D2N2 LEP BOARD
Friday, 19 May, 2017
10.00pm – 11.30pm

Members’ Room, Derbyshire County Council, County Hall Matlock DE3 4AG
1. Preliminaries
1.1 Welcome and Introductions Verbal 10.05
1.2. Declarations of Interest Verbal 10.10
1.3. Minutes of last meeting and matters arising Paper 10.15

2. Updates for Information
2.1 Chair’s Report, including: Peter Richardson Paper 10.20
   (i) Business engagement update Andrew Pickin Verbal
   (ii) D2N2 response to Industrial strategy Lindsay Allen Papers
        consultation (apps 1,2,3,)
   (iii) D2N2 Review update (app 4) David Williams Verbal
         (Geldards)
   (iv) Next steps on Midlands Engine David Ralph Verbal
   (v) Media Coverage Report (app 5) Paper

3. Items for Decision
3.1 Chief Executive’s Report, including: David Ralph Paper 10.50
   (i) Annual Accounts (app 1)
   (ii) SEP refresh next steps (app 2) Matthew Wheatley Paper
### 4. Standing Items – Updates

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|        | (i) and (ii) Nottingham and Derby  
         (iii) Markham Vale | TBC | 11.35 |
| 4.4    | GPF Report Capital Projects (plus summary) | Cllr Collins | 11.40 |
| 4.5    | HS2 update report | Andrew Pritchard | 11.45 |
| 4.6    | Infrastructure and Investment Board Report | TBC | 11.50 |
|        | Item 4.6 (a) is an exempt item under Local  
         Government (Access to Information) Act | TBC | 11.55 |

### 5. Any other business

- **Note date and venue for AGM:**  
  Wed 26 July, 2017 (9am)  
  Derbyshire County Cricket Ground

### 6. Date of next meeting: Wednesday, 12 July 2017  
(11.00am Edwinstowe, Mansfield)

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

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Friday, 10 March, 2017

Derby Arena Velodrome, Pride Parkway, Derby DE24 8JB

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 Ranjit Banwait  Derby City Council
Melanie Ulyatt  Business Representative
Peter Gadsby  Business Representative
Prof Edward Peck  H E Representative
Cllr Roger Blaney  Newark and Sherwood District Council

Also in attendance

Adrian Smith  Nottinghamshire County Council (sub for CEO)
Ian Curryer  Chief Executive, Nottingham City Council
Ian Stephenson  Chief Executive, Derbyshire County Council
Greg Jennings  Derby City Council (sub)
Mike Roylance  South Derbyshire DC (sub for CEO)
Rowena Limb  Area Director, BEIS

Officer Support

David Ralph  Chief Executive, D2N2 LEP
Matthew Wheatley  Growth Plan Manager
Lindsay Allen  Senior Programme Manager, D2N2 LEP
Rachel Quinn  D2N2 Active Engagement Officer

Observers

Cllr Martin Rawson  Derby City Council
Apologies

These were received from Sylvia Green, Andrew Muter, Frank McArdle and Paul Robinson.

Prior to the commencement of the formal meeting, Members listened to an information presentation delivered by Rachel Quinn on behalf of Sylvia Green (VCS representative) on the contribution to the D2N2 economy by the third sector. Rachel drew attention to the work of the sector in developing models for greater economic inclusion and the desire to build greater understanding of the sector within the Growth Hub.

David Williams extended an invitation to Rachel to present to a future Growth Hub meeting.

1.1 Welcome and Introductions

The Chair welcomed all to the start of the formal meeting and confirmed that Board would now be looking for a new Voluntary Sector representative to join following the resignation of current representative, Sylvia Green. Steps were also being taken to recruit a new representative for the FE sector following the retirement at the end of February, 2017 of Stuart Cutforth.

ACTION: DR to oversee appointment process.

1.2 Declarations of Interest

Cllr Western declared an interest under Item 4.6 in respect of the Drakelow Park project referred to in the Board report for liB.

Andrew Pickin declared an interest under item 4.2 Skills as a Director of Trent Academies Group.

1.2 Minutes of last meeting and matters arising

The Minutes of the meeting held on 20 January, 2017 were approved as a true record.

On matters arising, Cllr Western clarified that the reference under 4.3 (iii) Markham Vale to the closure of two logistics businesses referred to two businesses within the D2N2 area rather than to two businesses at Markham Vale itself.

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

2. Updates for Information

2.1 Chair’s Report

The Chair introduced a report updating Members on the D2N2 Joint Committee, Business Engagement, D2N2’s response to the Industrial Strategy consultation and the Terms of
Reference for the D2N2 Review. A discussion also took place on the next steps to be taken following the public announcement on 9 March of the allocation of £62.9m funding for LGF3.

On Joint Committee working, the Chair invited Cllr Western to summarise the 10 February meeting. Cllr Western confirmed that all 19 local authorities had been represented at the meeting and the overall impression had been one of agreement that the new model of working would improve efficiency and communication between authorities, as well as facilitating work on strategic tasks. The next meeting was to be arranged.

On business engagement, Andrew Pickin spoke to the summary sheet of responses from businesses circulated with the papers. Brexit uncertainty was a consistent theme, with employers concerned about availability of workers in some sectors, whilst the need to enhance East-West connectivity across the Midlands was strongly flagged. Businesses had also been asked for their views on the D2N2/SCR overlap. Although not concerned directly over boundary issues, the general view was expressed that any resulting confusion for businesses over where to look for support meant that signposting via Growth Hubs remained vitally important.

Melanie Ulyatt reported that following a meeting with businesses in the Chesterfield area - most of whom were unclear about the current overlap situation – a plan was being developed to information share and increase consultation. MU would report back to the next Board meeting with an update.

On a response to the industrial strategy consultation, Ian Curryer reported that the Midlands Engine group had asked for individual, organisational and sector group feedback to be collated, from which common themes could be picked out. A discussion took place around how best to represent the voice of business both small and large scale within the response. The difficulty of communicating a clear message with no one single business voice or public-sector voice was acknowledged.

David Ralph confirmed the importance of presenting a united response that included all viewpoints. To do this, a widespread consultation had already been commenced via existing committees and reference groups. This exercise would be completed by Easter, 2017 and views would be forwarded thereafter.

Due to the tight timescale, the D2N2 response would be dealt with by written procedures.

David Williams (Geldards) confirmed that he would lead a review of the LEP and would report back to the July Board.

It was noted that the LGF 3 allocation of £62.9m had been confirmed and that this was a reasonable settlement compared to other areas. However, the size of the award would require re-confirmation of the identified projects to re-confirm priorities in the programme. It was agreed that this should be addressed as soon as possible and dealt with through written procedures.

It was agreed that a formal process was required to deal with slippage in projects in order to maintain spend and that this should be reported to the Board at the next Board meeting.

Board NOTED the report.
**ACTION:** DR to convene a follow-up meeting of D2N2 local authority CEOs group: (1) to confirm how the £62.9m allocation would be used within the submitted programme, and (2) to devise and recommend the criteria for projects currently within the programme that experience slippage or poor performance and how resources would be reallocated.

**DW (Geldards)** to produce report for July Board.

### 3. Items for Decision

#### 3.1 Chief Executive’s Report

David Ralph presented a report to Board summarising the Annual Conversation report, the 2017/18 Business Plan and the next steps on the SEP refresh.

Following the December Annual Conversation, CLG/BEIS had confirmed that they would spot check requirements for transparency and accountability under the National Assurance Framework were being adhered to. LGF project performance targets were now included as part of the annual business plan.

DR spoke to the operational business plan, drawing attention to some of the headline impact figures to date. Whilst most areas were on track, the need for more house building was something that would be considered in the refreshed SEP and should be considered in future conversations at the new Joint Committee.

Scott Knowles of East Midlands Chamber as fund holder for LEP budgets confirmed that current financial resources were in place to deliver the proposed 2017/18 operational plan.

On the SEP refresh, Matthew Wheatley summarised activity so far to obtain feedback from partners to elements of the review. He drew attention to the need to combine the ‘in-house’ elements of work with some external commissions in order to complete a draft refreshed SEP by the required timescale (end of 2017).

Board **NOTED** the actions arising from the Annual conversation  
Board **AGREED** the 2017/18 Business/Operational Plan  
Board **AGREED** the proposals for the method of refreshing the D2N2 SEP

### 4. Standing Items – Updates

#### 4.1 HS2 Report

Cllr Collins introduced the HS2 update report for Board’s information, drawing attention to preparatory work done on connectivity/access at Toton and to the need now to consider opportunities afforded by proposals for a new station stop at Chesterfield.

Cllrs Western and Rhodes were invited to comment on engaging with districts as part of overall planning.

Cllr Western expressed the view that a LEP-wide initiative was needed to include the whole of the north of the region, not just Chesterfield, where some small-scale work had already commenced. This was echoed by Cllr Rhodes who made the same point with reference to the station at Toton.
Both felt that a new station at Chesterfield should be considered in the context of a transport interchange, with enhanced road connectivity as well as housing.

Cllr Blaney pointed out the current rail re-franchising in the East Midlands and expressed the view that its implications should also be factored in to HS2 consultations to ensure that the area benefited from a renewed service that would be fit for purpose once HS2 was operational.

Rowena Limb suggested opening dialogue between the HS2 Strategic Board and DfT as the new route had not yet been formalised in strategy working.

Board **NOTED** the report.

**ACTION:** DR to take points back to HS2 Strategic Board on 22 March.

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### 4.2 Skills Update Report

Melanie Ulyatt introduced an update report to Board including notes on the refresh of the Skills for Growth Strategy and Area-based Reviews. These were due to be concluded with a final meeting on 21 March, 2017.

She informed the group that recommendations going forward would include a forum to work on addressing the need for the economy to have a high level of technical skills around the STEM subjects (linking to the creation of Institutes of Technology identified in the Industrial Strategy Green Paper). Formal recommendations would be in the public domain following the final review meeting.

Board **NOTED** the report.

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### 4.3 D2N2 Business Growth Hub update Report

Board member David Williams gave a short verbal update to the meeting on progress with the Growth Hub, drawing particular attention to the award of £430,000 funding for operations from 1 April, 2018.

He reported that the Growth Hub Manager, Simon Hall was shortly to move on from his post and wanted to record thanks to him for his work in developing the Hub to date. Interim cover would be in place pending a new appointment.

Board **NOTED** the report.

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### 4.4 (i) and (ii) Enterprise Zone Nottingham and Derby

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

Board **NOTED** the report.
4.4 (iii) EZ Markham Vale

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

Board NOTED the report.

4.5 GPF Report Capital Projects

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

He highlighted a shortfall in allocation of funds and drew attention to the need to consider alternative uses for funding than loans which were not attractive to borrowers who could access funds with greater in-built flexibility elsewhere.

David Ralph indicated that the LEP would work with the Accountable Body (Nottingham City) on suitable next steps (eg different debt loan scheme/equity funding) in line with its KPI of reviewing GPF.

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

4.6 Infrastructure and Investment Board

Cllr Western introduced a report updating Board on the January and February Infrastructure and Investment Boards.

Board NOTED the approval of the changes to the National Assurance Framework
Board NOTED the Budget and Project-monitoring Report
Board NOTED the update to Our City, Our River
Board DEFERRED a decision on Foundry Park and the approval of Sutton Indoor Market
Board RECEIVED updates on all projects and high-risk projects.

5. Any Other Business

None.

6. Date of next meeting

Friday, 19 May, 2017 (10.00 am – 12 noon)
Venue: Derbyshire County Council
INTRODUCTION

This report is for noting and updates four areas:

1. Business Engagement Verbal Update
2. The D2N2 response to the Industrial Strategy consultation – for information
3. D2N2 Review – Update
4. Next Steps for Midlands Engine

In addition, the media report is attached.

2. RECOMMENDATION

2.1 Board is asked to NOTE the report

3. Business Engagement

Andrew Pickin, and our SME lead - Melanie Ullyatt, will provide a verbal update on issues within the business community.

