/18 Business Planning - Workshop

2. Recommendations

The Board to agree:

- The proposed changes to the Local Assurance Framework set out - in Appendix 2
- Agree the measures to improve accountability and scrutiny set out below in paras 5
- Establish a Board level review, convened by the Chair, to review the medium and long term direction and terms of engagement for the LEP
- Convene the LA Officer group to draft the D2N2 Business Plan ahead of the March Board meeting
- Melanie Ullyatt MBE to be Board Member to lead SME engagement

3. Key Events since last meeting

Start on site – Centre for Advanced Manufacturing, University of Nottingham.

Core funding 17/18 - confirmed

SCR Mayoral Devolution – Judicial review in response on the Sheffield City Region consultation found the consultation to be unlawful.

The D2N2 FE Area Review - has now met 3 times and includes particular reference to joint working between Chesterfield and Derby; a review of SENCO delivery led by Portland College

HS2 – the command paper was published in late November and a series of public consultation events are now underway.

LGF announcements – these have still not been confirmed and seem likely to be later this month perhaps coinciding with a Midlands Engine Statement and Industrial Strategy consultation

ESIF – a number of ESIF projects have now been contracted

Melanie Ullyatt – secured MBE is NY Honours
4. Scrutiny, Transparency and Accountability

Background

Following the National Audit Office Review last year, CLG have issued revised guidance to update the National Assurance Framework and required LEPs to implement a number of direct actions. The revised National Assurance Framework is attached in Appendix 1. Whilst D2N2 LEP is seen as exercising generally good practice and the guidance is largely a change of emphasis (changing emphasis from “should” to “must” for example) there are a number of underlying issues this brings to the forefront.

National media are becoming increasingly critical of the perceived lack of transparency and accountability of LEPs and their decision-making processes, following the NAO report in the summer.

In response, LEPs have agreed to act collectively on this to protect their reputation to show that LEPs are proactive in taking the administration of public funds very seriously, and continue remaining fit for purpose and relevant.

LEPs have agreed that the Assurance Framework is the baseline for compliance. In addition, the LGF programme has recently been subject to internal audit from the Accountable Body whose conclusions were reported to the last IIB meeting.

The test should be that the “outside world” knowing what a LEP is, how it operates and conducts its business ad consequently there are a number of key changes that must be delivered and seen to be delivered including:

a) **compliance** - the need to identify accountable people for certain responsibilities eg risk, vfm etc
b) **value for money** - the need to demonstrate value for money and impartial decision-making processes – managing conflicts of interest
c) **scrutiny** - the need to understand and embed the relationships with constituencies – public and private sector
d) **transparency** - the need to improve our transparency and accountability on public-facing websites etc

D2N2 has a number of different Accountable Bodies for different funding streams which adds complexity as the guidance suggests that all LEP funding (for projects) should adhere to the Local Assurance Framework.

For example, the Accountable Body is required to confirm with Government our compliance with the National Assurance Framework (but DCC will only be able to do this for the LGF programme).

Notwithstanding, we have been working with the Accountable Body (Derbyshire County Council) on updating our Local Assurance Framework and Appendix 2 (i) includes the proposed changes. If agreed by tis Board, the revised LAF will be reported to the next IIB meeting.

It is proposed with other LEPs that we demonstrate a collective minimum level of transparency as follows.

**All LEPs follow a common “protocol”** that is tested under a peer review system, covering the core basic minimum standard for LEPs to have in place and operate against. All LEPs should publish this information on their websites, in a consistent way, and be prepared to defend/support in the event of public scrutiny. This could include:

a) *Is a signed copy of the Local Assurance Framework published on the website, and how is this reviewed annually?* (For Combined Authorities that have agreed Local Growth Funds that are fully integrated into a “Single Pot” of funding awarded in Devolution Deals, the Single Pot Assurance Framework is the key document.)
b) *By end March each year, is the signed letter from your Section 151 published on the website?*
c) *Internal corporate governance processes published online?*
d) *Are all conflict of interest statements from current and past Board Members on your site?*
e) *An annual report on progress against the delivery of the Strategic Economic Plan, including key projects and spend?*
f) Are papers, decisions, minutes and agenda of Board meetings available on your site that are easy to find and accessible?
g) Publish Annual Report and Accounts?

Some LEPs are considering peer reviews (the first one by end February 2017, reviewed in September 2017, and then annually every April).
   a) This is voluntary process that no LEP is forced to take part in, but the LEP Network is actively encouraging every LEP to take part.
   b) The LEP Network will help “match up” LEPs that agree to undertake this peer review.
   c) The LEP Network will be kept informed of when LEPs are meeting. A short summary of the discussion will be sent to the LEP Network. (This could be a RAG rating.)
   d) Information will be held by the LEP Network in confidence, used to give LEPs and DCLG confidence that the system is being followed, but more importantly to identify any support needs or areas like training that may come up.

Communication

D2N2’s Communications and Marketing team continues to communicate news about the LEP’s activities, widening awareness of what it does and how it is investing (public) monies to support the area’s economic development.

The D2N2 LEP website now gives public access to:
- Board members’ declarations of financial and other interests;
- its gifts, hospitality and entertainment policy;
- information on D2N2 LEP Governance;
- a digital copy of the D2N2 Local Growth Fund Local Assurance Framework agreement;
- Board agendas and minutes, with non-confidential Board papers and access to meetings also provided to media on request;
- digital copies of D2N2’s Annual Review publications to date, including its annual accounts.

Members will know – from Media Coverage Reports to Board meetings – of the (successful) efforts made to promote and publicise positive D2N2 news across print, TV and radio, digital and social media. This both raises awareness of the LEP’s positive impact on the economy and encourages more businesses to engage with D2N2, while emphasising the LEP’s strengths as a private-public partnership.

Regular events continue to be held, by both the LEP and D2N2 Growth Hub, allowing senior officers to engage directly with businesses, to detail past and current projects.

For example, the 2016 D2N2 Business Breakfasts series (held mid-October to end-November 2016) featured events in Derby, Nottingham, Chesterfield, Mansfield, Matlock and Worksop. Around 230 businesses, education and training, local authority, voluntary sector and other representatives heard from D2N2 senior officers and guest business speakers.

D2N2’s Communications and Marketing team is currently planning the LEP’s next Annual Conference, due to be held in July 2017, expected to attract around 160 delegates.

LEPs generally are being encouraged to be much more vocal about how/what money is being spent and the messages need to be local and regional (from LEPs) and national demonstrating the impact of LEP delivered projects.

   a) This includes emphasising the strength and expertise of business leaders on boards.
   b) In addition, LEPs should emphasise the partnership between private sector board members and local authority members. Private sector members are elected and the democratic scrutiny is provided by the Local Authority members and Accountable Body functions.

Other areas for consideration

The Board may wish to consider additional actions to address some of the issues raised. For example, through the business planning review group (below) we are already highlighting the opportunity to look
closely at the relationship between the LEP and proposed D2N2 Local Authority Joint Committee to be more active in scrutiny and accountability.

5. Business Planning – a high performing Local Enterprise Partnership

At the last meeting, the Board agreed that a small working group should look at the agenda a proposed workshop.

The Chief Executive group discussed the next steps regarding the development of the 17/18 business plan recommend the following:

Whilst we should be looking to establish a 3-year business perspective, with specific detail covering the next 12 months by March but the longer view is difficult ahead of industrial strategy, elections etc. It was therefore agreed:

(i) there should be meetings between the LEP CEO/Chair and LA Leaders to look at key actions in the business plan – these have or are being diaried
(ii) at this stage not to have a D2N2 workshop/away day but to use the LA officer group to help prepare the business plan – DR will convene
(iii) to put in place a Board level review group led by the Chair to guide our activity and sense of direction for the rest of the Parliament. Private-sector Board members are keen for this to have an external component as part of the review
(iv) the business plan for 2017/18 will come to the D2N2 Board in March for sign-off.

6. SEP Refresh

One of the key tasks of 17/18 is to refresh the SEP (with specific reference to productivity) and almost certainly the Industrial Strategy. This was discussed with LEPOG last week who will lead its development and we will share with the Board a timetable and revised project plan at the March meeting.

David Ralph
January 2017
Local Enterprise Partnership

National Assurance Framework

A National LEP Assurance Framework which guides local decision making to support accountability, transparency and value for money.
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Introduction

In 2014 we asked all Local Enterprise Partnerships (LEPs) to work with us to develop a National Assurance Framework to cover all the Government funding received by them via accountable bodies. This was published in December 2014.

The purpose of this framework is to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage delegated funding from central Government budgets effectively. This document is a revision of the 2014 Local Enterprise Partnership National Assurance Framework and supersedes that document.

DCLG has published two Accountability System Statements, one each for Local Government and the Local Growth Fund (LGF). These documents set out how local government funding and the LGF are allocated, describing the robust local systems which are in place to ensure that resources are spent with regularity, propriety, and value for money. Section 2, paragraph 6 of the Accountability System Statement for LGF explains that the Local Enterprise Partnership National Assurance Framework is one element of the wider assurance system of funding to Local Enterprise Partnerships, which also comprises regular Local Enterprise Partnership reporting to the government against agreed output metrics, Local Enterprise Partnership evaluation frameworks, and annual performance conversations between the government and each Local Enterprise Partnership.

