D2N2 LEP BOARD

Wednesday, 8 November, 2017
11.00 am – 1.00pm

Derby Arena Velodrome, Royal Way, Pride Park, Derby
DE24 8JB
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1. Preliminaries
1.1 Welcome and Introductions Verbal 11.00
1.2. Declarations of Interest Verbal 11.02
1.3. Minutes of last meeting and matters arising Paper 11.04

2. Updates for Information
2.1 Chair’s Report, including:
   (i) business engagement update (app 1)
   (ii) Ney review (app 2)
   (iii) Annual Conversation (app3)
   (iv) media coverage report (appendix 4)

   Peter Richardson Paper 11.10

3. Items for Decision
3.1 Chief Executive’s Report, including SEP refresh documentation:
   (i) Mid-year review (finance/core budget) - app1
   (ii) 17-18 Business Plan KPIs - app2
   (ii) SEP refresh report (key conclusions for consultation document) – app 3

   David Ralph /Matthew Wheatley Paper 11.15

4. Standing Items – Updates
4.1 Skills Commission Update Report, including Io T submission

   Melanie Ulyatt Paper 12.15

4.2 D2N2 Business Growth Hub Update Report

   David Williams Paper 12.20

4.3 Item 4.3 (i) and (ii)is an exempt item under Local Government (Access to Information) Act

   Peter Gadsby Paper 12.30
D2N2 Enterprise Zone (i) and (ii) Nottingham and Derby

and

(iii) Markham Vale

Cllr Lewis Paper 12.35

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

4.4 GPF Report Capital Projects Cllr Collins Paper 12.40
4.5 Infrastructure and Investment Board report Cllr Lewis Paper 12.45
4.6 HS2 update report, including:
   (i) Strategic Growth Plan Andrew Verbal 12.50
   (ii) HIF application Pritchard

5. Any other business

Transport Knowledge Hub briefing note Ian Morgan Paper
(for information only)

Reminder: D2N2 Board Away Day workshop afternoon – 1pm onwards, Tuesday, 28 November 2017

6. Date of next meeting: Monday, 15 January, 2018 (2 pm Derbyshire County Council)

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

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Tuesday, 26 September, 2017

Nottingham City Council, Loxley House, Station Street Nottingham NG2 3NG

Chair Peter Richardson
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Cllr Roger Blaney Newark and Sherwood District Council
Cllr Kay Cutts Nottinghamshire County Council
Cllr Jon Collins Nottingham City Council
Cllr Ann Syrett Bolsover DC (sub for Cllr Bob Wheeler)
Andrew Pickin Business Representative
Peter Gadsby Business Representative
Ian Morgan Business Representative
Jane Howson VCS Representative
David Williams Business Representative
David Williams (Geldards) Business Representative
Prof Edward Peck H E Representative
Andrew King sub for F E Representative

Also in attendance

Scott Knowles East Midlands Chamber Chief Executive
Anthony May Nottinghamshire County Council CEO
Ian Curryer Nottingham City Council CEO
Mike Ashworth Derbyshire County Council
Paul Robinson Derby City Council CEO
Andrew Muter Newark and Sherwood District Council CEO
Justin Homer BEIS (sub for Area Director)
Dan Swaine NEDDC/Bolsover DC (sub for Frank McArdle S Derbyshire DC)

Officer Support

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

Guest speakers

Dr Paula Black Nottingham Civic Exchange
Apologies

These were received from Board members Melanie Ulyatt, Cllr Barry Lewis and Cllr Ranjit Banwait, as well as from Cllr Bob Wheeler and Dawn Ward. The latter two members sent substitute representatives in their place.

1.1 Welcome and Introductions

The Chair welcomed all to the meeting, extending a particular welcome to Cllr Ann Syrett deputising for the first time for Cllr Wheeler.

1.2 Declarations of Interest

None received.

1.2 Minutes of last meeting and matters arising

The Minutes of the meeting held on 12 July, 2017 were approved as a true record.

On matters arising, David Ralph reported that Melanie Ulyatt had circulated the report referred to under the Skills item, whilst Growth Hub representatives had undertaken a conversation with Derbyshire representatives.

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 his report to the meeting. In Melanie Ulyatt’s absence, he asked Scott Knowles to provide a short summary of statistics reflecting the state of the local economy. SK reported that the broad picture continued to show an adaptable business community with continued growth documented in domestic markets, increases in export sales compared to the second quarter of the year and positive business confidence reported overall.