The Midlands Engine Board is currently developing its response to the Midlands Engine strategy for the end of June which we will be able to review at the July Board meeting

4. Industrial Strategy Consultation

The D2N2 response to the Industrial Strategy Green Paper is attached in Appendices 1, 2, and 3.

5. D2N2 Review

DW will update the Board on progress of D2N2 review including the SWOT analysis set out in Appendix 4. D2N2 Review

RECOMMENDATIONS

Board is asked to consider the report and agree to:

- Fund consultant support for the review of D2N2 LEP from LEP Core funds
- Delegate authority to David Williams to commission that support, in conjunction with the Board Chair

Background
At the January Board it was agreed to establish a Board-level review on medium to long-term direction/sustainability for the LEP.

The March Board, looked at shared outline terms of reference for the review and confirmed that David Williams, Chair of Geldards LLP, had been asked to Chair the review supported by Edward Peck at Nottingham Trent University, (later confirmed as Michael Carr).

The timescale for the review was that initial results should come back to July Board and final recommendations would form part of the AGM on 26 July.

The pressure of diaries, local elections and holidays has proved challenging in starting the review process. The announcement of the General Election will only add to this.

David Williams (Geldards) will provide an update on the review which kicked off with a SWOT review (attached and a short facilitated session of private sector looking at the Leading the Way report – previously circulated to Board Members and the key question

“To what extent does D2N2 LEP deliver economic growth and productivity and what are the barriers to delivery?”

The review is keen to look at 3 main aims

- Aim: Simplification and clarity of priorities (this would inform any structural change)

The Review Chair has recently begun to meet Board members individually. The capacity of the Review Chair, and opportunities/challenges suggest that a more detailed investigation than originally suggested would be helpful.

Additional support to do this would be required to ensure the work can be completed over the summer and to have independent credibility and challenge informed by broader knowledge and experience.

It would also be useful to allow the review to make reference to any outcomes following the General Election such as changes to the Industrial Strategy.

6. 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:

- Trent Valley vision event
- LGF3 announcement (with Andrew Percy MP)
- Visit to Edinburgh with DR to discuss HS2
- Apprenticeship Levy Event Opening, at Ratcliffe on Soar power station
- Senior Cabinet Member meeting at Birmingham Conference Centre to talk about Britain’s Industrial Future

Future Engagements

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

- Derby Telegraph Business Awards at Derby Roundhouse
8. MEDIA ACTIVITY

I attach the regular D2N2 Media Coverage Report (appendix 5) 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
D2N2 Strategic Economic Plan Impact Report

(2013 to 2016)

**New Jobs**
- 2369 LEP impact to date
- 44,000 Economy (2013-2015)
- 55,000 Target
- 30,776 Impact by 2021

**Infrastructure Delivered**
- 13.37 KM Road Built
- 97.86 KM Cycleways Constructed
- 5,430 m² Learning Space Delivered

**Skills**
- 6,621 People Upskilled so far
- 32,066 Impact by 2019
- 46,100 Estimated Skills Shortage

**Housing**
- 328 LEP Impact to Date
- 10,390 Built so far
- 5,540 Impact by 2023
- 77,000 Target

**Key:**
- D2N2 LEP Programme Impact*
- The D2N2 Economy**
- Target
- Projected impact***

**Business Support**
- £28.86m ERDF Funding Approved
- 18 Projects
- 4,869 Businesses to receive support

**Growth Hub**
- D2N2 GROWTH HUB
- 3,519 Businesses supported
- 60% Took positive action following engagement
- 160+ Businesses attended workshops
- 80% Rated our service excellent or good

**Innovation**
- £20.94m ERDF Funding approved
- 5 Projects
- 2,249 Businesses to receive support
- 625 Attendees
- 36 Innovation Projects

**Local Growth Fund**
- £137.48 million
- £136.58m Private sector investment
- 29 Projects

**Growing Places Fund (Capital)**
- £11.758 million
- 8 Projects

**Enterprise Zone**
- Alliance Boots & Infinity Park
- £60.76m Total Investment
- 31 Businesses
- 1,862 New Jobs
- 9,718 Total People Employed

**European Social Fund**
- £40.47m ESF Funding Approved
- 10 Projects

**Total private sector investment unlocked so far**
- £177.14 million

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* LEP programme impact was obtained from the end of contract evaluation reports or programme monitoring returns available as of February 2017 from programmes funded by the Local Growth Fund (LGF), Growing Places Find (GPF), Skills Support for the Workforce (SSfW) programme funded by the European Social Fund (ESF), and Unlocking Investment for Growth (UI4G) programme funded by the Regional Growth Fund.

** D2N2 Economy figures are accessible from ONS and represent net change from 2013 to 2015. Skill shortages figure is estimated using 2015 UKCES Employer Skills Survey and Burning Glass job vacancies data and is subject to change.

*** Projected impact is based on estimated outcomes of all approved programmes funded by the Local Growth Fund (LGF), Growing Places Find (GPF), European Regional Development Fund (ERDF), European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD).

**** Private sector investment unlocked is the sum of private sector contributions to all approved projects as of February 2015.

www.d2n2lep.org/growth
The Response of D2N2 Local Enterprise Partnership to ‘Building our Industrial Strategy’  
(Green Paper, January 2017, HM Government)

The D2N2 Local Enterprise Partnership (LEP) welcomes the ambition of Her Majesty’s Government to build an Industrial Strategy that addresses local and regional economic imbalances and tackles the long-term challenges facing our national, regional and local economies. Our businesses and partners welcome a whole government approach to a long term National Industrial Strategy.

Long term stability in strategy, funding and delivery mechanisms provides a sound foundation for businesses and local partners to invest in growth. This is even more important as businesses consider the opportunities and potential trading uncertainties arising from the process of leaving the European Union.

D2N2 Local Enterprise Partnership, combines the accountability of locally elected representatives with the insight and expertise of members from the business, educational and voluntary & community sectors. Since its inception in 2010, D2N2 Local Enterprise Partnership has directly supported the creation of 2,369 new private sector jobs, promoting growth and rebalancing of the economy through a broad portfolio of investments and programmes (see Appendix I).

D2N2 is a robust and effective local enterprise partnership with a strong track record of delivery. Such partnerships will provide the foundation for the intelligent and flexible delivery of the national Industrial Strategy is in local places. D2N2 LEP welcomes this opportunity to contribute to its development. Whilst our fuller response is attached, our key messages are:

1. The implementation of the Industrial Strategy should have a strong ‘place based’ element, devolving policy and funding from different Government departments to local areas with mature partnerships with a strong delivery record, like D2N2, that combine local accountability with a strong business voice.

2. D2N2 LEP welcomes a whole government approach to the Industrial Strategy. Making an economy that works for everyone will mean that elements of skills, education and health funding will need either commissioning or influence at local level to promote early and effective investment.

3. To help close our regional productivity gap and support a workforce with the skills that businesses need, now and in the future, a step change in the delivery of employment and skills support is needed. To achieve this will necessitate much closer working between HE and FE with clear pathways for learners. Integrated local commissioning of employment and skills support would further assist to promote pathways of achievement from school and through careers, leading to improvements in productivity and ‘closing the gap’.

4. With the expiry of European Structural and Investment Funds (ESIF), there is an opportunity to reconsider the approach to funding to deliver the Industrial Strategy, local growth and an economy that works for everyone. Whilst there are administrative elements of ‘ESIF’ that were challenging, the long term local allocations and, in the most recent programme,
alignment of funds to promote businesses and growth and employment, skills and inclusion, should be taken forward in a new, more devolved, approach. With this landscape, D2N2 can deliver clear goals in the next 6 – 10 years, and critically by 2020 and 2030.

Through consultation with partners, D2N2 LEP has developed a series of ‘asks’ for Government to take forward into the final strategy that would enable the LEP to more rapidly deliver the ambitions of our Strategic Economic Plan and accelerate the implementation of its Industrial Strategy, they are:

- to implement more fiscal devolution to allow local leaders to work with communities and businesses to target investment to unlock and accelerate growth, including:
  - devolving commissioning of skills provision to local partnerships, like D2N2 LEP, that combine local accountability with a strong business voice
  - enabling local partnerships to implement innovative local financing solutions such as an expanded enterprise zone programme, capital investment allowances, fare bonds, tax incremental financing and a free trade zone
  - providing enhanced financial support to local partnerships to develop their key market and sector strengths including extending incentives for the Nottingham and Derby Enterprise Zone to 2021 and supporting the development of the manufacturing supply chain
- to build place based institutional capacity for D2N2 partners to support businesses, industries and the wider economy to maximise growth opportunities, including:
  - supporting the delivery of the East Midlands HS2 Growth Strategy including the establishment of a Delivery Vehicle to promote implementation of the development and connectivity
  - to resource local Growth Hubs to build stronger alignments with DIT, HMRC and other key support agencies for business growth, increased exports and improved productivity, ensuring simple and joined up access for businesses
- to support roll out of innovation from a “bench to bedside” approach to deliver major benefits of NHS savings through innovation and procurement practices and health inequalities
- to identify and deliver proposals for establishing rural 5G test-beds in key locations to be at the forefront of the next wave of digital technology
- to ensure that the Industrial Strategy, does not operate in isolation, but takes account of quality of life and national policies
Local Place Based Approach with businesses firmly rooted in D2N2

D2N2 is centrally located with a complex geography including a Core and a Key city, many market towns, a National Park, National Forest and many rural conurbations. Local partners understand the needs of businesses and social enterprises and this drives the delivery of our ESIF and Local Growth Fund (LGF) Programmes.

D2N2 in the East Midlands has:

- an economy worth over £44 billion
- a population of 2.2 million people
- over 1 million strong workforce
- 71,965 business (2016)
- 6% of the UK’s manufacturing output value
- East Midlands exports are worth £19.3 billion (2015)
- Average productivity per worker £57,300
- 3 Universities
- 11 FE Colleges

D2N2 has a track record of successful delivery and is well equipped to support further devolved decision making, which is essential for successful implementation of the Industrial Strategy. We have a pipeline of high quality capital projects and have contracted ESIF Programmes of impact and scale to deliver business support, Innovation, Low Carbon and ICT & Digital support and skills. Appendix I shows our impact during this period.

To achieve an integrated approach to tackling low productivity and unbalanced growth, effective procurement will be fundamental to securing ‘the right’ business support interventions to address identified issues.

D2N2 is keen to work with government, to meet the aspirations identified in the recent Housing White Paper, delivering the right housing, at the right scale, for each area and its local communities.

The quality of life offer in D2N2 – culture, sport, access to countryside and affordability - and its central location makes it well placed to attract dynamic, flexible, skilled and ambitious workers and their families, choosing to join us here to build upon our enterprising and industrial heritage that has culminated in an area where science, innovation and creativity are common place.

We share with government a vision of an economy that works for everyone. D2N2 recognises the important focus provided by the Industrial Strategy’s 10 pillars and the emphasis on the importance of a place-based approach to building on the solid foundations that the Local Enterprise Partnership brings. It also embraces the regional benefits of being part of the emerging Midlands Engine, in terms of supply chain developments (working with Rolls Royce and Toyota) and geography that has international impact and global opportunities.

We believe the Industrial Strategy needs to combine a strong place based angle, especially around local infrastructure, skills and business support. The Midlands Engine Science and Innovation Audit
(SIA) (2016) identified key sectors and industries and D2N2 makes a vital contribution to the Midlands Engine Strategy that in turn supports the national Industrial Strategy.