This document sets out what Government expects Local Enterprise Partnerships to cover in their local assurance frameworks. The approach remains light touch, but the aim is to provide greater clarity and set out where expectations have increased from those of 2014 as Local Enterprise Partnerships continue to mature and their role and responsibilities develop. The focus remains on implementing practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money. The Local Enterprise Partnerships will continue to have considerable freedom to determine how to implement the practices and standards articulated in this national framework through their own local assurance frameworks.

Local Enterprise Partnerships should review, refresh and sign off their Local Enterprise Partnership’s Local Assurance Framework in light of this update as the requirements set out in this Framework will be incorporated as a condition of funding in future Growth Deal grant offer letters. These letters are the formal means by which the Department for Communities and Local Government (DCLG) awards each annual Growth Deal allocation to each Local Enterprise Partnership, sets out the degree of flexibility on offer and specifies the terms of the grant. One of the terms of these letters from 2017 onwards will be that Local Enterprise Partnerships must submit a letter from their relevant Section 151 Officer (or Section 73 Officer for Combined Authorities) to DCLG’s Accounting Officer by 28 February each year certifying that the Local Enterprise Partnership’s local assurance framework has been agreed, is being implemented and meets the revised standards set out in the Local Enterprise Partnership Assurance Framework. It is important to note that

it is the Government’s expectation that accountable bodies cannot use this funding for their own purposes, or without any clear mandate from the LEP.

Local Enterprise Partnerships are reminded that Ministers expect Local Enterprise Partnerships to follow the principles that apply to Government and Local Authorities, which prevent public expenditure incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue. If Local Enterprise Partnerships have specific concerns or points to put across to Government then they should talk directly to officials or Ministers. This will both be more effective, and ensure appropriate use of public funds. No funding provided under the DCLG Local Growth Fund shall be spent on such costs.

Revising Local Enterprise Partnership Local Assurance Frameworks

The 2016 Annual Conversation (held between Government and each Local Enterprise Partnerships to review performance) will include a discussion on the progress of Local Enterprise Partnerships in revising their local assurance frameworks in line with this updated national guidance.

The Local Enterprise Partnership Board should sign-off the revised local assurance framework. The Section 151 Officer (or Section 73 Officer as appropriate) of the accountable body must also sign off the revised local assurance framework, and write to DCLG’s Accounting Officer by 28th February each year beginning 2017 certifying that the local assurance framework has been agreed, is being implemented and that it meets the revised standards set out in the LEP National Assurance Framework. Local assurance frameworks must be published on each Local Enterprise Partnership’s website, and reviewed annually.

Mayoral Devolution Deal Areas with “Single Pots”

Where Local Enterprise Partnerships and Combined Authorities have agreed that the Local Growth Fund will be fully integrated into the ‘Single Pot’ of funding awarded in Devolution Deals, the local Single Pot Assurance Framework (once formally agreed by DCLG) will supersede the local assurance framework for project appraisal, prioritisation, assessing value for money, allocating spend and monitoring and evaluation. However, Single Pot Assurance Frameworks will not replace the requirement for Local Enterprise Partnerships to clearly articulate and publish online their internal corporate governance processes, as set out in sections 1, 2 and 3 of this framework. This should be published as a separate document, in the form of a governance statement, constitution, or similar, unless explicitly set out in a relevant Single Pot Assurance Framework. The Section 73 Officer of the accountable body must write to DCLG’s Accounting Officer by 28th February each year beginning 2017 setting out how this requirement is being addressed and

2 Where the Single Pot Assurance Framework does not provide monitoring and evaluation processes for the Local Growth Fund, section 5 of this guidance continues to apply.
certifying that the revised standards set out in sections 1, 2 & 3 of the National Assurance Framework are being met.
1. Governance and decision making

1.1 Local Enterprise Partnerships have, rightly, established and structured themselves in different ways, reflecting the differing needs and demands of each area. The Government is not seeking to change that. However, the Government and local areas must be clear about how each Local Enterprise Partnership operates, how and when decisions are taken, and by whom. Local Enterprise Partnership local assurance frameworks must be clear and unambiguous about who has authority for decision making.

The Local Enterprise Partnership’s local assurance framework must set out its rules governing:

- the Local Enterprise Partnership board membership. Local Enterprise Partnership boards must have a private sector chair, with at least 50% of the rest of the members also coming from the private sector. Other board membership should be drawn from local authority leaders and other relevant public sector organisations. The main Local Enterprise Partnership Board must include an identified board member to represent and engage with the SME business community;
- all Local Enterprise Partnership sub-groups and their membership requirements;
- the roles and responsibilities of the main Local Enterprise Partnership board and any permanent sub-boards, with a particular focus on who is responsible for each type of decision. It must include a description of any schemes of delegation, and clarity on which body or person is responsible for the final sign-off of funding decisions. This must include arrangements as appropriate for overseeing growth hub, Enterprise Zone and City Deal activities. In all cases clear reporting lines back to the Local Enterprise Partnership board, and where appropriate to the accountable body, must be demonstrated;
- the relationship between the Local Enterprise Partnership board and the supporting local authority partnership arrangements that enable collective engagement with all local authority leaders in decision-making on growth priorities (such as a Combined Authority, Economic Prosperity Board, Joint Committee or Leaders Board) and how these priorities will be supported by collaboration and joint-delivery at executive level. See also 3.3;
- the arrangements for the lawful and effective implementation and delivery of projects. Where the Local Enterprise Partnership awards Government funding these arrangements shall include openly advertising the funding opportunity, assessing applications, making the award through a formal agreement, monitoring progress for the lifetime of the project and maintaining a robust audit trail to demonstrate compliance. Where the Local Enterprise Partnership receives Government funding to deliver a project it shall use all

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3 Local Enterprise Partnerships should consider selecting private sector board members through an open, transparent and non-discriminatory competition which assesses each candidate on merit
reasonable endeavours to fulfil its contractual obligations and maintain a robust audit trail to demonstrate compliance;

- its commitment to diversity, including a diversity statement explaining how the Local Enterprise Partnership will look to ensure diverse representation at Board and sub group level which is reflective of their local business community (including geographies and protected characteristics)\(^4\);

- the conduct for all board members (see gov.uk guidance “The 7 principles of public life”\(^5\);

- arrangements for cross LEP working (where appropriate).

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\(^4\) Def’n of protected characteristics: [https://www.equalityhumanrights.com/en/equality-act/protected-characteristics](https://www.equalityhumanrights.com/en/equality-act/protected-characteristics)

2. Transparent decision making

2.1 It is important that Local Enterprise Partnerships have clear arrangements in place which enable effective and meaningful engagement with local partners and the public. Local Enterprise Partnerships are required to operate transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.

2.2 Local Enterprise Partnerships should take a proportionate approach to sharing and publishing information, using the prompts set out below as the basis for determining what to release. It is understood that not all information will be appropriate for publication (e.g. information that is commercially sensitive). Local Enterprise Partnerships will need to use discretion in determining what should and should not be published. The expectation however, is that the public should see that the Local Enterprise Partnership is applying similar standards of transparency as public sector organisations over decisions it makes about public funding.

2.3 Local Enterprise Partnerships must, therefore, set out in their local assurance framework the arrangements for transparent decision making covering the points below:

- a dedicated website through which local partners and the public can check progress on the delivery of Growth Deals and access key documents such as the Strategic Economic Plan, ensuring that this information can be found easily and is accessible to all;

- arrangements for making, and recording decisions, and for ensuring that papers, decisions, minutes, agendas etc are published promptly in line with existing local authority rules and regulations [access to information, Schedule 12A of the LGA 1972, as amended by the FOI 2000];

- through their accountable body, ensure that Freedom of Information and Environmental Information Regulation requests are dealt with in line with relevant legislation;

- have a published conflicts of interest policy, a published register of interests covering any decision makers which is kept updated, and a published complaints policy;

- ensure that there is ongoing local engagement with public and private sector stakeholders to inform key decisions and set out how they will evidence effective engagement;

- ensure that there is local engagement with and feedback to the general public about future Local Enterprise Partnership strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced;

- publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved (see also section 4 on value for money);
the Local Enterprise Partnership’s priorities and mechanisms for maximising the social value of its investment funding and activities so that partners and beneficiaries can play an active role in the programme.
3. Accountable decision making

3.1 The accountable body is responsible for ensuring that the Local Enterprise Partnership makes decisions in accordance with the Local Enterprise Partnership’s local assurance framework.

3.2 Local Enterprise Partnerships are responsible for developing and maintaining the Strategic Economic Plan and determining their key funding priorities. They are also responsible for ensuring that they maintain adequate capacity and expertise to deliver against those.

3.3 Democratic accountability for the decisions made by the Local Enterprise Partnership is provided through local authority leader membership of Local Enterprise Partnership Boards. In places where not all local authorities are represented directly on the Local Enterprise Partnership board it is important that their representatives have been given a mandate through arrangements which enable collective engagement with all local authority leaders (see section 1.1).