David Williams (Geldards) then spoke to his report on the review of the LEP, drawing attention to the main points shown in his summary. Overall there was general satisfaction with the performance of the LEP but a consensus that it lacked focus as to its strategic aims. To this end, it was proposed to hold an Away Day workshop to identify LEP priorities for the next few years within the national context. Proposed dates were already in circulation and this would be confirmed shortly.

On private-sector Board recruitment, the Chair reported that activity had been ongoing over the summer, with a number of meetings having been held although no appointments made as a result. It was hoped that an approach to a major local company to consider putting forward a candidate would result in an appointment in the near future. In the meantime, members were asked to continue to canvas any contacts who might be interested in applying and to encourage them to do so.
Board NOTED the report.

ACTION: DR to set up a facilitated Board Away Day by the end of November.

3. Items for Decision

3.1 Chief Executive’s Report

David Ralph introduced his report before handing to Matthew Wheatley to talk specifically to elements of the SEP refresh papers. He reminded Board that the process was now at the end of evidence-gathering and moving towards consultation before the refreshed plan’s final publication in early 2018.

MW referred to the attachments presented with the report, copies of which would be published on the D2N2 website for reference. He reminded Board of the previously highlighted challenge of increasing productivity in the D2N2 area and referred to one element of the SEP refresh work, namely a ‘deep dive’ exercise that had been undertaken looking at inclusive growth. The results of this would shortly be presented by guest speakers. As part of the consultation phase an hour’s ‘workshop’ would then be allocated within the next Board meeting to identify the priorities to focus on in producing the final refreshed SEP. He asked members to watch the presentation and consider the use of inclusive growth as a framework concept for strategic planning.

Dr Paula Black of Nottingham Civic Exchange and Will Rossiter of Nottingham Trent University then delivered a short presentation.

Board NOTED the report and RECEIVED the presentation.

4. Standing Items – Updates

4.1 Skills

In Melanie Ulyatt’s absence, David Ralph introduced a report updating Board on Skills work currently being undertaken. He reminded Board that one of the five initial targets for the original SEP had been to achieve a step change in skills across the board. The LEP was now working with the Skills Commission in an inclusive forum towards this goal. The Skills Commission had met recently and identified three specific issues on which to focus:

(i) the development of a robust plan for the second half of the ESF programme and the challenges of match-funding for it
(ii) making reasonable progress on employability in schools, working in partnership with the CEC
(iii) activity resulting directly from the creation of Institutes of Technology

On employability in schools, DR informed Board that a roundtable with upper tier authorities would be needed to identify how best to take plans forward.

Board NOTED the report.
ACTION: Commissioning Framework for ESF programme to be presented to the November ESIF committee (KW)

ACTION: Actions from CEC six-monthly review to be circulated to upper tier partners (DR)

4.2 D2N2 Business Growth Hub Update Report

David Williams spoke briefly to the report updating members on developments and progress made in the D2N2 Growth Hub. Attention was focusing on streamlining and simplifying programmes to improve service function by aligning local delivery with D2N2 delivery.

Specific reference was also made to the imminent launch of the £120m Midlands Engine Investment Fund, which included an allocation of £30m for small business loans.

Board NOTED the developments with Growth Hub and the emerging focus on productivity from BEIS at a national level

Board further NOTED the activity report in section 5 of the report.

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

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

Board NOTED the report.

4.3 (iii) EZ Markham Vale

In the absence of Cllr Lewis, Mike Ashworth introduced the report updating Board on continued progress with Markham Vale and the Enterprise Zone in general. Overall he reported continued strong progress, repeat customers and evidence of good market confidence. The issue of business rate growth benefits going to SCR not Derbyshire remained unresolved.

The Chair indicated that he would speak further with Cllr Lewis to see if a way could be identified to move this on satisfactorily now.

Board NOTED the report.

4.4 GPF Report Capital Projects

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

Board NOTED the overall progress and status of projects including due diligence

Board AGREED to the request for loan repayment referral referred to in the report.
4.5 Infrastructure and Investment Board report

In the absence of Cllr Lewis, Mike Ashworth introduced the report updating Board on the July and September iiBs. He mentioned in particular approval that had been given to revised assurance processes as part of the review of governance.