D2N2 Asks for financial assistance to develop these key market and sector strengths in manufacturing, life sciences and creative & digital. We welcome the opportunities that will arise through the Industrial Strategy Challenge Fund (ISCF) and have a number of suitable and deliverable propositions:

a) **Advanced Manufacturing** – creation of an industry 4.0 demonstrator in the new advanced manufacturing building at the University of Nottingham. This would require an investment of around £5m and build on the existing automated assembly demonstrator in the Aerospace Technology Building which is a platform that can support development of advanced manufacturing.

b) **Transport Technologies** - A focus on supply chain development, for example building and strengthening local supply chains by partnering with OEMs, tier 1 and tier 2 suppliers. One of the goals will be to cultivate an approach to ‘re-shoring’ and to further strengthen the engineering supply chain in the D2N2 area, HS2 investment will also be a driver for these activities.

c) **Future Food Manufacturing** – development of a food systems manufacturing facility that would support the processes of novel ingredients and processing for nutrition. Closely aligned to needs of key UK food manufacturing firms this would also provide additional facilities to support new product development by SMEs.

d) **Creative and Digital** - Developments around the knowledge economy across D2N2 and to use our expertise to inform work across the sectors e.g. in ‘app development’ for energy utilisation. By supporting the advancement of the digital economy we expect to see increased levels of adoption of new and novel digital technologies across a range of sectors.

e) **Life Sciences** – D2N2 have been leading on a Midlands Engine Department of International Trade (DIT) Challenge Fund project and has identified Trauma and Defence Medicine as a specialism in the area. We want to build upon this in a contribution to our international attractiveness and export potential.
1. **Investing in Science, research and innovation**

We strongly welcome the recognition that process innovation and absorption of innovation are as important as high-tech innovation, the commitment to the potential expansion of the Higher Education Innovation Fund and Knowledge Transfer Partnerships will help to realise greater co-ordinated investment.

In line with the research commercialisation challenge, identified by this Pillar, the acknowledgement of the importance of driving regional economic growth through the Industrial Strategy Challenge Fund (ISCF) is welcome. There needs to be greater focus on the realisation of product developments taking place in the UK (rather than overseas) e.g. electronics. The focus on commercialisation should not be to the detriment of investment in early stage R&D. There is a growing appreciation of UK qualities and the resultant opportunities for commercialisation. Private investment could potentially be secured from other partners (UK and non-UK) to complement government investment e.g. for market access and D2N2 and its universities work at this international scale.

The ISCF will help Britain to capitalise on its strengths in research and innovation, the broad range of projects set out in the consultation document were welcomed e.g. joint research projects between businesses and academic researchers. D2N2 has particular strengths in key areas, *(identified above)* and by working together in a more focused way, there is an opportunity to create a local ecosystem.

The link between innovation and skills needs to feature more prominently, for example the role of ‘anchor institutions’ in helping to ‘join the dots’. The importance of clear pathways for educational provision across schools, FE and HE was highlighted as a necessity in achieving the vision set out in the Industrial Strategy.

2. **Developing skills**

Skills is the top priority for D2N2 businesses and partners. The Industrial Strategy should focus on the pathway through education, skills and training provision into employment. No child should leave school unready for work and for example poor levels of GCSE maths and English attainment requires an exploration of more vocational methods to get the best from our young people.

The pathways between further and higher education need to be strengthened to ensure that these are seamless for learners (and employers) and to foster movement between technical and academic education.
The D2N2 Employability Framework

D2N2 LEP believes a successful economy needs businesses, and schools and colleges, to work closer together on this issue. The Employability Framework, launched earlier this year, seeks to match between the employability skills being taught to young people leaving schools and post-16 training programmes in the area with those needed by employers in their workforces. The Framework is being delivered through the Careers and Enterprise Company – Enterprise Advisor Network.

We have seven Enterprise Co-ordinators employed across the D2N2 area, who are engaging with 80 schools and linking them with 80 business leaders. Business people will act as volunteer Enterprise advisors; forming an Enterprise advisor Network of employers, large and small, to work with school leaders, to develop a plan to engage with employers. The ambition over the next two years is for every secondary school and college in the D2N2 area, and at least 20% of specialist schools, to have:

• a designated employer linked to their organisation;
• an Enterprise, Careers and Employability Strategy;
• undertaken a self-assessment, to produce an action plan in response to the Enterprise, Careers and Employability Strategy;
• access to providers delivering enterprise, careers and employability activities who have been quality assured against the D2N2 Employability Framework;
• access to a range of funding to support their school strategies

D2N2 Asks for Government to devolve commissioning of skills provision to local areas with mature partnerships, like D2N2, that combine local accountability with a strong business voice and have a strong delivery record. This will enable D2N2 to build on our track record of delivery through our Employability Framework, the local roll out of the Careers and Enterprise Company Enterprise Adviser Network and the commissioning of an integrated European Social Fund programme to support a step change in skills performance.

D2N2 would also encourage government to maintain a dialogue with business, NHS and higher educational institutions to ensure that, alongside investing in skills and training provision, they can, where necessary, have access to skilled labour from overseas markets to meet gaps that constrain productivity and innovation.

3. Upgrading infrastructure

D2N2 has a robust pipeline of prioritised infrastructure projects that will support growth and productivity. The economic and social benefits of these investments are multiplied through the D2N2 Procurement Charter (addressing principles of the Social Value Act) that supports Project Leads to implement and measure the broader success factors of the capital investment including opportunities for apprentices, training and upskilling as well as creating a stronger and more diverse supply chain of
SMEs able to work with prime contractors. Given this structure and pipeline, D2N2 would positively respond, should there be a rebalancing of national infrastructure spend. Currently the East Midlands share of transport infrastructure funding is 3.2%. This is half the English average on a per capita basis. (England £582 per capita, EM £221). PWC most recent UK Economic Outlook report indicates that the East Midlands is the fastest growing local economy outside London and the South East, therefore D2N2 has latent potential to deliver more over the next 5 – 10 years.

**D2N2 Asks for more fiscal devolution to allow local leaders to work with communities and businesses to target investment to unlock and accelerate growth.**

HS2 is of major strategic importance, D2N2 will help bring about its success and with Midlands Connect Strategic Plan, D2N2 will support the implementation of the 25-year rolling programme of strategic road and rail improvements for the Midlands Engine area. This will boost the economy by up to £5bn by 2040 and create an additional 300,000 jobs.

D2N2 would like to develop and expand Enterprise Zones including incentives for the Nottingham and Derby Enterprise Zone to 2021. (Appendix II show case studies of the sites and their potential impact). These would form the focus for clusters around our life sciences and manufacturing capabilities. Biocity, set up 13 years ago, is recognised as one our D2N2 successes supporting small innovative firms which have now become large and internationally renowned life sciences businesses.

**D2N2 Asks for Government to enable local areas, where suitably robust governance and accountability mechanisms are in place, to implement innovative local financing solutions such as an expanded enterprise zone programme, capital investment allowances, fare bonds, tax incremental financing and free trade zones (see case study below).**

<table>
<thead>
<tr>
<th>A D2N2 Free Trade Zone</th>
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<tbody>
<tr>
<td>D2N2 would support a Free Trade Zone in association with East Midlands Airport, with favourable tax treatment to maximise the opportunities for trade and supply chain development in the D2N2 area. Our goal is to drive forward the area’s global market presence by attracting businesses and supporting the growth of SMEs in the wider supply chain and capturing new foreign investments. This not only involves our ambition to develop the largest UK freight hub but also to secure international connectivity through the expansion of the airport with more global passenger reach. We will work with Government to develop a fully costed business case, and define its form, location and development, mapping out the implications for the UK and D2N2 economy.</td>
</tr>
</tbody>
</table>

Unlocking latent potential in local 2nd and 3rd tier suppliers will not only drive up their productivity but match their competitiveness to that of the OEM’s.
Local partners are putting in place the digital infrastructure required to drive a 21st century economy. D2N2 have major Broadband UK (BDUK) Programmes covering its geography and would welcome an opportunity to achieve the 100% coverage so that no area has to be disadvantaged, and opportunities for more remote and rural working can further contribute to the D2N2 economy.

D2N2 Asks to develop and deliver proposals for establishing rural 5G test-beds in key locations in order that our localities are at the forefront of the next wave of digital technology.

4. Supporting businesses to start and grow

The D2N2 Growth Hub has supported almost 4,000 businesses since it opened its doors in December 2014. Our recent Customer Satisfaction Survey says 73% of users rate us excellent/good and 50% have taken positive action as a result of our intervention. 88% would recommend the service to another business. The partnership between the wide range of business support and skills support programmes (noted at almost 50) is working together to address a single business ask to “simplify the business support landscape”, so that they get tailored effective support. With our emerging High Growth, Scale Up activity, we will offer a targeted service and this is enhanced by the Midlands Engine Investment Fund which provides loan and equity funds.

Although the proposed review of entrepreneurship is welcome, entrepreneurship and enterprise have only very limited reference within the Strategy, D2N2 views these as vital components for successful innovation and requests they are given greater prominence in the Industrial Strategy.

In response to strong messages from our business community, D2N2 asks that the Growth Hub is resourced and supported to develop, build stronger alignments with DIT, HMRC and other key support agencies to truly be the place businesses know and trust for business growth, exporting and improved productivity.
5. Improving procurement

D2N2 through its Growth Deal has an important role to play in supporting the government’s stated aims of improving procurement. With the Growth Hub, we play our part in further developing the UK’s supply chains and getting businesses more skilled in tendering for contracts.

We will work with public agencies across D2N2 to drive private sector innovation through public procurement, and plan to work with the Academic Health & Science Network (AHSN) and NHS for a pilot to improve innovation and access for SMEs tender successfully for public procurement contracts.

**Bench to Bedside - D2N2 & East Midlands Pilot**

The East Midlands provides a unique environment to take innovation from bench to bedside through an empowered Health Partnership embedded in England’s most diverse region.

The bench to bedside approach will build on our regional expertise in genomics, precision medicine, rural health, mobile technology, big data, precision engineering as well as our heritage of developing world leading medicines to improve patient outcomes, drive down the cost of care and create wealth through commercial exploitation of innovation.

Our objective is to integrate academia, industry, social care and NHS expertise across the East Midlands to develop a world leading health partnership that speeds up the development, evaluation, adoption and commercialisation of health technologies in the most diverse region of England.

**The outcomes of this pilot proposal will be to deliver major benefits of ensuring fair access for SMEs to win NHS tenders, savings through innovation and procurement practices, in terms of the financial challenges facing the NHS and address health inequalities.**

6. Encouraging trade and inward investment

Publicly funded business support will include specialist export support for SMEs, especially those new to exporting, addressing the main causes of in-market failure. We encourage and support our DIT partners through the D2N2 Growth Hub with sector-focused Midlands Engine trade missions that bring benefits through supply chains. This will be additionally important as businesses take the challenges and opportunities of the post-Brexit trade economy.
7. Delivering affordable energy and clean growth

D2N2 has a track record of effective investment to promote the local carbon economy, working with local partners. Our priorities for affordable energy and ‘clean growth’ are for affordable, secure and decarbonised energy supply and progressing district heat networks. Developing renewable technologies for an electric vehicle charging infrastructure with work in Nottingham for the logistics of goods into the city are gathering pace with a local company organising national deliveries through spare capacity on our rail network. Developing renewable energy supply using technologies supported by businesses; addressing fuel poverty and developing battery storage technologies for large-scale renewable production are actively planned for our local partners.

8. Cultivating world-leading sectors

D2N2 strongly welcomes the proposed ‘Sector Deals’. D2N2 and partners have a strong record of promoting our sectoral strengths with examples that include the Aerospace Technologies Institute and the Advanced Propulsion Centre. To date these have been taken forward by major corporates and trade associations lobbying government at a national level. ‘Sector Deals’ should use hub and spoke models, for example in healthcare, this could be an important hook to join together the Pillars and create a local ecosystem and build upon the strengths of our OEMs, Rolls Royce, Bombardier and Toyota who all work to strengthen supply chains. Locally influenced investment such as the Local Growth Fund and Enterprise Zones are important catalysts to draw in complementary activities to develop vibrant and growing clusters. ‘Sector Deals’ could be an important basis from which to stimulate technology platforms that cross sectors e.g. diagnostics and healthcare.

D2N2 recognises that sectors and supply chains don’t stop at LEP, regional or national borders and therefore we continue to work with partners within the Midlands Engine to promote an intelligent and flexible approach to sector development.

D2N2 Asks, at Midlands Engine level, to continue discussions with Government for the manufacturing sector, supporting auto, rail and aerospace and their supply chains to raise quality, ambition and standards. For example, D2N2 is a hub of the UK’s rail sector with over 600 businesses across the whole of the rail value chain thus demonstrating the importance of a place based “hub and spoke” approach to sector deals.