3.4 The Local Enterprise Partnership’s local assurance framework must set out the agreed systems and practices which support both the legal and financial responsibilities of the accountable body and the leadership role and democratic accountabilities of the Local Enterprise Partnership. It is important that these support both the accountable body role in ensuring proper, transparent decisions which deliver value for money and also support timely, informed decision making by the Local Enterprise Partnership. The local assurance framework must also set out the circumstances under which the accountable body would not comply with a Local Enterprise Partnership decision and the process for resolving such conflicts.

3.5 The Local Enterprise Partnership’s local assurance framework must set out what (if any) independent scrutiny arrangements the Local Enterprise Partnership has in place and whether these are integrated into part of the local authority’s arrangements or separate from them. We would strongly encourage Local Enterprise Partnerships to make use of independent scrutiny arrangements, for example by establishing an overview and scrutiny committee to provide check and balance in the operation of the partnership.

3.6 The Local Enterprise Partnership’s local assurance framework must:

- state the accountable body arrangements for the Local Growth Fund and other funding sources received from Government;
- state that use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer – the Section 151 Officer, or in the case of a Combined authority a Section 73 officer;
- state how and when the annual accounts covering the Local Growth Fund and other funding sources received from Government are published;
- state the responsibilities of the accountable body as covering the following:
○ ensuring decisions and activities of the Local Enterprise Partnership conform with all relevant law (including State Aid and public procurement) and ensuring that records are maintained so this can be evidenced.

○ ensuring that the funds are used in accordance with the conditions placed on each grant;

○ ensuring that the Local Enterprise Partnership's local assurance framework is adhered to;

○ maintaining the official record of Local Enterprise Partnership proceedings and holding copies of all relevant Local Enterprise Partnership documents relating to Local Growth Fund and other funding sources received from Government funding;

○ responsibility for the decisions of the Local Enterprise Partnership in approving projects (for example if subjected to legal challenge);

○ ensuring that there are arrangements for local audit of funding allocated by Local Enterprise Partnerships at least equivalent to those in place for local authority spend.

● Set out the Local Enterprise Partnership and accountable body agreed timescales and operating practices to support the effective implementation of decisions. Including:

○ monitoring arrangements;

○ information required from project promoters and delivery agents;

○ details of the written agreement between the accountable body and delivery agent and arrangements for protection of public funds including those in the event of non-delivery or mismanagement.
4. Ensuring value for money

4.1 It is important that all Local Enterprise Partnerships have robust arrangements in place to ensure value for money and effective delivery.

4.2 The section below on option appraisal and prioritisation addresses what Local Enterprise Partnerships will need to consider in deciding how to allocate their funding to projects and prioritise between proposals. Given the considerable variation in types and sizes of projects which Local Enterprise Partnerships may want to support, and acknowledging that many Local Enterprise Partnerships already have effective practices in place, our intention is not to establish any rigid rules but rather establish a set of guiding principles.

4.3 The section on value for money & business case development considers the more detailed business case work we would expect project promoters to undertake, and Local Enterprise Partnerships to scrutinise, once a project has been identified for funding, to ensure that the proposal is optimised, represents value for money and is deliverable.

4.4 Local Enterprise Partnerships must have robust processes in place that ensure all funding decisions are based on impartial advice. These arrangements must be set out in the local assurance framework. There must be clear separation between those acting as scheme promoters and those appraising programmes and projects and advising decision makers, so that the Local Enterprise Partnership is acting on impartial advice on the merits of (potentially competing) business cases.

4.5 Local Enterprise Partnerships must also ensure that the local assurance framework sets out the arrangements for the active management of risk relating to all matters for which the Local Enterprise Partnership is responsible, including but not limited to propriety and value for money issues. This must include having a named individual of appropriate seniority who is responsible for the identification and management of risk.

Options appraisal and prioritisation

4.6 Local Enterprise Partnerships must have a clear and transparent basis, (published on their website) against which projects and programmes are initially identified, commissioned, appraised and prioritised. Local accountability frameworks must set out:

- the evidential basis on which the need for intervention is based and how the Local Enterprise Partnership will ensure that it identifies programmes and projects based on need and/or opportunity supported by rigorous analysis of quality data and with regard to the application of best practice;

- the methodology used to assess value for money of the Local Enterprise Partnership’s programme, and to prioritise projects, ensuring the Local Enterprise Partnership considers the full range of options which enable the strategic objectives to be met. Particular attention should be given to how different types of projects will be compared and assessed. Typically this would include consideration – at a level proportionate to the scale of funding required for the proposal – of whether:
there is a clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan;

- the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;

- the benefits exceed the costs of intervention;

- deliverability and risks have been appropriately considered along with appropriate mitigating action (the costs of which must be clearly understood).

Value for Money and Business Cases

4.7 The methodology used to assess value for money and the degree of detail to which business cases are developed in support of particular projects or programmes must be set out in the local assurance framework.

4.8 The methodology should be proportionate to the funding allocated and in line with established Government guidance including the *HM Treasury Green Book*. Typically we would expect business cases to address, in a proportionate manner, the five cases set out in the Supplementary Guidance to the Green Book.

4.9 A list of basic expectations for different types of specific project appraisal is attached at Appendix A.

4.10 Local Enterprise Partnerships must ensure that the commercial, financial and management arrangements are appropriate for effective delivery. To assist with this, *Infrastructure UK* (now part of the Infrastructure and Projects Authority) has produced a Project Initiation Routemap Handbook and associated Modules which provide a framework to support public and private sector infrastructure providers improve the delivery of their projects and programmes. Local Enterprise Partnerships may find this helpful when reviewing these aspects of business cases.

4.11 The local assurance framework must state that the Local Enterprise Partnership will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes and a named individual (not necessarily the same person) responsible for scrutiny of and recommendations relating to each business case. These responsible individuals should ideally be independent of the promoting organisation or where this is impractical, should sit outside the management unit responsible for developing and promoting the business case.

Monitoring and Evaluation

4.12 Local Enterprise Partnerships will need to ensure that there is appropriate output and outcome monitoring and evaluation of projects taken forward.

4.13 The Local Enterprise Partnership’s local assurance framework must set out the arrangements for output & outcome monitoring and evaluation of projects – with reference to documents such as the Growth Deal Evaluation Plan where appropriate.
4.14 Evaluating projects can deliver the following objectives:

- Provide accountability for the investment;
- Justify future spending allocations;
- Enhance the operational effectiveness of existing projects or future project extensions; and
- Improve future initiatives (as well as future VFM appraisal) based on learning.

4.15 Local Enterprise Partnerships must ensure a proportionate approach to monitoring and evaluation. Evaluation objectives should relate back to the business case and build on the assumptions used in the appraisal process.

4.16 The specific outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation should therefore focus on those outcomes that are most relevant to the impact of the project’s objectives.
Appendix A: Advice from relevant departments and NDPBs

This overarching Local Enterprise Partnership framework covers all Government funding which Local Enterprise Partnerships and their accountable bodies are responsible for. It is supported by advice from relevant departments and NDPBs set out below. This additional advice is wholly consistent with the principles and practices set out in this document and should be read together. Links to these related documents are set out below.

Transport schemes

Transport projects will be subject to the minimum requirements on value for money assessment, assurance and evaluation of transport projects set out at Appendix B.

The basis of transport appraisal is the Department for Transport’s (DfT’s) appraisal guidance known as WebTAG. WebTAG is not a standard ‘one size fits all’ process. It promotes the use of proportionate appraisal and gives some significant discretion in the level of detail that is appropriate depending on the nature of the transport scheme concerned.

For these purposes a ‘transport scheme’ is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives. For example, improving journey times may not be the objective of a scheme but the impact on journey times, if expected to be significant, would still need to be considered as part of the overall value for money consideration of a scheme.

Skills capital schemes

From April 2015 the Government has transferred the skills capital budget, previously managed by the Skills Funding Agency Capital team, to Local Enterprise Partnerships via the Local Growth Fund paid to the accountable body.

How Local Enterprise Partnerships choose to incorporate the management of skills capital funds within their Local Enterprise Partnership governance is a matter for local discretion. Skills Funding Agency support to assist with decisions about skills capital schemes is no longer available. It is, however, expected that Local Enterprise Partnerships will base their local processes on Skills Funding Agency good practice, advice and guidance, tailored to local circumstances, or put in place equivalent robust local arrangements to ensure value for money and effective delivery of skills capital schemes, through strong project development, project and options appraisal, prioritisation, and business case development – as set out in section 4 above.
Housing

Local Enterprise Partnerships will be expected to base their local arrangements on Home and Communities Agency good practice, advice and guidance tailored to local circumstances, or put in place equivalent robust local arrangements to ensure value for money and effective delivery of housing, regeneration and related infrastructure schemes. The DCLG Appraisal Guide (due to be published 2016) provides guidance on how the Department appraises residential and non-residential development which Local Enterprise Partnerships may wish to follow.