David Ralph informed Board that the Senior Manager vacancy for Capital Projects had now been offered to Sajeeda Rose, who would commence employment in early November. This would greatly aid the LEP’s capacity to manage the process more robustly.

Board RECEIVED the project updates and the high risk report, together with an update on the budget, Quarter 1 monitoring, change of outputs for the Foundry Park project and approvals of the A52 Wyvern and Sherwood Energy Village projects.

4.6 HS2 Update report

David Ralph introduced a report covering future steps following the eventual launch of the East Midlands HS2 Growth Strategy. Board was asked to endorse the application to the HIF for £99m towards supporting early infrastructure to support delivery of some 17,000 homes across Derbyshire and Nottinghamshire.

Board NOTED the report and ENDORSED the action to submit an expression of interest.

5. Any Other Business

None.

6. Date of next meeting

Wednesday, 8 November, 2017 (11.00 am – 1.00pm)
Venue: Derby Arena Velodrome, Derby
INTRODUCTION

This report provides updates and proposes next steps in three areas:

1. Some personnel changes in the LEP Board and business engagement update - Appendix 1
2. The (published) Ney Review into transparency and accountability - Appendix 2
3. The Annual Conversation – Appendix 3

In addition, the media report is attached (Appendix 4)

2. RECOMMENDATION

2.1 Board is asked to NOTE the report and agree the recommendations review

3. Business Engagement

Paul Harris of Head of Economic Development at Rolls Royce will be joining the D2N2 Board and will lead on our response to the Industrial Strategy, including the development of a local industrial strategy if required. A business vacancy remains.

Andrew Pickin has recently met with our BROs and will talk briefly to the business engagement update – Appendix 1.

4. Ney Review into LEP Governance and Transparency – Appendix 2

As reported earlier in the year, the CLG Permanent Secretary Melanie Dawes asked Mary Ney to complete a review of Local Enterprise Partnership Governance and Transparency – attached in full in Appendix 2.

At an earlier Board meeting, working with a couple of ‘buddy LEPs’ we agreed a number of steps which were implemented over the summer including updating our website – specifically making potential conflicts, decisions and where our funding is being spent more accessible. Our processes were confirmed by the Local Growth Unit to be compliant.

The Ney recommendation have been accepted in full by CLG and require some further actions during the second part of the year. In summary these include:

a) Some changes to the annual conversation report (see later on the agenda)
b) Continuing to work with other LEPs to improve the accessibility of information on our website
c) Further clarification of any declarations of interest including recording specific actions to avoid actual or perceived conflicts arising – this might include some training or advice sheets.

d) Adherence to the Nolan principles of public life – included already in induction packs.

This report is attached in Appendix 2

5. The Annual Conversation

The Annual conversation is a formal process by which the Government (Cities and Local Growth Unit) meet annually with all LEPs to review Governance, Delivery and Strategy. The 2017 meeting will take place (in Matlock) on 29 November – any Board Member can attend - please let me know - but the Chair, Chair of IIB and Section 151 Officer are required to attend.

Guidance for LEPs was published this week – attached in Appendix 3 – and this year includes a template that needs to be completed a week prior to the meeting, which includes written commentary on performance and specific reference by the S151 Officer and Chair. CEO on Governance. One of the items will clearly be highlighted will be that D2N2 continues to have different Accountable Bodies for LGF, GPF/EZ and core funding.

We intend to take a draft of the Annual Conversation submission to the CEO’s session on 20 November and IIB on 24 November 2017.

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:

- Metro Strategy Advisory Group
- Working with autism lunch forum
- Innes England networking lunch
- HS2 East London event
- Greater Broadmarsh Programme Board
- Meeting with Peveril Securities

Ahead of the next Board, I have these meetings scheduled:

- Nottingham College buffet lunch consultation event
- Glenn Crocker, BioCity
- Midlands Engine Executive Board
- Meeting Cllr Ann Syrett, Bolsover DC
- West Notts College Stakeholder Dinner
2017 D2N2 Business Breakfasts

8. MEDIA ACTIVITY

I attach the regular D2N2 Media Coverage Report (appendix 4) 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
Appendix 1 - Business Engagement Update

1. INTRODUCTION

This report is for noting and updates the views and issues from the D2N2 business engagement session held in July 2017 and this note has been prepared following a meeting with key stakeholders on 20th October.