9. Driving growth across the whole country

Economic growth is not evenly spread across the country. Policy changes and targeted funding can unleash the potential of underperforming local areas to grow faster in order to redress that balance and support an economy that works for everyone. D2N2 has a key objective to promote growth that all communities can benefit from. This can mean that people and places may need extra support to benefit from growth and growth opportunities that requires dialogue and joint working with a variety of agencies and departments.
There is widely-held concern that despite the current rhetoric around the need to move towards an economy that ‘works for everyone’ the proposed Industrial Strategy lists structures and mechanisms but provides very little reference to people and benefit and how this will be managed. To achieve an inclusive economic model these two factors must be considered in parallel.

Case Study – D2N2 Social Inclusion activity

In December 2016 D2N2 announced £15million for its ‘Building Better Opportunities’ programme; aimed at helping jobless young people, the long-term unemployed and those in poverty. Jointly funded with the Big Lottery Fund and delivered by three local charities it included a £4.6m project to help economically inactive people with multiple and complex needs get into work or training, a ‘Money Sorted’ programme tackling financial exclusion, and a £7.4m ‘Towards Work’ project supporting harder to reach groups – older men, women returning to work, people with disabilities – into employment.

National agencies, working closely with localities to meet local economic development needs, enable closer alignment of national priorities with local and regional economic potential. Devolved and sustainable funds, with sufficient capital and revenue investment, can release local economic growth opportunities at the most appropriate geographies and counter-act the loss of European Structural and Investment Funds.

D2N2 Asks that Industrial Strategy, takes a ‘whole government approach’ with effective implementation links to wider quality of life issues and national policies, such as Health, leaving the European Union, Housing and Education. D2N2 is keen to work with government, to meet the aspirations identified in the recent Housing White Paper, delivering the right housing, at the right scale, for each area and its local communities. Through the work on our Strategic Economic Plan, we will be able to produce an evidence base on economic need and ways forward to improve productivity that can be integrated into the Industrial Strategy.

10. Creating the right institutions to bring together sectors and places

With government providing additional local flexibility and directing resources to local geographies, D2N2 through the Midlands Engine will work with its partners, at different spatial scales, to enable delivery of the Industrial Strategy. There is good evidence that targeted intervention alongside stable, consistent sub-national institutional structures have an important role in supporting the competitiveness of local economies. Long term engagement with businesses will strengthen by the development and evolution of local institutions that businesses have begun to engage with, trust and understand. The delivery of the Industrial Strategy should build on the good foundations that local partnerships have created.
D2N2 Asks that using the Industrial Strategy to build institutional capacity for D2N2 partners, we will be even better and more effective in supporting businesses, industries and the wider economy to maximise growth opportunities. The Industrial Strategy will become the central feature of the partnership between government, the Midlands Engine and D2N2 Local Enterprise Partnership.

Working with government, D2N2 will seek to put these strengths at the heart of the UK’s Industrial Strategy supporting each of the ten pillars on which the Industrial Strategy will be built.

Appendices
2 - Case Studies (Enterprise Zones)

This paper was produced through consultation with partners and businesses by D2N2 and agreed by the D2N2 Board.
Appendix II

D2N2 Enterprise Zones

Nottingham Enterprise Zone

The Nottingham Enterprise Zone is made up of three sites:

- Boots EZ Campus - The Boots site in total consists of 279 acres (113 hectares) and the vision is to create a UK centre for innovation in health beauty and wellness in Nottingham. The site will offer a cost effective, high quality, centrally located site for health and wellness businesses such as business incubators, start-ups and small and medium enterprises. As well as existing buildings suitable for redevelopment, the site also includes around 100 acres (40 hectares) of brownfield land suitable for development.

- Nottingham Science Park - Nottingham Science Park is located opposite the University of Nottingham and working closely with its world-leading research base, Nottingham Science Park is an award-winning sustainable designed science park. With design and build opportunities from 20,000 ft² upwards, and a direct link on the tram network connected to the city centre and the transport hub of Nottingham, the site is ideally suited for businesses looking to ramp up their research and development.

- Beeston Business Park - Beeston Business Park aims to be the home of technology and ICT for the future. Located close to its sister Enterprise Zone site, at Alliance Boots, Beeston Business Park is a new development currently undergoing £40million of investment. Providing a range of office space and industrial units from 100 to 900,000 square feet, the site is located along a main railway line connecting Nottingham to London, Birmingham and Manchester. Businesses already located here include Siemens, SMS Technologies and ATOS, making it a strong location for ICT and technology led-businesses.

- Medipark - At 3.5 hectares, MediPark will build on Nottingham’s status as a designated Science City, bring companies into close contact with the Queen’s Medical Centre – one of Europe’s largest teaching hospitals and focus on encouraging collaboration and knowledge transfer to support the clinical sector. A range of high-tech business and laboratory spaces up to 100,000 sq ft are planned in three phases of development that will meet the highest standards of design and sustainability. Connected into the city’s award-winning tram network, the site will benefit clinical research and medical devices companies.
Appendix II

Derby Enterprise Zone Site

Infinity Park Derby - The £200m, 250-acre commercial and Technology Park, located south of Derby city centre alongside the A50, is seen, in D2N2's Strategic Economic Plan, as a key driver for economic growth. It was announced as an additional site for the D2N2 area's Enterprise Zone, in the Chancellor's 2014 Autumn Statement. It is eventually hoped the Park will provide 1.5million square feet of business space and accommodate up to 8,000 jobs, focused around hi-tech and knowledge industries. The Park's first building - the £11.8m Innovation Centre opened in July 2016 and occupancy is steadily increasing. It will be the headquarters for Enscite, a support organisation for companies in the transport engineering supply chain.

Innovation Hub at Infinity Park, Derby
Appendix II

Nottingham Science Park

Aerial View of Boots
Appendix II

Medicity Building at the Boots EZ Site (LGF Funded also)
Appendix II

One of the Buildings on the Beeston Business Park site.

Medipark
## D2N2 SWOT analysis – item 2.1 appendix 4

<table>
<thead>
<tr>
<th>D2N2 Strengths</th>
<th>D2N2 Weaknesses</th>
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</thead>
<tbody>
<tr>
<td>One of the largest and most established LEPS</td>
<td>No Devolution deal for D2N2, risk not being in Premiership of city regional growth</td>
</tr>
<tr>
<td>Home to iconic businesses – RR, Toyota, Bombardier, Boots, Capital One</td>
<td>This means ME is unbalanced</td>
</tr>
<tr>
<td>Strong and growing economy</td>
<td>Sense that some leading businesses not as engaged as they could be with LEP, may view their direct &amp; sectoral relationships as more fundamental</td>
</tr>
<tr>
<td>Top class universities and research</td>
<td>Not clear what overall narrative is for D2N2 and its place or places, what’s the place for, what’s its future?</td>
</tr>
<tr>
<td>Complementary relationship between two principal cities, both economically and politically</td>
<td>Area has significant pockets of disadvantage and poor educational attainment</td>
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<tr>
<td>Being in the heart of Britain as Midlands Engine develops</td>
<td>Not clear what the settled balance is between political and business leadership</td>
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<tr>
<td></td>
<td>No obvious political champions?</td>
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<table>
<thead>
<tr>
<th>D2N2 Opportunities</th>
<th>D2N2 Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midlands is the political battleground, so political parties compete to win support here. TM better predisposed towards ME, NP was more GO’s baby!</td>
<td>Brexit negotiations go less well, competitive position of key sectors undermined, capacity of Govt overwhelmed</td>
</tr>
<tr>
<td>HS2 at Toton is transformational opportunity</td>
<td>This in turn could lead to more economic volatility and questions about underlying economic resilience</td>
</tr>
<tr>
<td>D2N2 businesses at heart of Brexit trade negotiations</td>
<td>Continued inability to establish a form of industrial devolution could undermine Govt and business engagement with D2N2</td>
</tr>
<tr>
<td>Build on complementarity between two major city conurbations (metro) to make case for devolution of industrial functions and powers</td>
<td>Possibility of further local government re-organisation moves that could distract from focus on strategic co-ordination</td>
</tr>
<tr>
<td>Industrial Strategy is a good frame through which to make the case for productivity funding etc – need to develop some powerful propositions on this, skills integration etc</td>
<td>Establishment of WM Mayoral CA could see focus switch even more to West Midlands and ME could become less relevant</td>
</tr>
<tr>
<td>Inability to get devolution deal makes business leadership even more important</td>
<td></td>
</tr>
<tr>
<td>Publication Name</td>
<td>Date</td>
</tr>
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<td>-----------------</td>
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<td>Midlands Business Today</td>
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<td>Radio Derby</td>
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<td>Daily Telegraph</td>
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<td>Midlands Business Today</td>
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</table>
1. Introduction

This report considers:

- Local Growth Fund - Annual Accounts (appendix 1 for information)
- Measures to challenge poor project performance and particularly in the context of over-programming
- Progress Update on SEP refresh (appendix 2)

2. Recommendations

The Board to note:

- Proposals to address slippage and weak project performance (particularly in the LGF programme)
- Agreement between the LGF Accountable Body to implement additional LGF resource set out in the D2N2 business plan

3. Key Events since last meeting

County Council Elections – Derbyshire has changed its administration to Conservative and Nottinghamshire remains in No Overall Control but will be led by a new Conservative/Mansfield Independents coalition

The National Election has been called for June 8th and purdah applies with Parliament dissolved on 2nd May 2017

D2N2 Response to Industrial Strategy Green Paper submitted (included as part of Chairs report)

D2N2 Review underway – to report back at July meeting – update in Chair’s report

Derby/Nottingham Metro strategy launched

Local Growth Fund 3 Project Allocations - confirmed through written procedures

4. LGF – Statement of Accounts

CLG have confirmed that the D2N2 Transparency and Accountability processes comply with their requirements but have asked that we do more work on a D2N2 specific Diversity Statement.

As part of a wider review of the Local Assurance Framework, the Perm Sec at CLG has commissioned a report from CLG Non Exec Director Mary Ney, to look at the Local Assurance Framework and it’s local application. I understand she is consulting with the LGA and Council S151 Officers as well as LEPs.
The final accounts for our programmes are being concluded and are attached in Appendix 1 including specific funding by project within the LGF programme.

This shows that there will be a full draw down of LGF funding for 16/17 (for the second year in a row) but that many projects are falling significantly behind the agreed timelines set out in their initial proposal or agreed Stage 1 or 2 business case.

5. LGF – Addressing Poor Performance (in the context of over programming)

Detailed work is being progressed for the 17/18 LGF programme which already highlights significant slippage in a number of proposed projects. All these projects remain within the programme but it will became increasingly difficult to accelerate other projects to make up any shortfall.

Moreover, the IIB report - elsewhere on the agenda - also starts to clearly illustrate anticipated project outputs (Jobs and homes) failing to meet their agreed targets and consequently falling significantly behind their commitments as part of their funding contract.

These projects will consequently become high risk, requiring them to give monthly updates to the Investment Board on appropriate mitigation. As a consequence, well as agreeing funding for new projects, the IIB is likely to have significant challenges in the next 12 months managing performance of existing approvals.

This demonstrates an ongoing weakness in the quality (and particularly robustness) of some of the business cases submitted – we have recently held further training a business case preparation for promoters - and a need to more closely challenge and scrutinise assumptions when funding is being sought rather than after funding has been approved and requires 2 forms of action.

a) Improving the quality and robustness of business cases.
   b) Taking more direct action eg cancelling those projects that don’t come forward within the time scales and/or outputs originally identified

These will be even more important in the context of over-programming agreed as part of the LGF 3 allocations.

The IIB officer group has produced a revised and more rigorous business case approval process which is been recommended to the IIB Board and essentially requires more accurate information earlier in the decision making process.

With regard to part b, the rules of challenge to project coming forward are also set out in the Assurance Framework as follows and will become requirements rather than requests.