Regeneration

In line with the National Planning Policy Framework and the Planning Practice Guidance, it is anticipated that Local Enterprise Partnerships will have local arrangements in place that provide assessment and support to ensure schemes deliver value for money and positive growth. For regeneration these projects might extend beyond housing and transport interventions, and include investment in things like enabling works, land assembly, utilities, and/or public realm projects. The DCLG Appraisal Guide may be a suitable document for helping appraise the costs and benefits of these types of interventions.

Enterprise, innovation and business support

Growth Hubs, Innovate UK and the British Business Bank are key partners in enterprise, innovation and business support schemes. Good practice when working with partners should include ensuring a connection to national expertise and infrastructure and non-duplication of existing support, investments and finance options.
Appendix B: Transport Schemes

Value for Money

Local Enterprise Partnerships will need to be satisfied that the proposed schemes will achieve value for money.

Local Enterprise Partnerships will need to demonstrate that they have established processes to ensure that the modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration. This should describe how they will ensure that the modelling and appraisal of schemes meets the guidance set out in WebTAG.

The use of WebTAG, which is mandatory for all schemes, does not preclude additional assessments or methodologies (e.g. wider economic benefits) being employed to prioritise and assess the overall business case for a scheme.

Neither does it dictate the weighting or importance that decision-makers should attach to any aspect of the WebTAG assessment or any additional assessment. In particular, the Benefit to Cost Ratio is only one component of the value for money assessment and should not be the sole driver of decision-making.

The overriding principle is that the full range of the material costs and benefits of a scheme, both quantified and unquantified, should be available to decision-makers.

<table>
<thead>
<tr>
<th>Minimum requirements</th>
<th>The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to Local Enterprise Partnerships for approval.</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT’s planning dataset). This requirement doesn't stop Local Enterprise Partnerships considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.</td>
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<tr>
<td></td>
<td>The appraisal and modelling will be scrutinised by Local Enterprise Partnerships to ensure it has been developed in accordance with the WebTAG. This will be undertaken independent of the management unit or authority promoting the scheme. The Local Enterprise Partnership's local assurance framework will set out how this will be done.</td>
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<td></td>
<td>The local assurance framework must set out how the assessment and scrutiny of business cases will be quality assured.</td>
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<tr>
<td>Recommended</td>
<td>Set out mechanisms for providing early advice to scheme promoters on whether the study approach is fit-for-purpose, particularly in relation to modelling and Social &amp; Distributional Impacts (which both can have significant lead times)</td>
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</table>
| Optional | A description of how Local Enterprise Partnerships will ensure that WebTAG will be applied by scheme promoters in a proportionate and robust way.  
A description of the circumstances under which external scrutiny or audit of the appraisal or modelling of schemes would be commissioned e.g. controversial or particularly costly schemes. |

Local Enterprise Partnerships will need to put in place a process for producing a Value for Money (VfM) statement for all schemes put forward for approval summarising their overall assessment of the economic case. This VfM statement will need to be reviewed and updated at each approval stage.

| Minimum requirements | A value for money statement for each scheme in line with published DfT WebTAG guidance and DfT advice on assessing VfM\(^6\) must be presented for consideration to Local Enterprise Partnerships at each approval stage.  
The VfM assessment must be signed off as true and accurate by a named officer with responsibility for Value for Money assessments within Local Enterprise Partnerships. |
<table>
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<tbody>
<tr>
<td>Recommended</td>
<td>Set out what processes will be put in place to ensure that all impacts of a scheme (monetised and non-monetised) will be assessed by officers on a consistent basis and are based on reasonable assumptions.</td>
</tr>
</tbody>
</table>

Local Enterprise Partnerships will need to confirm that they agree to only approve schemes that meet a minimum VfM threshold and put in place the appropriate checks and balances to ensure compliance with this requirement.

The overwhelming majority of local major schemes funded in recent years were assessed by the Department as offering at least “high” value for money.

We would like to ensure that the value for money of major transport investment is maintained and therefore would expect that Local Enterprise Partnerships would only in exceptional circumstances agree to fund schemes with lower than “high” value for money.

If Local Enterprise Partnerships wish to retain the flexibility to fund schemes assessed at less than “high” value for money, the assurance framework should clearly set out the

\(^{6}\) [https://www.gov.uk/government/publications/value-for-money-advice-for-local-transport-decision-makers](https://www.gov.uk/government/publications/value-for-money-advice-for-local-transport-decision-makers)
circumstances under which funding for such schemes would be considered, and outline any additional scrutiny or conditions that would apply.

| Minimum requirements | Local Enterprise Partnerships must either; only approve schemes that offer at least “high” value for money, as assessed using DfT guidance, or; set out the limited circumstances under which schemes offering lower than “high” value for money would be considered.  
Schemes must be assessed against the relevant thresholds at each approval stage. |

Local Enterprise Partnerships are required to demonstrate separately (in other sections of the assurance framework) that they are transparent and open when reporting the results of modelling and appraisal, and that they have plans in place to obtain the necessary resources to fulfil the requirement to secure Value for Money.

**External views on business cases**

This section should outline what arrangements exist for Local Enterprise Partnerships to invite and consider any external comment and/or scrutiny of business cases prior to approval. In previous DfT guidance, bidding Local Authorities were required to place their business case on their own websites when bids were submitted for funding and that practice should continue.

| Minimum requirements | Business cases must be published (and publicised) before funding approval decision is made so that external comment is possible.  
Opinions expressed by the public and stakeholders must be available to relevant members or boards of Local Enterprise Partnerships when decisions are being taken. |
| Recommended | The above period should be at least 3 months.  
Local Enterprise Partnerships should make public how they have taken external comments into account |
Evaluation and Monitoring

The following requirements on the evaluation and monitoring of outcomes apply to all transport schemes.

<table>
<thead>
<tr>
<th>Minimum requirements</th>
<th>Local Enterprise Partnerships must put in place mechanisms to ensure that schemes are monitored and evaluated in line with the latest DfT guidance(^7) on the evaluation of local major schemes. In particular Local Enterprise Partnerships should:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- set out proportionate evaluation and monitoring (M&amp;E) plans that clarify: 1) requirements for individual schemes including funding of M&amp;E activities; 2) responsibility for undertaking M&amp;E; how minimum standards will be met and timescales for completion and decisions.</td>
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<td></td>
<td>- ensure that, for each scheme, there is clarity about how spend against delivery of outputs will be reported.</td>
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<td></td>
<td>- ensure that M&amp;E plans are in place for schemes by the time that funding is signed off or before any data collection is programmed.</td>
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<td></td>
<td>- put in place processes to ensure that the results of any evaluation and monitoring are published.</td>
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</table>

<table>
<thead>
<tr>
<th>Recommended</th>
<th>Local Enterprise Partnerships should have the results of any evaluation and monitoring reviewed independently of the scheme promoter.</th>
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<tr>
<td></td>
<td>Local Enterprise Partnerships should prepare an evaluation ‘handover pack’ as part of the appraisal process that documents all key assumptions so that those responsible for scheme evaluation can fully understand how appraisal estimates were produced and can examine the potential drivers of any differences between forecasts and outturns.</td>
</tr>
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</table>

| Optional | Set out how Local Enterprise Partnerships will share best practice obtained from evaluation and monitoring reports. |

Local Enterprise Partnerships and scheme promoters should refer to published DfT frameworks for advice on monitoring outcomes (e.g. reducing congestion, improving journey reliability etc.) measures, data collection methods and potential data sources.\(^8\)

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Changes to the Local Assurance Framework

In November 2016 the Department for Communities and Local Government (DCLG) issued a revised National Assurance Framework (NAF). LEP’s are required to review, refresh and sign off their Local Assurance Framework (LAF) in light of this update. This reflects a request from Ministers to remind Local Enterprise Partnerships that Ministers expect LEPs to follow the principles that apply to Government and Local Authorities, which prevent public expenditure incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue.

D2N2 have regularly reviewed the LAF and therefore substantive changes were not required at this point in time. The LEP Board are required to sign off the revised LAF and Derbyshire County Councils Section 151 officer will be required to write to DCLG by the 28th February to confirm that D2N2’s Local Assurance Framework complies fully with the National Assurance Framework in order to release the 2017/18 profiled Local Growth Funding.

An action plan of the changes being made to the Local Assurance Framework is included. The action plan includes the action to be undertaken, the officer responsible, the implementation date and the status of completion.

Recommendation

The Board are recommended to delegate the final decision of approval to the Infrastructure Investment Board due to time constraints regarding Local Assurance Framework changes.