The LEP regularly engages with the CBI, IoD, FSB and EMC to capture a snapshot of the D2N2 economy through the views of our businesses. It is proposed to schedule these sessions three times per year to ensure regular contact at strategic level, whilst ensuring D2N2 delivers to through the Growth Hub, all of whom are on the Growth Hub Project Board.

The LEP Senior Management Team have met with our three OEM’s Rolls Royce, Toyota and Bombardier. Their key issues include; transport, connectivity & infrastructure, SME support within the supply chain, operations within international markets which lead to complex procurement and investment decisions; good graduate and apprentice programmes, but do recognise an aging workforce, some world leading innovation and technologies that the D2N2 could capitalise on.

2. RECOMMENDATION

Board is asked to NOTE the report.

3. SKILLS

The recent Q3 2017 QES figures from The East Midlands Chamber indicate that recruitment remains an area of concern for many businesses with 66% of those surveyed attempting to recruit in Q3 and 59% of those reporting difficulties in finding the right personnel. Anecdotally there is a feeling that the UK is becoming less attractive to European workers in particular.

There are actually concerns which all echoed that the real issue now is not just about skills but more widely about the availability of labour. So for example food manufacturers are struggling to fill vacancies. It was also pointed out that while there are reportedly more jobs available in the region real wage growth is slow; a reflection of the low productivity of which the Board is aware.

On cross border working stories are emerging of how some businesses are seeking to get round the difficulty of bringing workers from overseas into the UK to fill vacancies. One option which some companies are pursing is that of retaining workers, for example in India and out-sourcing the relevant activity to them there.

The most recent National CBI survey just published aligns with these findings with the number of respondents to the survey citing labour shortages as a limitation to investment plans at the highest level since October 2013.

4. GROWTH PROSPECTS

East Midlands Businesses still seem to be confident about future trading prospects in the East Midlands according to Q3 Chamber figures. Nationally the picture is less positive and the 23rd October CBI figures reflect this. Their survey found that optimism about business conditions fell for the first time in a year.
In thinking more broadly about the East Midlands economy it was noted:

- that the ongoing weak pound is going to have an effect on companies so that some will have to increase their selling prices to take account of their higher costs. This could also have an effect on jobs in the medium term
- some companies will have been able to keep prices stable for a while if they have for example successfully hedged their currency risk for a set period of time. But those arrangements are likely to expire at some point resulting in price adjustments
- there is a feeling that investment intentions are weakening significantly nationally. The CBI figures suggest that on this basis spending plans for buildings are at their weakest since 2009 and expectations for spending on new equipment are also weak.

5. INDUSTRIAL STRATEGY

The Business Organisations are aware that LEPs want to talk about the Industrial Strategy. However there is a concern that a government level there is an all-consuming focus on Brexit.

There is a strong feeling that the Government must not abandon this conversation and that the Autumn Statement/Budget will be a key time for the Government to show it wants to say something meaningful about progressing the Industrial Strategy discussion.

This part of the discussion sparked an interesting insight into the deliberations of some of our local companies about how we see regional growth. Companies are now interested in a range of factors which play into local prosperity including housing, homelessness, education and other areas recently highlighted to the Board by Dr Paula Black in her Inclusive Growth discussion. So the LEP is tapping into an important area when highlighting these and related topics. The challenge is how to turn thought leadership into practical action.

6. BREXIT

Although businesses are in danger of suffering from Brexit fatigue it is the elephant in the room. The open draft letter publicised on 23rd October by a number of the major UK business asks the Government to sort out the transitional period which can underpin a potential long term deal when we leave the EU in 2019. There is a generally held though not universal feeling that we must avoid a cliff edge situation and that an early arrangement is necessary to avoid increasingly dangerous uncertainty for companies trying to plan for the future.

Regionally most Business Organisations will be holding Brexit Forums in the New Year to explore particular aspects of the implications for companies.