IIB terms of reference – Dates for Stage 1/2 and late submission penalties

Stage 1 and 2 Business Case submission
Promoters are requested to provide and agree with the LEP the date on when a Stage 1 and Stage 2 submission will be submitted for approval prior to the start of the financial year.

Promoters are requested to submit a valid Stage 1 application no later than July of the financial year in which funding is to be released. Failure to submit will render a project High Risk

A Stage 2 application (business case) is to be submitted in line with the programmed date agreed with the LEP; however this is to be no later than November 30th of the year in which funding is to
be released. Failure to submit a business case in line with the programme will render the project High Risk.

**Late Commencement/ Outputs**
The IIB will be provided with quarterly performance reports by the project monitoring officer. If it is reported that a project is delayed (commencement/completion/outputs/outcomes) by 3 months or more then the project will be reported as a High Risk project. In this instance the IIB will write to the promoter requesting a written response detailing why the project was delayed.

If the IIB are not satisfied with the response then the IIB can request that the funds already paid are repaid to the LEP or decide not release any future years funding.

Finally, there is within the LEP a vacancy in the programme management of the LGF programme due to our failure to appoint earlier this year. This has been covered in part through interim arrangements but this lack of capacity is without doubt placing a further burden on other more junior Accountable Body and LEP staff.

The IIB is due to meet again in June.

6. **SEP Review**

Since the 2013 publication of the current ‘Strategic Economic Plan’, economic and political conditions have changed, we have made progress against our targets but productivity and social challenge persist. It is timely to publish a well informed and ambitious Strategic Economic Plan, clearly linked to the Government’s Industrial Strategy, early in the life of the new parliament.

LEPOG is leading the review on behalf of the Board. The overall time-scale for the SEP review is:

- Evidence Base (to Sept, substantive results in July)
- Analysis of the Evidence Base – Identification of Initial Priorities (July to Sept)
- Consultation (Oct to Nov)
- Drafting and Finalisation of the Strategy Document (Dec to Jan)

**Progress with Evidence Gathering**
By working together with partners on evidence gathering we are minimising the level of expenditure on the review. Areas where we are working with partners to develop the evidence base at no or marginal cost include:

- Undertaking the ‘State of the Region’ review ‘in house’ with the support of local authority information teams
- Building on the evidence base gathered for the recent Skills Strategy review
- Building on existing local, Midlands-wide and, where relevant, national research and strategy development; documents from the Metro Strategy and planned town centres review to Midlands Connect and the HS2 Growth and Productivity Review
- Working with the University of Nottingham and CBI to analyse the local productivity ‘gap’
- Potentially working with Nottingham Trent University, the Joseph Rowntree Foundation and the RSA on ‘inclusive growth’ in D2N2.

The overall plan for evidence gathering is attached as Appendix 2. The current ‘gaps’ in the evidence base and the approach being taken or proposed to fill them are;

*Infrastructure, housing and regeneration (including air quality):*
Understanding key issues on infrastructure, employment land, housing, transport and air-quality will inform the SEP’s approach to capital investment and ‘place’. It would also support the
planned development of an Infrastructure Strategy by the D2N2 Joint Committee. There is a wealth of information already gathered around HS2, Midlands Connect and local spatial planning. It is suggested that officers supporting D2N2 and the Joint Committee work together with partners such as the Homes and Community Agency, to collate a joint evidence base on ‘place’ issues to inform the development of both strategies.

**Innovation:**
To fill the evidence gap on innovation, D2N2 LEP, with partners, is inviting tenders to deliver a D2N2 ‘cut’ of the Midlands Science and Innovation Audit to identify our key assets and technologies and review business adoption of innovative practices and technologies.

**Next Steps**
Whilst good progress has been made on working with partners and reducing costs to develop the SEP evidence base, there is a need to procure external independent capacity to support the Board move from evidence to strategy, through analysis, consultation and supporting prioritisation and target setting within the above time-scale. This will complement continuing partnership and ‘in-house’ work.

Quarterly meetings of LEPOG will oversee the review of the strategy but a smaller task group of officers will be convened to drive forward the work between LEPOG / Board meetings.

David Ralph  
May 2017
Item 3.1 Chief Executive’s Report – appendix 1

The Annual Accounts have been prepared as a summary of the financial decisions and transactions that have occurred during the 2016/17 period.

### Financial Summary 2016/17

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<th>Type of Funding</th>
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<th>2015/16</th>
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<td>Capital</td>
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<td>£ 39,595,400</td>
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<td>Growth Hub</td>
<td>Revenue</td>
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<td>£ 525,000</td>
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<td>Resource funding</td>
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<td>Careers and Enterprise</td>
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<td>TDE Project</td>
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<td>HS2 Growth Strategy</td>
<td>Revenue</td>
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<td><strong>Total Income</strong></td>
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<td>Resource funding</td>
<td>Revenue</td>
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<td>Careers and Enterprise</td>
<td>Revenue</td>
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<td>HS2 Growth Strategy</td>
<td>Revenue</td>
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<td>£</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td><strong>£ 56,196,859</strong></td>
<td><strong>£ 40,177,473</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year end closing balance</th>
<th></th>
<th>2016/17</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource funding</td>
<td>Revenue</td>
<td>£ 45,912.30</td>
<td>£ 46,484.00</td>
</tr>
<tr>
<td>Careers and Enterprise</td>
<td>Revenue</td>
<td>£ 35,140.60</td>
<td>£ 47,426.71</td>
</tr>
<tr>
<td>TDE project</td>
<td>Revenue</td>
<td>£ 15,200.00</td>
<td>£</td>
</tr>
<tr>
<td>Local Growth Fund interest in reserve</td>
<td>Revenue</td>
<td>£ 281,379.62</td>
<td>£ 126,116.60</td>
</tr>
<tr>
<td>HS2 Growth Strategy</td>
<td>Revenue</td>
<td>£ 1,010,931.11</td>
<td>£</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>£ 1,388,563.63</strong></td>
<td><strong>£ 220,027.31</strong></td>
</tr>
</tbody>
</table>

The table below shows how the monies were distributed across the Local Growth Fund (LGF) projects:
Against the target of £55.4m of grant available we released grant of £44.65m to contracted projects.

The Government confirmed that if it was not possible to spend all of the 2016/17 allocation on LGF projects then funding could be spent in 2016/17 with the agreement of the Accountable Body’s Section 151 Officer, against Derbyshire County Council Capital Schemes and reimbursed completely against the LGF programme in a future year when required.

A payment was made to the sum of £10,754,301 to Derbyshire County Council, for the Highways Maintenance scheme and Street Lighting LED’s scheme. This was approved by Cabinet on the 25th April 2017.

<table>
<thead>
<tr>
<th>Project name</th>
<th>16 17 Grant paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infinity Park</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td>Nottingham Skills Hub</td>
<td>192,818.00</td>
</tr>
<tr>
<td>Nottingham Broadmarsh</td>
<td>710,000.00</td>
</tr>
<tr>
<td>Newark Southern Link Road</td>
<td>6,000,000.00</td>
</tr>
<tr>
<td>Harworth Access Road</td>
<td>1,100,000.00</td>
</tr>
<tr>
<td>Nottingham Cycle City Ambition Programme</td>
<td>1,943,024.00</td>
</tr>
<tr>
<td>Becketwell</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>Our City Our River</td>
<td>2,500,000.00</td>
</tr>
<tr>
<td>Seymour Link</td>
<td>500,000.00</td>
</tr>
<tr>
<td>A57/A60 Junction Worksop</td>
<td>915,000.00</td>
</tr>
<tr>
<td>D2N2 Sustainable transport programme</td>
<td>2,475,000.00</td>
</tr>
<tr>
<td>A61 Corridor</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Enterprise Zone Sustainable Transport</td>
<td>796,500.00</td>
</tr>
<tr>
<td>Southern Growth Corridor</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>A52 Wyvern</td>
<td>1,500,000.00</td>
</tr>
<tr>
<td>Tudor Cross (former Coalite)</td>
<td>5,797,800.00</td>
</tr>
<tr>
<td>Medicity</td>
<td>740,000.00</td>
</tr>
<tr>
<td>Ada Lovelace House</td>
<td>143,946.00</td>
</tr>
<tr>
<td>Bulwell Market</td>
<td>100,000.00</td>
</tr>
<tr>
<td>Dakeyne Street</td>
<td>180,000.00</td>
</tr>
<tr>
<td>Sutton Indoor Market</td>
<td>375,000.00</td>
</tr>
<tr>
<td>A46 Corridor, Rushcliffe</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>Buxton Crescent</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>Institute for Advanced Manufacturing</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>LEP Management</td>
<td>177,542.00</td>
</tr>
<tr>
<td>Derbyshire County Council Highways Maintenance *</td>
<td>8,934,764.00</td>
</tr>
<tr>
<td>Derbyshire County Council Street Lighting LED scheme*</td>
<td>1,819,537.00</td>
</tr>
</tbody>
</table>

*underspend utilising agreed freedom and flexibilities.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>55,400,931.00</td>
</tr>
</tbody>
</table>

Against the target of £55.4m of grant available we released grant of £44.65m to contracted projects.

The Government confirmed that if it was not possible to spend all of the 2016/17 allocation on LGF projects then funding could be spent in 2016/17 with the agreement of the Accountable Body’s Section 151 Officer, against Derbyshire County Council Capital Schemes and reimbursed completely against the LGF programme in a future year when required.

A payment was made to the sum of £10,754,301 to Derbyshire County Council, for the Highways Maintenance scheme and Street Lighting LED’s scheme. This was approved by Cabinet on the 25th April 2017.
### Local Economic Growth Strategies and Research

Nottingham – Derby Metro Strategy, Nottinghamshire Place Strategy, ‘Planes, Trains and Automobile’ report, local ICT connectivity strategies, STPs, etc...

### State of the Economy Review

Collation led by VE. Information presented with the assistance of LA information teams

### Productivity Review:

D2N2 working with UoN on analysis of local firm’s productivity and CBI on wider productivity factors

### Inclusive Growth Review

D2N2 working with NTU and the RSA & JRF

### HS2: Growth Strategy and Productivity Review

Midlands Connect

1. **Analysis of the Evidence Base – Identification of Initial Priorities** (July to Sept)
   - Literature Review of evidence base, including and relevant and necessary forecasting work
   - Use information arising for initial review of D2N2 Priority Sectors and support the Board to test the vision, targets, themes, focus and role of the SEP. Support the Board to identify initial priority actions (not individual schemes).
   - Develop a Consultation document covering the above matters

2. **Consultation** (Oct to Nov)
   - Develop and issue a consultation document. Hold events and on-line consultation.
   - Analyses consultation
   - Workshop with Board on implications and priorities for final strategy development

3. **Drafting and Finalisation of the Strategy Document** (Dec to Jan)
   - Draft final strategy, consult with Board, finalise and publish.
1. Key Messages

1.1 Refresh of the Skills for Growth Strategy

The Skills & Employment Strategy has been redrafted taking on-board feedback from the Local Authorities. The document includes a statement as to purpose of the Strategy bearing in mind the refresh of the Strategic Economic Plan. The Skills Mismatch analyse has been included. The action plan is being reproduced based on SMART impact measures and interventions – this will be reviewed by the Skills Exec Group (LA officers and LEP) and published as a separate document so as not to delay the publication of the Strategy. The analysis and data from the Strategy will inform the SEP refresh for skills. Formal approval of the Strategy was received by members the N2 EPC on 24th February 2017. Formal approval of the Strategy will also be sought from D2. The Skills & Employment Commission will be reconvened from July 2017 – the meeting will continue to be chaired by Melanie Ulyatt however the wider membership for the group is under review. It is also proposed for support to the Commission will be provided by the Skills Exec Group.

1.2 Area Review

The final report following the Area Review is still to be published. The timescale for publication is any time between July 2017 and September 2017. It was agreed an Implementation Group be established (using existing infrastructures) to review and monitor the Recommendations of the Area Review. This will be led by the LEP, membership will be Colleges only who were involved with the Area Review and Local Authority.