<table>
<thead>
<tr>
<th>Page Number/section</th>
<th>Recommendation</th>
<th>Officer Responsible</th>
<th>Location of action required</th>
<th>Implementation Date</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Paper to be prepared for sign off from the LEP Board outlining the changes made to the LAF.</td>
<td>Tom Goshawk</td>
<td>LEP Board Papers</td>
<td>12/01/2017</td>
<td></td>
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<tr>
<td>5</td>
<td>Anti lobbying paragraph to be implemented</td>
<td>Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
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<tr>
<td>#</td>
<td>Task Description</td>
<td>Responsible Individual(s)</td>
<td>Outcome</td>
<td>Date</td>
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<tr>
<td>5</td>
<td>S151 Officer to write to DCLG's accounting officer certifying the LAF has been agreed, is being implemented and that it meets the revised standards of the NAF.</td>
<td>Sarah Wainwright for Pete Handford</td>
<td>Letter to be written</td>
<td>28/02/2016</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Revised LAF to be published on the website</td>
<td>Sam Burbage</td>
<td>D2N2 Website</td>
<td>28/02/2016</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>SME representative to be established on LEP Board page on the D2N2 Website.</td>
<td>Sam Burbage</td>
<td>D2N2 Website</td>
<td>06/01/2017</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Clarity required on who takes decisions, how they take decisions and when these are taken.</td>
<td>Sarah Wainwright</td>
<td>LEP Board terms of reference</td>
<td>20/01/2017</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>SME representative piece to be incorporated in to LAF</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Insertion of information regarding a D2N2 Joint committee and current economic prosperity committees.</td>
<td>Sarah Wainwright</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Incorporate phrasing about audit trail to the governance and decision making section of the process.</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
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<tr>
<td>8</td>
<td>Diversity Statement to be incorporated</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
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<tr>
<td></td>
<td>Objective</td>
<td>Responsible Parties</td>
<td>Section</td>
<td>Date</td>
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<tr>
<td>8</td>
<td>Incorporate 7 principles of public life in to the document. Put in with pg 4.</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
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<tr>
<td>10</td>
<td>Reference to see Social Procurement Charter in order to maximise social value. Add to stage 2 compliance in LAF</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Tidy up of the Stage 1 and 2 compliance lists</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
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<tr>
<td>11</td>
<td>Set out the circumstances under which the AB would not comply with a LEP decision and process for resolving such conflicts</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>In SLA incorporate into LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Wording changes to the accountability section of the LAF (Grant Conditions) Bullet Point 2</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
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<tr>
<td>13</td>
<td>Review the document for changes related to the new positions. Replace Capital Project Manager with Director of place</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Incorporate how we manage risk in to the accountability section of the LAF</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>Accountability section</td>
<td>12/01/2017</td>
<td></td>
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<tr>
<td>13</td>
<td>Include more detail on the SAF and how this works</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>Pg13</td>
<td>12/01/2017</td>
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<tr>
<td></td>
<td>Insert bullets in to identifying and developing projects</td>
<td>Sarah Wainwright and Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>14</td>
<td>Create a webpage outlining an overview of each project</td>
<td>Sam Burbage</td>
<td>D2N2 Website</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>14 4.11</td>
<td>Name 2 individuals responsible for VFM as well as scrutiny and recommendations of business cases</td>
<td>Sarah to Check with Pete</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Change the word good to high under VFM</td>
<td>Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
<tr>
<td>Message sent to CC</td>
<td>Check High VFM score with Regeneris</td>
<td>Tom Goshawk</td>
<td>LAF</td>
<td>12/01/2017</td>
<td></td>
</tr>
</tbody>
</table>
D2N2 BOARD REPORT

DATE: 20th January 2017
REPORT LEAD: David Williams & Lindsay Allen
AGENDA ITEM: 4.2
TITLE: Growth Hub Update & Development Report

1. INTRODUCTION

The purpose of this report is to update members on planned work in the D2N2 Growth Hub, agree the direction of travel and to note the developments.

2. RECOMMENDATION

2.1 BOARD to:
   a) Agree in principle to the direction of travel to enable the Growth Hub Board to progress these areas of activity.
   b) Note the Report and Activity Report (Section 5)

3. BACKGROUND

3.1 The D2N2 Growth Hub has been operating for two years with a mix of funding and local investment. With ERDF secured for the next three years, we are now looking to embed the Growth Hub to widen its scope and maximise its impact for a broad range of D2N2 businesses.

4. GROWTH HUB DEVELOPMENTS

The Growth Hub is progressing well with a strong core of activity funded through ERDF. In order that we maximise the effectiveness of the Growth Hub for the range of business support, we need to explore wider opportunities to be the conduit and facilitator of “simplified business support” in D2N2. Appendix I shows the strategic links that need to be in place that build our Growth Hub into a vehicle that supports ambitious and growing businesses. Some key areas include:

- aligning the skills agenda into the Growth Hub
- develop supply chain opportunities
  - engage at Midlands Engine level with aspects such as the ME Manufacturing (Auto, Aerospace & Rail) Supply Chain Group
  - Work with Black Country Growth Hub on developing the HVM Portal for D2N2
  - work with the local Inward Investment teams to create an attractive and productive supply chain for Foreign Direct Investment (FDI)
4.1 D2N2 High Growth & Scale up Support

The Growth Hub has carried out some research and identified the need to further pursue a High Growth Support package. A short piece of work began (completed in December 2016) and outcomes were positive. The 2014 Scale-up Report\(^1\) has identified the following key reasons why companies are unable to scale in the UK (in order of importance).

- Finding employees to hire who have the skills they need
- Building their leadership capability
- Accessing customers in other markets / home markets
- Accessing the right combination of finance
- Navigating infrastructure

The Scale-up report (2014) analysed 20 countries that have focused on developing their ecosystems to foster scale-ups and showed that these five barriers can only be overcome through coordinated efforts between stakeholders at a local level. Appendix I shows the timescales for the developments.

The Objective for future phases is: **to create a targeted, platinum standard service in D2N2 that hits the mark for Scale Up, Potential Scale Up and Ambitious businesses to grow, create quality employment and raise productivity in D2N2.**

**Identifying Scale Up Businesses**

*“An enterprise with average annualised growth in employees or turnover greater than 20 per cent per annum over a consecutive three year period, and with more than 10 employees at the beginning of the observation period”.* The ‘scale up report’ - Sherry Coutu CBE.

By developing a range of activities suitable for Three Cohorts of Scale Up, Potential Scale Up and Ambitious businesses, we develop a supply chain to boost our economy and raise productivity.

**Three Cohorts**

Principles: relatively small numbers of businesses and intense and in depth support over 12-18 month periods. There must be the “buy in” from each business in terms of their time and some financial commitment.

Scale Up – Identify 50 – work with 25

Potential Scale Up – Identify 100 – work with 50

Ambitious businesses – Identify 500, work with 100 in early stages

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\(^{1}\) Sherry Coutu CBE: The scale up report on UK economic growth, 2014
The distribution of D2N2 scale-ups by industry shows diversity and highlights areas of economic strength of the D2N2 area. It also highlights that Scale Up/High Growth does not necessarily mirror D2N2 key sectors.

4.2 Supply Chain & FDI Promotion Opportunities

“CompeteFor” – we have had an approach from this national supply chain development programme (the living legacy of the London 2012 Olympics). The portal enables businesses to respond to major capital infrastructure project tenders, such as Crossrail, Thames Tideway Tunnel and HS2. The role of the Growth Hub is to receive referrals from CompeteFor and work with business not quite meeting the procurement requirements and develop them to be competent bid for work, through additional support and advice to then enable them to apply for tenders, develop and grow.

4.3 Supply Chain Portal

Black Country Growth Hub & Invest Black Country have invested in an online portal http://hvmcity.co.uk/ (Appendix III). This virtual platform provides opportunities for D2N2 supply chain developments for the construction sector to assist capital development and promote other sectors. D2N2, as part of the Midlands Engine have been invited to join the steering group with a view to partnering in this concept and be part of this activity. It is therefore proposed that the team explore this and similar opportunities to further enhance our reach and impact into new markets for our local businesses.
5. PROGRESS TO DATE – ACTIVITY REPORT

5.1 As at 30th November the total number of businesses assisted by the Growth Hub now stands at 3,197. The graph below shows how this has built up:

The graph below shows the breakdown of the 3,197 by Local Authority Area:
A more meaningful comparison showing Growth Hub penetration rates as a proportion of local business population is in the table below:

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>No of Businesses</th>
<th>Growth Hub Interventions</th>
<th>% age</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashfield</td>
<td>2,700</td>
<td>77</td>
<td>2.85%</td>
<td>11th</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>3,775</td>
<td>78</td>
<td>2.06%</td>
<td>17th</td>
</tr>
<tr>
<td>Broxtowe</td>
<td>3,065</td>
<td>84</td>
<td>2.74%</td>
<td>13th</td>
</tr>
<tr>
<td>Gedling</td>
<td>3,255</td>
<td>71</td>
<td>2.18%</td>
<td>16th</td>
</tr>
<tr>
<td>Mansfield</td>
<td>2,545</td>
<td>93</td>
<td>3.65%</td>
<td>5th</td>
</tr>
<tr>
<td>Newark &amp; Sherwood</td>
<td>4,485</td>
<td>104</td>
<td>2.31%</td>
<td>15th</td>
</tr>
<tr>
<td>Nottingham City*</td>
<td>8,075</td>
<td>823</td>
<td>10.19%</td>
<td>1st</td>
</tr>
<tr>
<td>Rushcliffe</td>
<td>4,680</td>
<td>109</td>
<td>2.32%</td>
<td>14th</td>
</tr>
<tr>
<td>Amber Valley</td>
<td>4,310</td>
<td>134</td>
<td>3.10%</td>
<td>8th</td>
</tr>
<tr>
<td>Bolsover</td>
<td>2,440</td>
<td>78</td>
<td>3.19%</td>
<td>7th</td>
</tr>
<tr>
<td>Chesterfield*</td>
<td>3,190</td>
<td>267</td>
<td>8.36%</td>
<td>2nd</td>
</tr>
<tr>
<td>Derby City</td>
<td>6,740</td>
<td>304</td>
<td>4.51%</td>
<td>4th</td>
</tr>
<tr>
<td>Derbyshire Dales*</td>
<td>4,550</td>
<td>319</td>
<td>7.01%</td>
<td>3rd</td>
</tr>
<tr>
<td>Erewash</td>
<td>3,520</td>
<td>106</td>
<td>3.01%</td>
<td>9th</td>
</tr>
<tr>
<td>High Peak</td>
<td>3,725</td>
<td>135</td>
<td>3.62%</td>
<td>6th</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>3,235</td>
<td>91</td>
<td>2.81%</td>
<td>12th</td>
</tr>
<tr>
<td>South Derbyshire</td>
<td>3,445</td>
<td>99</td>
<td>2.87%</td>
<td>10th</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67,835</strong></td>
<td><strong>2,972</strong></td>
<td><strong>4.38%</strong></td>
<td></td>
</tr>
<tr>
<td>Out of Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>3,197</strong></td>
</tr>
</tbody>
</table>

As is to be expected the three Local Authority Areas (asterisked) where Enhanced Local Services are already active have enjoyed the highest penetration rates. However the mobilisation of additional Enhanced Local Services shortly will increase future penetration rates elsewhere.
5.2 REFERRALS OUT

Referrals since 1 October 2016 have been:

![Bar chart showing referrals by support programme]

- Access to Finance: 35
- E-Commerce: 1
- Enhanced Local Services: 1
- Innovation: 20
- International Trade: 7
- Rural Development: 3
- Sector Specific Support: 10
- Skills: 15
- Start Up Support: 6
- Support for Business Growth: 7

Total: 105
5.3 SOURCE OF ENQUIRY TO GROWTH HUB

Source of Enquiry Categories have been recently reviewed to make them more meaningful. The Sources of Enquiries to the Growth Hub since September 2016 have been:

![New Source of Enquiry Chart]

5.4 SECTORS

1,207 of the 3,197 Growth Hub Clients (38%) are recorded on the CRM as being in one of the LEP’s 8 Key Sectors:

![Key Sector where shown Chart]
5.5 ERDF PERFORMANCE

The first ERDF Financial Claim (as at 30th September) has now been submitted and was within 4% of the contracted profile which is entirely acceptable (Profile: £207,665, Claim: £199,888). The ERDF Project Inception Visit and a Monitoring Visit to review the first Claim have now taken place. Some outstanding matters from the Monitoring Visit are being resolved however none of them are significant.

The next Financial Claim (as at 31st December) is due in January 2017. A Change Request to formalise a number of changes in profiled spend and activity due to the late start of the project and the late withdrawal of the planned High Peak Enhanced Local Service is currently being formulated by Nottingham City Council (Accountable Body) in conjunction with the ERDF Funding Partners.

The 31st December Claim will see the first significant reporting of Outputs. Output targets for 31st December 2016 are:

**Targets**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>EMC</th>
<th>Nottm City</th>
<th>NCC</th>
<th>DCC</th>
<th>DDaales</th>
<th>Chest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>P13 3 hr IDB Bus Assist (part of C1)</td>
<td>250</td>
<td>150</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>7</td>
<td>427</td>
</tr>
<tr>
<td>C1 12 hr Bus Assist</td>
<td>0</td>
<td>60</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>73</td>
</tr>
<tr>
<td>C4 Non Fin Bus Assist (mirrors C1)</td>
<td>0</td>
<td>60</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>73</td>
</tr>
<tr>
<td>C5 New Enterprises (subset of C1)</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>C8 Jobs Created</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

It is currently anticipated that there will be a shortfall against these targets. Action to rectify this is currently being discussed between Nottingham City Council and East Midlands Chamber.
TIME LINE

2016/17 (Dec—March) into 2017/18 Jan 2018 onwards

High Growth / Scale Up Programme Ingredients

- Appoint High Growth Programme Development Manager and Business Advisor(s) (BEIS £)
- Make contact with first cohort of High Growth businesses to begin Programme (12 month pilot) April 17 — Mar 18
- Develop detailed plan to offer High Growth services from the “51” see GH report 14/12/16
- Create High Growth Diagnostic Leadership & management & Routes to Market (commission) modules

FUNDING OPTIONS

1) BEIS Funding for Business Development Services (not grants) 2016/17 & 2017/18
2) GPF Revenue & partner contributions

ERDF—Call April 2017 £700,000 — Lead time (est 9 months and Start Date: Jan 2018 (earliest))

ERDF—Call April 2017 £700,000 and Private Sector contributions/ ERDF applicant (50% match) £700,000 = £1,400,000 Programme
Skills
- ESF Provision & delivery (Appendix II)

Inward Investment
- Enterprise Zones
- MIPIM
- Trade Missions

Corporate Social Responsibility (CSR)
- Work Placements and talks to schools
- Careers & Enterprise Company (strategic support)
- Ambassadors (STEM, Apprenticeships)
- Business In the Community

Infrastructure
- Procurement Charter/Social Value Act
- LGF & Enterprise Zones
- Supply chain and Procurement Portals (Competefor, HS2 Ltd, Local supply chain) (HS2, Cross rail, Network Rail, Public Sector contracts, NHS)

Capital Investment Support
- MEIF
- GPF Loan capital

Business Support
- ESIF Programme & Matrix of support (App I)

Power up your business
Item 4.2 Growth Hub Report

Appendix III
1. **Infrastructure Delivery**

1.1 There are two contracts on site at present – construction of a new access road and bridge, and the remediation of development plots. Both are being delivered by the contractor, CA Blackwell Ltd. The road and bridge contract is for the Council and the remediation contract is for the Nottingham EZ Joint Venture Company (JVCo). Both will be completed by end March 2017.

1.2 The Council contract is to be extended by negotiation to deliver other, associated works. These are, primarily, the repair and upgrading to adoptable standard, of the existing road bridge into the site, to be completed by end April, and the works to Thane Road, by end June.

1.3 There will be similar extensions to the JVCo contract for the delivery of further developable development plots.

1.4 A planning application is to be submitted in January 2017, for the proposed pedestrian and cycling route into the Boots site from the University Boulevard. This has D2N2 funding, and includes a new bridge over the Nottingham/London railway line, which will provide pedestrian access to the Tram adjacent to the Nottingham Science Park. The new bridge will also be used for the provision of ducting and cabling to provide superfast broadband to the site, taken from the broadband service in ducts alongside the tram line on the University Boulevard.

2. **Promotional Activity**

2.1 BPL and Innes England (their agents), have prepared a design guide for potential developers and occupiers. The site has been promoted at MIPIM (Cannes) last March, and at MIPIM UK (London) last October, and this will be repeated in 2017. Detailed information will also be provided at the
appropriate stage to both Invest in Nottingham and the Department for International Trade (DIT).

Interest in the development opportunities is expected to accelerate as the road and bridge are completed and interested parties can then drive through the site. However, discussions are now under way between BPL, Innes England and potential developers regarding the development plots that will be available from April 2017. This applies to both the residential and the commercial opportunities.

**Beeston Business Park**

The planning application for the Beeston Business park site went to Broxtowe’s Planning Committee on 12 October 2016 and was subsequently approved.

The planning application states the site will incorporate:

- 13,250m$^2$ of new additional commercial floorspace added to the 24,000m$^2$ of existing floor space.
- 342 new FTE jobs.
- 53% commercial/ 47% residential split

Nottinghamshire County Council are being consulted now over the Section 106 agreement relating to the development of the school. All relevant parties are looking at the ability to expand the school to resolve the issue surrounding primary school places in the section 106 agreement. An expanded school would work to resolve not only the permission for housing development on the Beeston Business Park but also the provision of housing on the Boots EZ Campus.

**Nottingham Science Park**

Nottingham City Council have submitted a business case to D2N2 for £4.75m of funding to be released for the Science Park development. The project will utilise the Building Foundations for Growth Funding which was retracted from the Medipark development in early 2016. The £4.75m will be used to create an extension to the current Science Park development and will be part of a £9.709m funding package. The funding will be used to build a new facility at the front of the park as well as being part of the funding which will acquire the remainder of the site from Blueprint.

The development will deliver:

- 2,600M$^2$ NIA building
- 2,326m$^2$ Office space, 130m$^2$ of Hot Desk Space
- 109 FTE Jobs
- £170,000 in business rates per annum
In line with the Local Assurance Framework and in consultation with the EZ Chair, D2N2 appointed an independent Quantity Surveyor to undertake value engineering works on the project and decide whether the project displayed the best possible value for money for D2N2 funding. The report from the QS to D2N2 stated there were areas of discussion where cost savings might be achieved.