The Forum has been established but it is in its infancy and it is not yet really fully functioning. The Group has the potential to be a useful centre point from which ideas and initiatives for the east Midlands can be explored and potentially agreed. The East Midlands Group meets every 6 months with the counterpart West Midlands Group so has further potential to speak for the whole region as things develop. The LEP’s engagement with the Group is seen as a positive thing and we may want to consider further how we might further promote that.
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Review of Local Enterprise Partnership Governance and Transparency

Led by MARY NEY, Non-Executive Director, DCLG Board
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REVIEW OF LOCAL ENTERPRISE PARTNERSHIP GOVERNANCE AND TRANSPARENCY  

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1. Introduction to Local Enterprise Partnerships

1.1 Local Enterprise Partnerships (LEPs) were established as locally-derived business-led partnerships between the private and public sector that would drive local economic growth. There are now 38 LEPs and their role has developed considerably since 2010. They now have responsibility for around £12 billion of public funding and are the mechanism for channelling the Local Growth Fund to localities. Each LEP has the flexibility to determine the details of its governance and accountability arrangements and there are a variety of models including those that have remained as partnerships, local authority Section 101 committees, community interest companies and companies limited by guarantee. Public funding for LEPs is directed via a local authority in the area of the LEP, which is appointed to undertake the accountable body role. The government also appoints Relationship Managers – regionally based civil servants who provide LEPs with day to day advice and support, and are the main channel of engagement between the LEPs and central government.

1.2 Each year the Department conducts a performance review (known as an Annual Conversation) with each LEP to review their progress on Growth Deal delivery over the past 12 months. The Annual Conversation also considers a range of issues, including governance and transparency. This leads to an agreed set of actions and next steps, if there are any issues to be addressed either by the LEP or by central government.

1.3 As the role of LEPs has developed, the government has reviewed the statement of arrangements it expects to see in place within the LEP and for the accountable body role. This is set out in the National LEP Assurance Framework and is one element of the wider assurance system, which also comprises LEP reporting to government on agreed outputs, evaluation frameworks and annual performance conversations. The National Assurance Framework sets out what government expects LEPs to cover in their local assurance frameworks. The last revision of the National Assurance Framework was issued in November 2016 in order to strengthen the rules which LEPs must follow to ensure greater transparency on how public money is spent. It required LEPs to review their arrangements and publish their own local assurance framework on their websites by 28 February 2017. It also required Section 151 officers to certify that a framework had been agreed and was being implemented to these new standards by writing to the DCLG Accounting Officer. At that deadline, DCLG found that not all LEPs were fully compliant, for instance not all documents were available on websites. However, all LEPs have now published their local assurance frameworks on their websites and Section 151 officers have certified compliance.
1.4 Following concerns raised about the governance and transparency arrangements of some LEPs, the Public Affairs Committee also looked at the role of LEPs in July 2016 and reported that DCLG ‘[…] should enforce the existing standards of transparency, governance and scrutiny before allocating funding. LEPs themselves also need to be more transparent to the public by, for example, publishing financial information’. The government has now put in place this internal review of LEP governance and transparency conducted by a Non-Executive Director from the DCLG board with the following terms of reference:

‘To review whether the current systems provide sufficient assurance to the Accounting Officer and Ministers that LEPs fully implement existing requirements for appropriate governance and transparency; to consider whether the current requirements for LEPs are sufficient; and to make recommendations for improvements.’

It should be noted that this review has not investigated any specific allegations which are being pursued separately by the National Audit Office. In addition, in the time available, it has not been able to look in detail at every LEP and accountable body, to identify how arrangements are implemented in practice as part of normal business. The approach to the review is set out in paragraph 2.

2. Approach to the Review

2.1 The review commenced on 28 April 2017 and was required to be completed in a six week period. The approach has been to review key documents, view a sample of LEP websites and engage with a variety of stakeholders from the LEP sector in order to obtain an overview of both issues and practice. The focus has been on governance and transparency and not on other aspects of the assurance system such as those dealing with effectiveness or value for money. Whilst, in the time available, it has not been possible to undertake a deep dive into the practice of every LEP and accountable body, it is considered that sufficient information and views have been gathered to enable recommendations to be made to improve assurance.

2.2 Attached at Appendix A is the list of documents reviewed. In addition, a number of discussions have been held:

- Meeting with a Group of LEPs CEOs;
- Telephone conversations with seven LEP Chairs;
- Meeting with a Group of Section 151 officers;
- Telephone conversations with four council leaders/elected Mayors who sit on LEP boards;
- Follow-up meeting with a Group of CEOs of LEPs to test out findings.