1.3 Institutes of Technology (IoT)

Following the announcements in the Industrial Strategy green paper of £170m of capital funding to support the creation of Institutes of Technology (IoTs), DfE have issued a further Briefing Dated April 2017. [https://www.lepnetwork.net/resources/uploads/files/IoT_Briefing_April_2017.pdf](https://www.lepnetwork.net/resources/uploads/files/IoT_Briefing_April_2017.pdf)

Overview for Information

IoT Call for Proposals
• Call for proposals to establish Institutes of Technology will be launched in Spring 2017*
• Applicants will be able to bid into a £170M capital fund, as announced in the Industrial Strategy green paper.
• Aim: to establish employer led institutions delivering higher level technical STEM provision in areas with evidenced skills gaps and learner demand.
• IoTs can raise prestige of technical education so it is a credible high quality alternative to academic routes.
• Building on Area Review process, bidders should use their relationships with local employers, LEPs, Combined Authorities and providers to consider their proposition.
What is an IoT?

• IoTs should meet local economic needs for higher technical STEM skills by strengthening and growing provision to fill gaps in the market. Detailed offer will vary from area to area but is expected to be based around the following:
  o boosting provision at Levels 4 and 5 in STEM subjects;
  o developing a strong pipeline of provision at Level 3 either as part of the IoT offer or with clear pathways of progression to the IoT’s level 4/5 provision;
  o up-skilling or re-skilling the existing workforce, to keep pace with rapid technological change; and
  o using innovative modes of delivery.
• We want to encourage partnerships between key local stakeholders to address skills gaps, building upon existing provision and assets

Process

• Two-stage competition: bidders to submit outline business case to be assessed by DfE panel. Approved bids proceed to full business case and capital grant application.
• High bar for approval: focus on quality, not quantity. Successful applicants awarded IoT status and funding.

Who can bid?

• FE College, Higher Education Institution, Private Training Provider, Employer Consortium, LEP or Combined Authority. Proposals should be supported by:
  o FE College, unless there is robust evidence that this is not appropriate for local area
  o lead authority for local economic (LEP or Combined Authority).
  o local employers identified as potential "anchor partners".
• Further details on process and application will be given in call prospectus and bidders conference in Spring 2017*.

Institutes of Technology: process and timeline

* Note: Timelines quoted were prior to Purdah.

Details have been discussed with EMFEC (Paul Eeles) to update the D2N2 Principals at their meeting w/c 15 May 2017. The LEP has stated they would welcome one bid for D2N2 as per an agreed recommendation from the D2N2 Area Review.
1.4 Skills Portal for D2N2

In response to the Skills & Employment Strategy work is being carried out to get buy in to undertake a 14-month pilot to develop a digital portal “to create the most effective, SIMPLE and EASY environment for employment and skills for D2N2 which will benefit employers, individuals and the economy”.

The concept was presented to the D2N2 Growth Hub Project Board on 10th May, with the aim of the skills portal being an embedded offer of the Growth Hub.

Objectives of the pilot are:

- An innovative digital employability and skills platform which will enable collaboration and partnership between individuals and organisations to create valuable employment and skills related opportunities
- 14-month pilot with full evaluation and review
- At the outset the objective will be to develop a “sustainable” solution
- Stakeholders will include the current ESF SFA-opt in providers who are engaging with employers.

The Growth Hub Project Board were positive, however, further information needs to be worked through—this includes procurement, accountability and the overall management of the delivery and outputs.

1.5 Careers & Enterprise Company (CEC)

Enterprise Adviser Network Update. A Grant Offer letter has been received by the LEP for the continuation of the EAN Network for a future 3-years. 17/18, 18/19 and 19/20. Discussions are taking place with existing match funders to ascertain level of continuation and available funds. One Enterprise Coordinator (Derbyshire) has resigned from the Network however a replacement is to be sourced. The CAREERS Local provider has agreed to match fund a new Enterprise Coordinator, recruitment will take place in May 2017. The role will be to support schools bidding for CAREERS
Local and who wish to be involved with the EAN network, but who are not already working with a school. This will provide additional capacity to support up to 20 schools to access the EAN Network and schools to be able to submit bids to CAREERS Local.

Progress:

<table>
<thead>
<tr>
<th>Local Enterprise Partnership name</th>
<th>D2N2 Local Enterprise Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountable body:</td>
<td>Derbyshire County Council</td>
</tr>
<tr>
<td>Claim period:</td>
<td>January 2017 – March 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>July 2017 target</th>
<th>Quarter start</th>
<th>Movement in the quarter</th>
<th>Quarter end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Enterprise Coordinators (FTE)</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>4*</td>
</tr>
<tr>
<td>Number of Enterprise Advisers</td>
<td>90-100</td>
<td>49</td>
<td>11</td>
<td>60</td>
</tr>
<tr>
<td>Number of matched Enterprise Advisers</td>
<td>26</td>
<td>49</td>
<td>9</td>
<td>58</td>
</tr>
<tr>
<td>Number of schools engaged</td>
<td>127</td>
<td>95</td>
<td>21</td>
<td>116**</td>
</tr>
<tr>
<td>Percentage of schools and colleges covered overall (164)</td>
<td>77%</td>
<td>58%</td>
<td>20%</td>
<td>71%</td>
</tr>
</tbody>
</table>

* 1 x EC has left end of March
** Taken from new CEC report, 88 = currently signed up, 2 withdrawn, 26 engaged but not signed up

Next Period

**Future Events:**
29th May – EA Dissemination Event to Local Business Community (Berni Dickinson)
28th June - D2N2 Enterprise Adviser Network event hosted by Rushcliffe BC, presentations incl. Ian Greenaway (D2N2) and Natalie Cramp of CEC (Graham Wood)
TBC – Raising Awareness for Employers, Derby City (Jacqui Kinch)

Other Activities:
A website for schools is being created by the LEP which will feature school events, employer events, funding, activities in the area, news items, employability, case studies, contact details for ECs, EAN information.

The Careers & Enterprise Company hosted their inaugural ‘Joining the Dots’ Awards in Sheffield during their Annual Conference on 10 May 2017. D2N2 had three entries, two of which were shortlisted and one winner. Claire -Marie Cuthbert, CEO of the Evolve Trust won The Regional ‘Joining the Dots’ Award for the Central and East region.

Other entries were G F Tomlinson’s, entered for the Employer Award, and Paul Phillips of Enterprise Holdings working as Enterprise Adviser with Farnborough Academy. Paul was shortlisted for the Regional Award.
D2N2 BOARD REPORT

DATE: 19th May 2017

REPORT LEAD: David Williams (Lindsay Allen Officer Lead)

AGENDA ITEM: 4.2

TITLE: Growth Hub Development & Operations Report

1. INTRODUCTION
The purpose of this report is to update Board Members on the D2N2 Growth Hub developments and business engagement activities.

2. RECOMMENDATION
2.1 BOARD to:
a) Note the Growth Hub developments and Operational Activity Report.

3. BACKGROUND
3.1 The D2N2 Growth Hub has been operating since December 2014 with a mix of funding and local partner investment. ERDF is secured until March 2019 (Nottingham City Council is the Accountable Body and partner), matched with local partner funding (EM Chamber, Derbyshire Dales, Chesterfield, Notts County Council and Derbys County Council) and BEIS funding of £430,500 for 2016/17 and 2017/18 (manged by the LEP, Accountable Body, Derbyshire County Council). There are @ 9,000 businesses on the CRM system, and to date we have supported/advised 4,100.

4. GROWTH HUB DEVELOPMENTS

- Simon Hall, left the Growth Hub at the end of March and we have recruited a replacement, Chris Pook, from Derby City Council and he takes up the role of Growth Hub Manager on 19 June 2017. Appendix I shows the current Organisation Chart for the Growth Hub.
- The Growth Hub commissioned a Scoping Report to review the needs of high growth and scale up businesses and to consult with existing providers of support suitable for High Growth businesses and judge their appetite to deliver or promote the new but complementary services.
- The D2N2 High Growth activity is out to tender, there is an initial wave of funds through the “BEIS” funding (£150,000 plus match funding) to run from June 2017 – March 2018.
- There is a further call under the ESIF funding for £700,000 plus 50% match funding to further the delivery until March 2019.
- The second Customer Survey (March 2017), shows consistently good customer service. 88% of businesses say they would recommend the service to another business, 73% say they have received a good – excellent service and 50% had taken action as a result of the advice they have received.
ESIF payments on claims are coming through to most projects have received payments.
Alongside the business support, innovation and Low Carbon support programmes, Skills Local and Employ Local are now also operating in D2N2 and the team are embedding the skills agenda into the Growth Hub, with training being delivered to the Advisor team on the Apprenticeship Levy, materials provided on the skills programmes and referral processes in place.
The BEIS funding of £430,500 for 2016/17 was fully used for CRM, website, customer survey, marketing and advisor activities. These complement the ERDF funded activities.
Early stage development of an on line Knowledge Bank for advisors to be better informed about the details of the “54” programmes.

5. PROGRESS TO DATE – HEADLINE STATISTICS to 31 MARCH 2017TY REPORT

Key Headline Statistics giving an instant snapshot of the most important areas:

- **Performance against ERDF Budget** Rated **GREEN**, targets within range of being achieved.
- **Performance Against ERDF Output Targets** Rated **GREEN**.
- **Overall Engagement Levels** stands at **4,101** businesses representing **5.32%** of the overall D2N2 business population (approx. 77,000).

<table>
<thead>
<tr>
<th>Apr 2016 – Mar 2017</th>
<th>Apr – Dec Actual</th>
<th>Q1 2017 Actual</th>
<th>Total at Mar’17</th>
<th>Target as at Mar’17</th>
<th>Shortfall</th>
<th>%age Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 - 12 hour business assist</td>
<td>38</td>
<td>28</td>
<td>66</td>
<td>73</td>
<td>-7</td>
<td>-9.6</td>
</tr>
<tr>
<td>C8 - Jobs Created</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td>-14</td>
<td>-100.0</td>
</tr>
<tr>
<td>P13 - 3 hour business assist</td>
<td>209</td>
<td>289</td>
<td>498</td>
<td>517</td>
<td>-19</td>
<td>-3.7</td>
</tr>
</tbody>
</table>
NUMBER OF BUSINESSES ASSISTED

As at 31st March 2017 the total number of unique businesses assisted by the Growth Hub now stands at 4,101. The graph below shows how this has built up:

The red line from 1 April 2016 onwards is at the 166 mark which is the monthly engagement target if we are to reach our aspiration of 2,000 new clients per year from 1 April 2016 onwards. While not a contractual target, it is the number of new clients that we assess to be necessary to achieve Output targets.
The graph below shows the breakdown of the Business assists by Local Authority.
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 Area</th>
<th>No of Businesses (ONS 2016)</th>
<th>Growth Hub Interventions</th>
<th>% age</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashfield</td>
<td>2,800</td>
<td>96</td>
<td>3.43</td>
<td>11</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>3,875</td>
<td>114</td>
<td>2.94</td>
<td>16</td>
</tr>
<tr>
<td>Broxtowe</td>
<td>3,180</td>
<td>127</td>
<td>3.99</td>
<td>7</td>
</tr>
<tr>
<td>Gedling</td>
<td>3,385</td>
<td>101</td>
<td>2.98</td>
<td>15</td>
</tr>
<tr>
<td>Mansfield</td>
<td>2,645</td>
<td>130</td>
<td>4.91</td>
<td>5</td>
</tr>
<tr>
<td>Newark &amp; Sherwood</td>
<td>4,675</td>
<td>142</td>
<td>3.04</td>
<td>14</td>
</tr>
<tr>
<td>Rushcliffe</td>
<td>5,155</td>
<td>159</td>
<td>3.08</td>
<td>13</td>
</tr>
<tr>
<td>(Total Notts County Area)</td>
<td>25,715</td>
<td>869</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nottingham City*</td>
<td>8,480</td>
<td>1017</td>
<td>11.99</td>
<td>1</td>
</tr>
<tr>
<td>Amber Valley</td>
<td>4,430</td>
<td>175</td>
<td>3.95</td>
<td>8</td>
</tr>
<tr>
<td>Bolsover</td>
<td>4,080</td>
<td>100</td>
<td>2.45</td>
<td>17</td>
</tr>
<tr>
<td>Chesterfield*</td>
<td>3,275</td>
<td>321</td>
<td>9.80</td>
<td>2</td>
</tr>
<tr>
<td>Derbyshire Dales*</td>
<td>4,640</td>
<td>381</td>
<td>8.21</td>
<td>3</td>
</tr>
<tr>
<td>Erewash</td>
<td>3,595</td>
<td>135</td>
<td>3.76</td>
<td>9</td>
</tr>
<tr>
<td>High Peak</td>
<td>3,820</td>
<td>173</td>
<td>4.53</td>
<td>6</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>3,305</td>
<td>115</td>
<td>3.48</td>
<td>10</td>
</tr>
<tr>
<td>South Derbyshire</td>
<td>3,625</td>
<td>121</td>
<td>3.34</td>
<td>12</td>
</tr>
<tr>
<td>(Total Derbys County Area)</td>
<td>30,770</td>
<td>1,521</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derby City</td>
<td>7,000</td>
<td>431</td>
<td>6.16</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>71,965</td>
<td>3,838</td>
<td>5.33</td>
<td></td>
</tr>
<tr>
<td>Out of Area</td>
<td>263</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>4,101</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There is now evidence from the three Local Authority Areas (asterisked) where Enhanced Local Services have invested during 2016 and 2017 they have enjoyed the highest penetration rates. Mobilisation of additional Enhanced Local Services will increase future penetration rates elsewhere.
This table shows the number of businesses engaged by the *Sheffield City Region Growth Hub* in the areas where there is an overlap with the D2N2 Growth Hub.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Companies engaged *</th>
<th>Company referrals created **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chesterfield Borough Council</td>
<td>100</td>
<td>114</td>
</tr>
<tr>
<td>Bassetlaw District Council</td>
<td>43</td>
<td>63</td>
</tr>
<tr>
<td>Derbyshire Dales District Council</td>
<td>57</td>
<td>82</td>
</tr>
<tr>
<td>Bolsover District Council</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>North East Derbyshire District Council</td>
<td>29</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>247</td>
<td>319</td>
</tr>
</tbody>
</table>

* Note that the number of referrals can be higher than the number of companies engaged as one company may have been referred to more than one support programme.

** There may also be overlap with the companies counted as one may have worked with both Growth Hubs.
D2N2 GROWTH HUB
DELIVERY ORGANISATION AND STAFFING CHART

Growth Hub Manager (ERDF)
Chris Pook

Growth Hub Core Service
Across whole D2N2 area

Partnership Manager (ERDF)
Lisa Barton

Enquiry Handling Service Manager (ERDF)
Paul Stuart P/T

Enquiry Handler (ERDF)
Helen Carter P/T

Enquiry Handler (ERDF)
Lucy Curtis P/T

Growth Hub Adviser (Derbys) (ERDF)
Lisa Hoyland

Growth Hub Adviser (Notts) (ERDF)
To Be Appointed

Growth Hub Enabling Services
Provided by East Midlands Chamber (EMC)

Business Finance Adviser (ERDF)
John O’Donnell

Marketing and Events Exec. (ERDF)
Fiona Shepherd

CRM/Systems (not ERDF)
Julian Richardson

Growth Hub Enhanced Local Services (All ERDF)
Six Partners Involved

Nottingham City Team (ERDF)
Tracey Hylton Burrows; Paul Edwards; Anthony Byrne

Nottinghamshire CC (ERDF)
Damian Cliff
1 more to be appointed

Derbyshire CC (ERDF)
Julie Nicholson (NBV)

Chesterfield BC (ERDF)
Adrian Williamson

Derbyshire Dales DC (ERDF)
Heather Bradford

EMC (ERDF)
Andrew Rozzier

As at 10 May 2017

D2N2 Growth Hub Governance arrangements are:

Project Board: The full Project Board is chaired by a D2N2 Board Member and consists of representatives invited by D2N2 from the public and private sector. It sets and agrees Growth Hub Strategy and monitors overall performance.

Executive Group: The Executive Group consists of a smaller group appointed by the Project Board to address the more operational issues facing the Growth Hub, and carry out more detailed monitoring.

Operational: Day to day Operational Activity is managed by three parties on behalf of the Project Board: D2N2 (represented by Lindsay Allen), Nottingham City Council who act as Accountable Body for the ERDF funded element and provide staff (represented by Chris Pook) and East Midlands Chamber who provide staff and enabling services (represented by Diane Simpson).
Recommendations

The LEP Board are requested to note the progress taking place in the Enterprise Zone.

1. Beeston Business Park

The finalised planning application for the Beeston Business Park site is due to be signed off subject to the signing of the Section 106 agreement. All other issues relating to the planning agreement have been resolved now. The permission will contain the following levels of development:

- 310 Homes
- 13,250m² of employment floorspace
- 0.35 hectares for the existing school to extend into, this will cater for the children at both the Beeston Business Park site and the Boots Enterprise Zone site (675 Homes)
- 60 space car park next to the station.
- A community centre

Demolition works on the site are continuing to progress with the former Beeston Business Centre nearing complete demolition. Existing businesses remain on the site and are still currently occupied.

Broxtowe Borough Council are continuing discussions with Siemens who have the freehold on the site in order to resolve any outstanding Section 106 issues that remain. Broxtowe are positive that the current discussions are productive and are expecting a resolution to any issues shortly.
2. Walgreens Boots EZ Campus

Infrastructure Delivery

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 late summer 2017. This is six months later than the original programme, but is due to an extension to the road contract to include some widening of Thane Road near its junction with Queens Drive and Health and Safety issues that City Council and Boots needed to be addressed before the extra works could commence following incidents with ‘live’ cable snagged.

There will be similar extensions to the JVCo contract for the delivery of further developable development plots. This will be procured separately rather than by extension to the existing contract. Neither of these extensions will adversely affect the timescale or deliverability of the final mixed use development, nor the promotion of that.

The planning application submitted in February 2017, for the proposed pedestrian and cycling route into the Boots site from the University Boulevard, is progressing with expected conditional approval late spring. The project 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. There are some technical issues to resolve with boundary treatment along the Boots campus and interface with the Science Park and ongoing relationships with ownership of the Science Park, where the route is located. 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. Construction is expected to start in summer 2017.

Promotional Activity

BPL and Innes England (their agents), submitted the EZ site to the Department for International Trade (DIT) for inclusion as a key investment opportunity in their Midlands Engine Pitchbook. The site will now be included in the promotional materials carried by Government Ministers (including the Prime Minister) on overseas visits. The Pitchbook is a “living document” that can be updated whenever required. It was used extensively by DIT and Invest in Nottingham at MIPIM (Cannes) last March, and will be used at MIPIM UK (London) this October, and this will be repeated in 2017. 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. There is also likely to be a Ministerial opening ceremony in late summer or autumn this year.

3. **Infinity Park Derby**

**Site Marketing**

The developers of Infinity Park have appointed Reach Marketing as their new marketing consultants for the site. Reach will take a new look at the offer of IPD and are looking at a programme of events to market the site as well as refreshing materials for marketing. The site went to MIPIM 2017 and was presented within the New Pavilion, no new enquiries were made specifically in relation to Infinity Park.

**Signage**

Directional on site signage has been delivered to Derby City Council, this will be installed on the site in the week commencing the 15th May. Off-site signage has also been enquired about for the A50, Highways England are happy in principle with the new signs proposed, installation arrangements are yet to be brokered with HE.

DCC highways have given in principle support to proposals for artwork to be installed on three roundabouts on the site as well as signs that will be featured at the boundaries of Infinity Park. Additionally proposals for banners to be installed on street lighting are being developed. DCC are looking to enter agreements with private sector partners for them to own and maintain these public art installations on the site.

**ihub and Science Park**

The building is currently operating at 50% capacity and live enquiries are likely to lead to a circa 90% occupation level by the end of the calendar year. A greater amount of external events are being attracted to the site month by month. Plans to undertake improvement works to the ihub phase 2 site are currently at an early stage, conversations with the local planning authority are taking place. The University of Derby Science Park was presented at MIPIM, meetings are continuing to take place about the development and the way in which the project will progress.
South Derby Growth Zone

The strategic case for the new A50 junction has been drafted but requires further work to embrace the east - west benefits of the Southern Derby Integrate Transport Link Road scheme. A workshop to progress the masterplan for SDGZ will convene on 10th May; the masterplan will embrace the sub area masterplan proposals agreed in respect of Infinity Park Derby. A memorandum of understanding has been drawn up re committing the Garden Village grant and public sector support to progress the planning applications is being galvanised.

Infrastructure

The second phase of T12 is expected to begin in July and has been delayed due to a delay from an issue with a gas leak. This issue is currently being resolved and when complete the project can commence fully with an expected 24 week programme.

The enhancements to Holmleigh Way have been put under review with a possible movement of the allocation to provide different infrastructure elsewhere on the site. Any changes will have to be signed off with approval of D2N2.

4. Science Park

From the submission of a business case asking for the release of £4.75m from the Building Foundations for Growth fund, D2N2 employed the services of an independent consultant and Quantity Surveyor to analyse the costs of the proposed Nottingham Science Park 2 Development. CPRE were commissioned for these works and submitted a list of possible cost savings that could take place within the proposed development based on the current designs for the facility.

Nottingham City Council informed the EZ Steering group that the areas for savings have been noted by the council and they will look to incorporate what savings they can at a later point in the design of the project.

Nottingham City Council have now submitted their RIBA Stage 1 business case submission to the LEP for approval, this business case incorporates a 3,218m² building with undercroft parking with circa 70 spaces. The building
will incorporate a café and meeting area in to the facility which will act as a shared space for the entirety of the No.2 development.

NCC will continue to work with the previous funding allocated to progress the business case for the science park project to RIBA Stage 2. A submission of this business case is expected in June/July for consideration by the LEP. It is anticipated that following an approval of the RIBA Stage 2 business case, Nottingham City Council will request a further draw down of funding to progress the project through the LEPs Local Assurance Framework and RIBA Stage 3 & 4 business case submissions.

5. Business Rates

Nottingham City Council as the Accountable Body for the Enterprise Zones are currently undertaking a review of business rates across all of D2N2’s current Enterprise Zone sites. The review will provide D2N2 with information regarding business rates that have been collected from the Enterprise Zones to date and will also provide a profile for future business rates that will be collected.

D2N2 and the Accountable Body are continuing to meet with representatives from each of the councils to gather information for the final report. The business rate profiling exercise paper is due to be taken to the May EZ Steering group.
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 Construction of the speculative development is progressing towards the planned completion date of summer 2017. The development by Priority Space Ltd comprises 13 workshop and office units totalling 25,621 sq. ft. One unit is currently under offer. Details of the opportunities available can be found at www.priorityspace.co.uk.

3.1.3 Negotiations are progressing with a potential occupier of a 1.5 acre plot.

3.2 West of the M1

3.2.1 Discussions are at a detailed stage with a potential occupier for a 40,000 sq. ft. warehouse and manufacturing unit.

3.3 Markham Vale North (Seymour)

3.3.1 The Seymour Link Road is officially open.

3.3.2 The German car components company Ferdinand Bilstein are on target for completing the fit-out of their 220,000 sq. ft. advanced logistics and office centre for late summer 2017. The Council’s Markham Vale ‘Grow Your Workforce’ service is working with the occupier to identify possible areas of assistance with their recruitment initiatives as they start recruiting to their first 150 new vacancies.

3.3.3 Derbyshire based contractor Bowmer and Kirkland are progressing the construction of the 480,000 sq. ft. advanced logistics centre on part of Plot 13 for Great Bear; this is the second investment that the company has made at Markham Vale. Construction completion is programmed for September 2017, followed by a further fit-out period.