From the report received Nottingham City Council have stated that the value engineering cannot take place at this point in the schemes development and at the next stage of design they will look again and costs and propose to take the project through to a RIBA Stage 2 design. Future design phases any value engineering that takes place could decrease the amount of grant required for the Science Park development.

**Infinity Park Derby**

1. **ihub.**

   Tenancies and live enquiries continue in a positive vein. It is expected that the ihub will be at least 60% let by end March 2017 (currently 50% let). This is well ahead of the Business Plan target.

   The ihub is being increasingly used for events thus showcasing the building and Infinity Park Derby to visitors. A formal ihub “launch” event is planned for early summer.

   On site extra car parking provision will be completed by end January 2017 (circa 80 spaces).

2. **General EZ Progress**

   Formal confirmation is still awaited from DCLG that the Enhanced Capital Allowances and Business Rate Discount areas’ plans have been confirmed in Regulations. Application forms are now available to interested parties seeking to access the Business Rates Discounts and which explain the Capital Allowances available.

   **Marketing:** Agents Jones Lang LaSalle and Salloway continue to market sites and feedback on interest to the Marketing Sub Group. An Agents' launch event is to take place on 26th January 2017.

   Infinity Park Derby remains short listed as a suitable 5.27ha site for a Medicines Manufacturing Innovation Centre (MMIC)

   **University of Derby Science Park:** An audit of Science Parks was conducted in connection with work on the Midlands Engine. Part of Infinity Park Derby (the Innovation Centre Phase 2 site) is now confirmed as the University of Derby
Science Park and is already promoted on the United Kingdom’s Science Park Association’s website.

3. Other projects that impact on the IPD EZ

South Derby Growth Zone is critical to the next stage of development of IPD, as it unlocks additional employment land and will connect IPD to the A50 by a better access route.

The initial plans indicate an additional 4 million sq ft of employment floorspace, which of course will see a corresponding increase in jobs.

The developers are leading on the initial feasibility work and have put together an indicative masterplan, which the project partners are discussing.

Earlier this month the Homes and Communities Agency announced that South Derbyshire District Council and Derby City Council had been successful in an application made to their Locally-Led Garden Villages, Towns and Cities programme. We have been offered £200,000 towards up-front costs and we are in the process of deciding how to allocate this funding.

This announcement is important for a number of reasons:
1. It will help to unlock additional HCA funding.
2. It gives the Local Authority partners leverage with the private sector partners to match funding and to ensure an appropriate level of development.
3. The outputs delivered will be accelerated – targets include a minimum of 2,000 new homes, 180ha land redeveloped, 4m. sq. ft. new employment floorspace, 2m sq. ft, new housing floorspace and 5,000 new jobs.

As part of this project, the partners will have to make a case for an additional A50 Junction to Highways England, which will be done in March 2017.

Planning applications – applications will be submitted by the developers. It is envisaged that this will be a detailed application for the new A50 Junction and an outline for the link road and associated infrastructure. The early indications are that these will be submitted in July 2017 with the above funding assisting studies etc. to be commissioned. Detailed proposals on these arrangements will be worked up over the next few weeks.
1. **INTRODUCTION**

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

2. **RECOMMENDATION**

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

3. **PROJECT PROGRESS**

   3.1 **East of the M1**

   3.1.2 Planning permission has been granted for the development of a speculative development comprising 13 workshop and office units totalling 25,621 sq. ft. The development by Priority Space Ltd is programmed to be completed summer 2017.

   3.1.3 Great Bear have arranged their first recruitment open evening on 19th January as they continue recruiting to the anticipated 400 vacancies; over 300 people have registered their interest in attending the event.

   3.2 **West of the M1**

   3.2.1 Discussions are progressing with a potential occupier for an office requirement.

   3.3 **Markham Vale North (Seymour)**

   3.3.1 The Seymour Link Road was opened for use in November.

   3.3.2 Derbyshire based Bowmer and Kirkland are on programme to complete the construction by the end of February, of a 220,000 sq. ft. advanced logistics and office building. The occupier, Bilstein Ferdinand Ltd, started their fit out works at the start of 2017 which are due to be completed by the end of the year. When fully operational some 150 new jobs will be created with a further 250 employment opportunities expected as the company grows.

   3.3.3 Bowmer and Kirkland have been successful in being awarded the contract to construct a 480,000 sq. ft. advanced logistics centre on part of Plot 13. Construction started in January 2017 with completion programmed for September 2017, followed by a further fit-out period. This will be the second logistics centre for Great Bear at Markham Vale following the completion of their similar sized building on Markham Vale East.
3.3.4 A planning application has been submitted on behalf of a technology company for the development of a 58,000 sq. ft. state-of-the-art building with the option to double the size of the building as the business operations grow. Subject to securing the necessary approvals and completing all legal agreements, construction is programmed to start spring 2017. This development is expected to create up to 35 jobs in the first phase and increasing significantly when the second phase building is constructed.

3.3.5 A planning application has been submitted for a 90,760 sq. ft. food distribution facility. Construction tenders have already been invited with the anticipation that having secured all approvals, construction will start during spring 2017. When fully operational the development will create 200 employment opportunities.

4. MARKETING AND WIDER SITE

4.1 Marketing of the development opportunities continues, using a variety of forums and techniques briefly comprising general and development specific press releases, fixed advertising at strategic locations adjoining the motorway, Social Media, sponsorship and attendance at community and business events and awards and direct mailing.

4.2 The Council continue to offer assistance to new, as well as existing, businesses at Markham Vale through its Grow Your Workforce support service. This is largely a signposting and co-ordinating service to assist businesses with their recruitment and training needs. The @MarkhamValeJobs on Twitter facility forms part of this service and which continues to provide links to the increasing number of jobs advertised at Markham Vale. The last few weeks have seen a growing number of Markham Vale vacancies circulated via the twitter account and we have helped dozens of prospective employees find their ideal job. There are a large range of vacancies listed on the twitter account across a range of disciplines including logistics, finance, engineering, marketing and sales, hospitality, IT, driving and training and at all levels from apprenticeships through to senior management.

4.3 Provisional offers of sponsorship has been secured for a further 5 figures of the Walking Together Mining Memorial installation but a major sponsorship drive is underway to enable a much larger number of figures to be installed during spring 2017.
1. INTRODUCTION

This report provides an update on the November and December Infrastructure and Investment Board (IIB).

2. RECOMMENDATION

To note the approvals of the IIB to approve the Drakelow Park, Bulwell Market, Dakeyne Street, Enterprise Zone Sustainable Transport, D2N2 Sustainable Transport programme and A61 Corridor (Phase 1) projects, to note the update on the Nottingham Skills Hub, to receive the Audit Services Review, to note the process for the Changes to the National Assurance Framework and to receive updates on all projects and high risk projects.

3. PROGRESS

November IIB

The November IIB was held on the 14th November 2016 at County Hall, Matlock, it considered the following agenda items:

- An update on all the LGF projects including High Risk projects
- Projects for approval - Drakelow Park
  - Bulwell Market
  - Dakeyne Street
  - Enterprise Zone Sustainable Transport
- An update on the Skills Hub

A general update on all projects was given which have a 16/17 and beyond start date. Four projects were on the High Risk report. These were:

- Nottingham Skills Hub. The promoter attended the meeting to address the issues.
- Drakelow Park. The funding agreement between Drakelow Developments and Derbyshire County Council was continuing so the project remained at high risk
- D2N2 Sustainable Transport Programme. Further value for money work had been commissioned with the project due for approval at the December IIB.
- A61 Corridor, the business case had been submitted without the value for money information so approval was given to for the project to come for approval to the December IIB once this work had been completed.
• Granting approval of the Drakelow Park project subject to the finances being in place through a loan with Derbyshire County Council:

Drakelow Developments Ltd is creating a mixed use sustainable urban site in South Derbyshire. The site will comprise of:
- 1,986 dwellings
- up to 12.08 ha of employment land
- 2 local centres
- a new primary school
- green infrastructure
- transport infrastructure

The planning permission requires a bypass to be built to accommodate the anticipated increase in traffic through Walton on Trent after the 400th house is built. The bypass project is a combination of road access and a bridge as well as the associated works which comprise hard and soft landscaping, service media and street furniture. The total cost of the project was £13.9595m with £2.2m being sought from the Local Growth Fund (LGF). The outputs for the project are:
- 1.4km road and bridge
- 1,986 homes
- 1,320 jobs

Approval was given in principle subject to satisfactory negotiation of the loan and to receive a report on the outcome of these negotiations at the December meeting of the Board, with a requirement that the agreement be concluded by 23 December 2016.

• Approval was given for the Bulwell Market project. The current state of Bulwell Market is one of disrepair which is deemed by many as unattractive and inaccessible. This reputation has led to a decrease in footfall and the total number of market stalls in the area. This project is to improve the physical landscape of the market area and environs. The project will cost £0.3m and is funded by £0.2m from Nottingham City Council and £0.1m from LGF. Approval for the release of funding was given on the condition the VFM confirms good value for money.