Meetings were also held with:
- British Chamber of Commerce
- LEP Network
- Chartered Institute of Public Finance
- National Audit Office.
3. Overview of Findings

3.1 All those who contributed welcomed the review and expressed a shared desire to ensure that LEPs provided the highest standards of stewardship of public money. There was a widespread view that the sector should work collectively and avoid reputational damage from any inconsistencies in governance arrangements and transparency. In addition, some private sector board members were concerned that their association with weak practice in governance and transparency would have potential reputational implications for their companies. LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.

3.2 Some LEPs have a history of establishing robust governance arrangements and to some extent the National Assurance Framework lags behind the practice on the ground in these places. There is a general recognition that additional clarity on the requirements in the National Assurance Framework would assist in raising standards and consistency of stewardship across the sector. This was not seen by those participating as detracting from the flexibility for LEPs to develop local arrangements but rather assisting them with the journey they were on. Overall there appears to be commitment from the LEPs to meeting the requirements of the National Assurance Framework but issues remain on the effectiveness of implementation in some cases. This would be mitigated by additional clarity in the National Assurance Framework which is proportionate, as well as by increasing the sharing of best practice, peer challenge and support across the sector.

3.3 The British Chamber of Commerce, in conjunction with the Confederation of British Industry (CBI), the Engineering Employers’ Federation (EEF), the Federation of Small Businesses (FSB) and the Institute of Directors (IoD), has also recommended improvements particularly on the financial information which should be published.

3.4 There is also a need to consider the position of public sector members on LEP Boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms. This is currently somewhat underdeveloped in terms of LEP governance implications and is referred to below in greater detail.

3.5 A feedback session has been held with a group of CEOs of LEPs to test out the emerging findings and broad support was received to the range of issues which would be addressed in the recommendations. In addition a feedback discussion with CIPFA was also supportive of the proposals.
4. Culture and Accountability

4.1 As with any organisation, the establishment of an embedded culture across the LEP is a prerequisite to assurance that governance arrangements are fit for purpose and are being adhered to. This requires direct and proactive leadership from the Chair and CEO of the LEP to own the establishment of a culture of strong adherence to good governance and clarity about standards. At present the National Assurance Framework requires written assurance from the Section 151 officer that standards are being met. Whilst the Section 151 officer has a critical role to play, it is insufficient to place reliance on this alone. **It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.** (See also section 10 below).

4.2 It will have the benefit of making the LEP itself more directly and publically accountable and will reinforce the role of the Chair and CEO in developing the culture and dealing with matters of good governance within their organisation. It will assist in formalising good practice, which is already being developed in some LEPs. To assist in establishing an organisational culture, LEPs need to put in place their own statements of their values and the standards of conduct expected from board members and senior staff. Indeed, a number of LEPs already have such statements in place. In some cases these expectations are based on the Nolan Principles of public life, but in others they are framed in terms of requirements of company board directors and do not sufficiently embrace the dimension of public sector accountability. This is inadequate as it does not reflect the dual dimension (i.e. public and private) of the role of board members. **It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to, should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.**

4.3 The National Assurance Framework should be explicit that the code of conduct for board members should address the way in which the board conducts business; the role of the board member; dealing with conflicts of interest; declarations of interest and transactions, gifts and hospitality; policy on fees and expenses. Information on some aspects was not always easily found on LEP websites and is essential to ensure transparency. For instance, not all websites state that the board member role is unremunerated. One instance of a reference to the position of Board members undertaking contracted work/services for the LEP itself was seen. This is a potential conflict of interest which should be avoided wherever possible and the code should be explicit and transparent about its approach to such situations should they arise.

5. Structure and Decision-Making
5.1 Each LEP has developed its own arrangements for decision-making which reflects its legal structure, the complexity and needs of the locality and compliance with requirements to ensure value for money, local engagement and democratic accountability. However, the review identified a number of key features of these decision-making processes which promote assurance on good governance. These are:

- a clear strategic vision and priorities set by the Board which has been subject to wide consultation against which all decisions must be judged;
- open advertising of funding opportunities;
- a sub-committee or panel with the task of assessing bids/decisions
- independent due diligence and assessment of the business case and value for money;
- specific arrangements for decisions to be signed off by a panel comprising board members from the local authority, in some cases including a power of veto;
- Section 151 officer line of sight on all decisions and ability to provide financial advice;
- use of scrutiny arrangements to monitor decision-making and the achievements of the LEP.

It is not appropriate to be descriptive on the specific arrangements which should be adopted due to the variety of structures but it is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity.