3.3.4 A planning application has been submitted for the development of a 69,125 sq. ft. state-of-the-art building for a technology company to be located on Plot 13 to the rear of the
Great Bear 2 building. If approved, construction is programmed to start July 2017. This development is expected to create up to 35 jobs in the first phase and increase significantly when the second phase building is constructed.

3.3.5 Derbyshire based construction company, G.F. Tomlinson, has started building a 90,760 sq. ft. chilled food distribution facility on Plot 16. When fully operational the development will create up to 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 Markham vale website is currently being redesigned and will be relaunched in the next few weeks along with revised marketing brochures.

4.3 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.

4.4 A contract has been awarded to Derbyshire based NT Killingley Ltd for new planting and landscape maintenance works. Eagle Security Systems Ltd has been commissioned to refurbish and extend the existing CCTV camera network.

4.5 A further phase of the Walking Together Mining memorial will be installed during June 2017. The additional 7 figures will bring the total installed to 26 out of the total 106 planned; sponsorship and funding continues to be sought in order to complete the installation.
1. **Introduction**

1.1 This paper summarises current work on the development of the East Midlands HS2 Growth Strategy. It goes on to outline progress on implementing the Commissioning Budget for the next phase of work up to the submission of the Growth Strategy in July 2017 agreed at previous meetings of the Strategic Board, including work in and around the Hub Station at Toton, Chesterfield and the Staveley Depot.

2. **Growth Strategy Tranche 2 Funding**

2.1 Following discussion by the Strategic Board 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 originally announced in the Government’s 2015 Command Paper on the 16th December 2016.

2.2 The Government accepted the submission on the 30th January 2017, and the funds have now been made available through D2N2. The total amount of funding available to complete the Growth Strategy (excluding partner contributions & Midlands Connect funding) will be:

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

3. **Commissioning Budget**

3.1 Working with the HS2 Growth Partnership, a ‘commissioning budget’ was agreed by the Strategic Board identifying the work that will need to be undertaken over the coming months to inform the July 2017 submission (highlighted in orange below), and longer term work to inform the development of the Phase 2b Hybrid bill (highlighted in green below) – updated to reflect the results of recent procurement exercises.

<table>
<thead>
<tr>
<th>Commission</th>
<th>GS Funds</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery &amp; Funding Mechanisms</td>
<td>153,000</td>
<td>This study will set out a financial model to fund key investments and proposals for a delivery body to take forward implementation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Consultants:</strong> BGVA &amp; Amion</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Project Management:</strong> HS2 Growth Partnership</td>
</tr>
<tr>
<td>Development Infrastructure Funding</td>
<td>100,000</td>
<td>This study will produce a high level infrastructure capacity and needs assessment to demonstrate the scale of investment required to deliver the Growth Strategy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Consultants:</strong> Peter Brett Associates</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Project Management:</strong> HS2 Growth Partnership</td>
</tr>
<tr>
<td>Toton Development Framework</td>
<td>140,000</td>
<td>The study will produce an ambitious yet realistic vision for the scale and form of development around the Hub Station and a route map for its delivery. To be overseen by the Hub Station Delivery Board.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Consultants:</strong> BDP &amp; Jacobs</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Project Management:</strong> HS2 Growth Partnership</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. <strong>A brief for the work is set out under Appendix 1.</strong> The Government expects this work to be joint funded with HS2 Growth Strategy resources allocated to Sheffield City Region. To be overseen by the Chesterfield &amp; Staveley Delivery Board and procured through a Derbyshire County Council Framework contract with AECOM.</td>
</tr>
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</tr>
<tr>
<td><strong>Consultants:</strong> AECOM</td>
<td></td>
<td><strong>Project Management:</strong> Derbyshire County Council</td>
</tr>
<tr>
<td>Skills Strategy Phase 2</td>
<td>50,000</td>
<td>This study will take the forward the initial study to develop a comprehensive skills and supply chain strategy as a key component of the July 2017 submission.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> East Midlands Chamber/RFEM/University of Derby</td>
<td></td>
<td><strong>Project Management:</strong> Nottinghamshire County Council</td>
</tr>
<tr>
<td>Toton Freight Depot Options Concept Study</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 to inform the July 2017 submission.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> WSP</td>
<td></td>
<td><strong>Project Management:</strong> HS2 Growth Partnership</td>
</tr>
<tr>
<td>M1 J25 Hub Station Access Concept Study</td>
<td>25,000</td>
<td>This is a study to develop an initial proposition for highway access to the Hub Station building on work already carried out through Midlands Connect, to inform the July 2017 submission.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> Jacobs</td>
<td></td>
<td><strong>Project Management:</strong> East Midlands Councils</td>
</tr>
<tr>
<td>Public Transport Concept Study</td>
<td>25,000</td>
<td>This is a study to develop an initial strategic concept for public transport and heavy rail services serving the Hub Station to inform the July 2017 submission.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> Mott MacDonald</td>
<td></td>
<td><strong>Project Management:</strong> Nottingham City Council</td>
</tr>
<tr>
<td>Tram Route Assessment Concept</td>
<td>25,000</td>
<td>This is a study to undertake an initial prioritisation on alternative tram/BRT routes previously identified to inform the July 2017 submission.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> Systra</td>
<td></td>
<td><strong>Project Management:</strong> Nottingham City Council</td>
</tr>
<tr>
<td>Maid Marian Line Feasibility</td>
<td>25,000</td>
<td>This is a study is to undertake an initial feasibility assessment of linking the Hub Station with Mansfield/Ashfield via the so called Main Marian Line.</td>
</tr>
<tr>
<td><strong>Consultants:</strong> tbc</td>
<td></td>
<td><strong>Project Management:</strong> Nottinghamshire County Council</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 inform the Phase 2b Hybrid Bill, to ensure the Hub Station is capable of facilitating the delivery of the Growth Strategy. A Brief for this work was agreed at the 22 March 2017 Strategic Board meeting. Procurement on hold pending mobilisation of HS2 Ltd’s design team and further discussion with HS2 Growth Partnership over delivery options.</td>
</tr>
<tr>
<td>East Midlands Gateways Connectivity Study (TAFKAR 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 which will focus on model development. Additional contributions from Midlands Connect, HE and HS2 Ltd are anticipated to deliver the whole study – total cost £1.2 million.</td>
</tr>
<tr>
<td>Hybrid Bill Economic Assessment</td>
<td></td>
<td>This will be led by Midlands Connect and set out an economic case for a classic compatible link and an enhanced re-modelling of Trent Junctions necessary to deliver the Midlands Connect ITSS – to a level sufficient make passive provision in the scope of the Phase 2b Hybrid Bill by Autumn 2017.</td>
</tr>
<tr>
<td>Programme Management</td>
<td>60,000</td>
<td>Contributions towards HS2 Executive Team. Contributions (in-kind or cash) secured/expected from key partners</td>
</tr>
<tr>
<td>Contingency</td>
<td>25,000</td>
<td>Available to meet any budget shortfall or additional work</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>933,000</td>
<td></td>
</tr>
</tbody>
</table>
3.2 A large amount of inter-dependant technical work will be delivered in a short space of time in order to inform Growth Strategy submission in July 2017 (summarised below). In line with the agreed MoU with the Strategic Board, the HS2 Growth Partnership is playing a key role in managing the delivery of the work programme, but a number of others are also project managing individual pieces of work.

3.5 The further work to inform the Phase 2b Hybrid bill will take place over a longer time-period, with the transport elements being taken forward through the Midlands Connect 3 Year Programme funded by additional £12 million of support announced by Government in October 2016.

4. Recommendations

4.1 The D2N2 Board is invited to:

- Endorse progress on the development and delivery of the HS2 East Midlands Growth Strategy.

Key Contacts
Andrew Pritchard East Midlands Councils: Andrew.Pritchard@emcouncils.gov.uk
David Ralph D2N2 LEP: david.ralph@d2n2lep.org
Ken Harrison HS2 Growth Partnership: kharrison@hs2gp.co.uk
1. INTRODUCTION

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

2. RECOMMENDATION

To note the budget update, to note an update on Local Growth Fund (LGF) 3, to approve Phase 2 of the A46 Corridor and Derby Cycling and Placemaking projects, to note a Change in the Terms of Reference, to receive an update on the Skills Hub and to receive updates on all projects and high risk projects.

3. PROGRESS

March IIB

The March IIB was held on the 23rd March 2017 at County Hall, Matlock, it considered the following agenda items:
- Project Update and High Risk Projects
- Budget Update
- LGF 3
- Approval of Phase 2 of A46 Corridor and Derby Cycling and Placemaking
- Monitoring Outputs
- Skills Hub Update

- A general update was given which have a 16/17 and beyond start date. One project remains on the high risk report. These are the Nottingham Skills Hub who will remain as high risk until they have submitted a full stage 2 business case to the LEP/AB.

- A budget update was given on the 16-17 budget, showing an underspend of £10.58m of which £4.15m is real underspend. Using the freedom and flexibilities of the LGF grant, the Accountable Body will utilise this underspend to fund other Council capital expenditure and return the equivalent amount of funding back to the programme in future years when required.

- An update was given on LGF3. D2N2 have been allocated £62.99m from the Department of Communities and Local Government. The LGF announcement was made as part of the Midlands Engine Strategy.

- Approval was given for Phase 2 of the A46 Corridor project.
The project was presented by Rushcliffe Borough Council. Phase 2 is to rejuvenate and regenerate Cotgrave Town centre with comprehensively refurbished shop units including upstairs business accommodation, site clearance and new provision of new public realm, landscaping and play provision. There is also a new multi-service centre comprising Police, Library, Rushcliffe Borough Council contact point, GP’s and health centre.

The cost of phase 2 is £5.86m of which £1.2m is LGF. Phase 2 will deliver 70 new jobs.

The IIB approved the project and agreed to release the funding.

- Approval was given for the Derby Cycling and Placemaking project.
  
  The project was presented by Derby City Council. The project has 6 phases:
  - Phase 1 St Peters Street
  - Phase 2 Albion Street
  - Phase 3 Exchange Street
  - Phase 4 Osnabruck Square
  - Phase 5 East Street Bridge
  - Phase 6 World Heritage site gateway

  The outputs and outcomes of the project include:
  - over 1000m of new and improved cycle route
  - legalised cycling through the city centre via St Peter’s Street, before 10am and after 5pm.
  - 3000m² of public realm improved
  - the creation of 35 net additional jobs

  Phase 1 is compliant with Stage 2 of the Local Assurance Framework with the other phases due to become complaint within the next two financial years.

  The IIB approved the project and agreed to release funding for Phase 1 with any future years funding only being released once evidence of the outstanding requirements to satisfy Stage 2 of the Local Assurance Framework (LAF) is provided to the LEP and Accountable Body.

- Monitoring Outputs. Quarter 3 reporting was submitted to Government in March and the results were that a number of our key projects are falling behind with output targets being missed. The IIB needs to hold the projects and project sponsors accountable for the outputs and any delay or changes need to managed correctly. The LAF currently states that the IIB will be provided with quarterly performance reports by the project monitoring officer and if a project is reported as delayed (commencement/completion/outputs/outcomes) by 12 months or more the project will be reported as a high risk project. In this instance, the IIB will write to the promoter requesting a written response detailing why the project is delayed. If the IIB is not satisfied with the response then it could request that the funds already paid be repaid to the LEP or decide not release any future years funding.

  In order to provide greater assurance it was recommended that:
  1. The IIB received a quarterly report on the monitoring.
2. The IIB would then be required to satisfy themselves of progress on the project and where the IIB have concerns due to the monitoring then it requests the sponsor attend the next IIB meeting.
This was approved and the Terms of Reference were amended so that a project would be reported if it had a delay of 3 months not 12 months.

- Skills Hub Update. It was reported that new external project management arrangements had been put into place for the project. The merger of the two Colleges was likely to take place on either 1st April or 1st May 2017.

Concern was expressed that no representatives of the Skills Hub had attended the meeting to update the IIB on the progress of their project. It was agreed that the Skills Hub be placed on the agenda for the next IIB and that they will be advised they must attend this meeting.