• Approval was given for the Dakeyne Street project. The project is made up of two components, completion of units at Dakeyne Street and the renovation of 58 Carlton Street. Both are to provide accommodation for businesses within the Creative Quarter in Nottingham. The total cost of the project is £0.36m which is funded by £0.18m from Nottingham City Council and £0.18m from LGF. Approval for the release of funding was given on the condition the VFM confirms good value for money.

• Approval was given for the Enterprise Zone (EZ) Sustainable Transport Programme. The project is to provide sustainable transport access to the Nottingham EZ Boots campus and access to this campus from to other EZ sites. There will be a walking and cycling bridge connecting the 3 EZ sites (Boots campus, Nottingham Science Park and Medi-park) and other highway improvements to connect the EZ to the existing sustainable transport network. The project will cost £9.1m which is funded by £3.1m from Local Authority contribution/Section 106 monies and £6m from the LGF.
Approval for the release of the this year’s funding was given and any future years funding only to be released once evidence of the outstanding requirements to satisfy stage 2 of the LAF is provided. Also the promoters and site owners were invited to the board to make a fuller presentation on the development of the Boots site.

- An update on the Skills Hub was given by the Chief Executive of the Colleges. The Skills Hub project has been highlighted as high risk and the promoter was asked to the meeting following a funding decision at the end of October by the Skills Funding Agency. The colleges produced a report which was circulated to members setting out information on the business case, the projects scope, funding and project programme.  
  A sum of £3.79m had been allocated to the project in 16-17, the colleges now request only £0.8m for 16-17.

Approval for the release of £0.8m in pre-compliance grant funding was given with 100% clawback for 16-17 with the promoter being required to provide a breakdown of costs for this funding. Also funding of £5.25m was approved for 17-18 once evidence of costed out project plan is provided and a stage 2 compliant business case being submitted by March 2018. The promoter is required to attend the IIB with regular updates.

The Chair of the LEP Board invited the promoter to attend the LEP Board to present more detailed information on the proposal.

**December IIB**

The December IIB was held on the 15th December 2016 at County Hall, Matlock, it considered the following agenda items:

- Audit Services Review of the LGF 2015-16
- Changes to the National Assurance Framework
- Local Growth Fund update and high risk
- Approval of D2N2 Sustainable Transport programme and A61 Corridor.
- Update on Drakelow

- A summary of the report by Derbyshire County Council’s Audit Services was given. A number of areas of good practice had been identified but there were other areas which need to be strengthened to ensure governance and administrative arrangements are robust and that expenditure incurred by individual projects is in accordance with rules, regulations and conditions and is accurately reported.

- Following a revised National Assurance Framework being issued by the Department for Communities and Local Government the LEP have been asked to review, refresh and sign off their own Local Assurance Framework. This must be signed off by the LEP Board so a paper will be submitted to the 20th January 2017 LEP Board for any changes to be approved.

- A general update on all projects was given which have a 16/17 and beyond start date. Four projects were on the High Risk report. These are:
  - Nottingham Skills Hub. The project has been allocated £0.8m in 16/17. The project sponsors are required to submit a full stage 2 business case to the IIB by March 2018.
o Drakelow. This remains as high risk until the funding is secured.
o D2N2 sustainable transport. Asking for approval at this Board
o A61 Corridor. Asking for approval at this Board.

- Approval was given for the D2N2 Sustainable Transport Programme. The project is to create new cycling and sustainable transport infrastructure across the D2N2 area. In particular in Derby City Centre, Chesterfield, Ilkeston, Nottingham Ring Road, Mansfield, West Bridgford, Newark and Arnold and Carlton. The project will introduce new cycling infrastructure across the LEP area to increase the amount of cycling trips made and aid businesses and commuters to travel sustainably to and from places of employment.

The total cost of the project is £10.542m which is funded by £3.595m from Local Authorities, £1.147m S106 monies and £5.8m from LGF.

Approval for the release of funding was given on the condition the VFM confirms good value for money.

- Approval was given for the A61 Corridor project. This project is made up of several phases, the first of which is to provide sustainable infrastructure along the A61 south of Chesterfield town centre. This forms part of a broader strategy to help mitigate the impacts of land use development along a constrained corridor which is already subject to significant levels of congestion. The cost of phase 1 is £0.325m and is funded by £0.025m from Derbyshire County Council and £0.3m from the LGF. The promoter also requested a pre compliance grant of £0.2m for phase 2 of the project. Phase 2 includes the continuation of the sustainable transport across land outside the highway and also the provision of a second principal access to the Avenue site.

Approval for the release of funding was given on the condition the VFM confirms good value for money.

- An update on Drakelow was given. The District Valuer has been commissioned by Derbyshire County Council to value the land for the loan but has not been able to complete the valuation in time for the 23rd December so the Board allowed the promoter until the January IIB to finalise the loan with Derbyshire County Council.
1. Introduction

1.1 This paper summarises current work on the development of the final East Midlands HS2 Growth Strategy.

2. Growth Strategy Tranche 2 Funding Submission

2.1 Following discussion at the last HS2 Strategic Board meeting and subsequent endorsement by the EMC Executive Board and the D2N2 Board, a submission was made to the Government to draw down the remaining £625,000 of Growth Strategy funding announced in the Government’s 2016 Command Paper on the 16th December 2016.

2.2 As yet the Government has yet to make a formal response, but it is anticipated that the funds will be made available by the end of March 2017. The total amount of funding available to complete the Growth Strategy (excluding partner contributions & Midlands Connect funding) will be:

<table>
<thead>
<tr>
<th>GS Tranche 1 uncommitted</th>
<th>£308,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS Tranche 2</td>
<td>£625,000</td>
</tr>
<tr>
<td>Total GS Available</td>
<td>£933,000</td>
</tr>
</tbody>
</table>

3. Proposed Commissioning Budget

3.1 Working with the HS2 Growth Partnership, a ‘commissioning budget’ has been developed identifying the key pieces of work that will need to be undertaken over the coming months.

<table>
<thead>
<tr>
<th>Commission</th>
<th>GS Funds</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery &amp; Funding Mechanisms</td>
<td>153,000</td>
<td>This study is underway.</td>
</tr>
<tr>
<td>Development Infrastructure Funding</td>
<td>100,000</td>
<td>This study will produce a high level infrastructure capacity and needs exercise to demonstrate the scale of investment required to deliver the Growth Strategy.</td>
</tr>
<tr>
<td>Description</td>
<td>Cost</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Toton Development Framework</td>
<td>140,000</td>
<td>This study will produce an ambitious yet realistic vision for development around the Hub Station and route map for its delivery.</td>
</tr>
<tr>
<td>Chesterfield Development Framework</td>
<td>60,000</td>
<td>This will be developed in partnership with Chesterfield Borough Council and Derbyshire County Council, and will follow a similar format to the Toton Development Framework. The Government expects that the study should be joint funded with HS2 Growth Strategy resources allocated to Sheffield City Region.</td>
</tr>
<tr>
<td>Hub Station Design Support</td>
<td>120,000</td>
<td>This will be used to procure a specialist technical support to work with HS2 Ltd’s design consultants (when procured) to ensure the Hub Station is capable of facilitating the delivery of the Growth Strategy.</td>
</tr>
<tr>
<td>Skills Strategy Phase 2</td>
<td>40,000</td>
<td>This study will take forward initial work already undertaken.</td>
</tr>
<tr>
<td>Toton Freight Depot Options</td>
<td>25,000</td>
<td>This is a study to look at strategic options for re-locating the rail freight depot to free up additional land at Toton for high value economic uses. To be taken forward jointly with Network Rail.</td>
</tr>
<tr>
<td>M1 J25 Hub Station Access Concept</td>
<td>25,000</td>
<td>This is a study to develop an initial strategic proposition for highway access to the Hub Station, building on work carried out through Midlands Connect, to inform the July 2017 submission.</td>
</tr>
<tr>
<td>Heavy Rail Shuttle Concept</td>
<td>25,000</td>
<td>This is a study to develop an initial strategic concept for heavy rail shuttle services serving the Hub Station to inform the July 2017 submission.</td>
</tr>
<tr>
<td>Initial Tram Route Assessment</td>
<td>25,000</td>
<td>This is a study to undertake an initial prioritisation on alternative tram routes previously identified by NET and Nottingham City Council to inform the July 2017 submission.</td>
</tr>
<tr>
<td>A52 Corridor MMS</td>
<td>100,000</td>
<td>This is an initial contribution to the development of a Multi-Modal Study for the corridor that will inform the Phase 2b Hybrid Bill. Additional contributions from Midlands Connect, HE and HS2 Ltd are anticipated.</td>
</tr>
<tr>
<td>Classic Compatible Full Business Case</td>
<td></td>
<td>This will be led by Midlands Connect and will build on EM work previously undertaken and will inform the Phase 2b Hybrid Bill. No further EM Growth Strategy contribution anticipated.</td>
</tr>
<tr>
<td>Heavy Rail Access inc Trent Junction</td>
<td></td>
<td>This will be led by Midlands Connect and will build on the Midlands Connect SOBC work to be completed by the end of March 2017 and will inform the Phase 2b Hybrid Bill.</td>
</tr>
<tr>
<td>Contingency</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>933,000</strong></td>
<td></td>
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