5.2 Local assurance frameworks describe arrangements for decision-making, including urgent decisions and decisions in the absence of a formal meeting. Whilst there may be some exceptional circumstances requiring urgent decisions, extra care is needed in such circumstances to ensure propriety and to comply with the normal rigours of the decision making process. Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.

6. Conflicts of Interest

6.1 The National Assurance Framework requires the publication of a conflicts of interest policy and a register of interests for each board member. Whilst LEPs comply with this requirement, the content of policies and approach to publication varies considerably and is dependent on the overall cultural approach within the organisation (see 5. above). For instance, some statements seem to focus on registering directorships only, exclude land and property
interests and any significant household member interests. Others seem to either use a proforma from another public body rather than having their own bespoke proforma or display board members’ register from another public body. The conflicts of interest policy should be based on compliance with standards which promote good governance, transparency and stewardship. Given the wide variety of approaches currently operating it is suggested that there is a need to be more explicit about requirements to ensure consistency of standards. In addition, policies need to be clear on how conflicts are managed, the action to be taken when conflicts arise and the recording of that action. Policies should also make clear that consideration of conflicts of interest is not reserved for formal decision-making meetings and should be applied to any activity or involvement of the board member in the work of the LEP. It is therefore recommended that the National Assurance Framework sets out specific requirements on the principles which each LEP must incorporate into its conflicts of interest policy and how it is implemented which includes:

- All board members taking personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of their register of interests and publication on the website.
- Use of a bespoke proforma for collection and publication of the information which ensures all categories of interest are systematically considered.
- Categories of interest to include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members to also be considered.
- Action in response to any declared interests applies to any involvement with the work of the LEP and is to be recorded.

6.2 Whilst such declarations may be more familiar to public sector board members, it should be born in mind that it is not sufficient to merely refer to the councillors’ declaration on the authority’s website as some LEPs seem to do: a councillor’s interest as a member of the LEP board may be different. Councillors will need to consider the interests they hold as council leaders/cabinet members for council land and resources, as well as for aspects of the council’s commercial interests. As councils increasingly broaden their commercial undertakings and investment in land and property for income generation purposes, as well as the increasing use of council owned companies and trusts, there is increasing scope for conflict. Council leaders will need to consider the declarable interests this may give rise to in relation to their board membership of the LEP.

6.3 Similarly, it is in the nature of the role of LEPs that industrial and commercial expertise amongst board members should be utilised in developing strategies and decision-making, but which also has the potential to raise issues of conflict. The policy should explain how scenarios of both of these types will be managed without impacting on good governance. Not all policy statements address this explicitly and it is recommended that the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other
board members will be managed whilst ensuring input from their areas of expertise in developing strategies and decision-making, without impacting on good governance.

7. Complaints

7.1 The National Assurance Framework requires LEPs to publish a complaints policy. Whilst LEPs comply with this requirement, very few refer to a whistleblowing policy. Whistleblowing arrangements which provide confidentiality to the complainant are an important measure in securing good stewardship of public resources and need to be part of anti-fraud policies. **It is recommended that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third parties/ the public.**

8. Section 151 Officer

8.1 Public funding for LEP programmes is held and managed by a local authority acting as an accountable body. The National Assurance Framework requires the Section 151 officer of the accountable body to provide reassurance on the activity of the LEP and outlines the accountable body arrangements which the LEP should have in place. Given the volume of public funding which LEPs have available, this role is a significant workload and a significant area of risk for Section 151 officers. Overall LEPs and Section 151 officers report good working relationships and a variety of arrangements in place to meet requirements. In the main, the arrangements and the role have developed over time, as LEPs have grown. In some areas they remain on that basis and in others have developed into Memorandums of Understanding or Service Level Agreements.

8.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) publishes guidance on ‘The role of the Chief Financial Officer’. Specifically of relevance to this role in LEPs is the need for the CFO to be ‘actively involved in, and able to bring influence to bear, on all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the overall financial strategy.’

8.3 This review identified that LEPs have a variety of arrangements in place for the Section 151 officer to have line of sight and involvement in key decision making bodies including the LEP Board and in the main have the opportunity to bring influence to bear and provide their advice. However, it would be helpful if the National Assurance Framework provided additional clarity on the expectations of the role of the section 151 officer and the substance of how LEPs need to work with that role. **It is therefore recommended that further clarity is provided in the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA.** This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of their
transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP’s own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. **It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.**

8.4 Finally, although not directly within the remit of this review, very many participants raised the difficulties experienced in financial programming which arise from the tension between LEP Programmes, which are by their nature longer term and spread over more than one financial year with complex phasing profiles, and the annualised budgets, sometimes with late notification of resources, and year on year uncertainty provided by government funding arrangements. Both LEPs and accountable bodies reported frustration with the diversion of effort on managing these tensions and associated risks. This could also impact on good governance if late and speedy decisions are made by LEPs which give insufficient time for all the checks and balances of the normal processes. The annual uncertainty of funding also has the consequence of some LEP staff being on fixed term contracts which is counter-productive in terms of efficiency and may have unintended impacts on good governance if it leads to insufficient organisation stability and continuity. **It is therefore recommended that government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period.**

9. Transparency

9.1 A number of the above recommendations refer to the need for publication of information in order to provide transparency and avoid any suggestion of untoward use of public resources. In addition, the National Assurance Framework sets out the requirements on publication of agendas, minutes and decisions etc. There remains some inconsistency across LEPs in how this is approached. The review of a sample of websites identified the following areas needing further attention in some cases:

- Publication of the approach to the appointment of board members and providing information on the time board members commit.
- Publishing the policy on claiming of expenses by board members. For instance, it is understood that some LEPs adopt the local authority code whilst others have a policy of no claims.
- Including an item ‘Declarations of Interest’ on all agendas and ensuring minutes record any declarations and the action taken e.g. to leave the meeting and not take part.
Approach to publishing agendas, meeting reports and minutes varied widely from LEPs who have adopted the Local Authority Standards including public meetings, those who hold no meetings in public, those who only publish the agenda page and do not publish meeting reports, and those who record no information on confidential matters. With the exception of those LEPs following the Local Authority Standards, it is not always clear what criteria are applied for dealing with matters in private. **It is therefore recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions.**

9.2 The differing legal basis for LEPs does result in a variety of requirements on LEPs to publish financial information and accounts. However, the LEP’s own accounts will not necessarily cover those projects supported by the LEP where the funding is managed by the accountable body. In addition, the accountable body may include some financial information in their own accounts. However, this may provide only high level financial data and insufficient granularity on the detail of decisions and performance of funded programmes. In order to achieve greater transparency of financial data, co-operation and agreement between the LEP and the Section 151 officer on how best to provide financial data is needed. **It is recommended that more explicit guidance would be helpful and that this should be developed as part of the work on the role of the Section 151 officer referred to at paragraph 8.3 above. In particular, in addition to the publication of accounts, it is recommended that the LEP maintains on its website a published rolling schedule of the projects funded giving a brief description, names of key recipients of funds/contractors and amounts by year.**

9.3 A number of LEPs, but not all, refer to the role of scrutiny in overseeing their performance and effectiveness. Some LEPs are scrutinised from time to time by their accountable body Overview and Scrutiny function. This is an area for further development which would give increased independent assurance. Given the different structures across LEPs it is not appropriate to specify any particular approach to scrutiny. It is an area which could benefit from the sharing of good practice/‘what works’ to assist LEPs in shaping their own proposals. **It is recommended that LEPs report on this in their annual assurance statement (see paragraph 4.1 above) during the Annual Conversation process.**

10. **Government Oversight and Enforcement**

10.1 Government has a number of mechanisms which provide oversight of LEP performance and functioning including the National Assurance Framework, the assurance provided by the Section 151 officer, the Annual Conversation sessions with each LEP, and the government’s LEP Relationship Manager who
also attend LEP Boards and have more detailed knowledge of the LEPs’ functioning. Government has also made the allocation of funding conditional on compliance with requirements set out in the National Assurance Framework.

10.2 The Annual Conversation session with each LEP is a key opportunity for scrutiny and for holding LEPs to account. The focus of these conversations will be on the LEPs, strategy, its achievement of outcomes, value for money and delivery of programmes and individual projects. It is recommended that the annual conversations have strengthened focus and designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements (see recommendation at paragraph 4.1 above) and the report of the Section 151 officer.

10.3 This review has identified that whilst LEPs may be complying with the National Assurance Framework in terms of publication requirements, the approach to implementation locally will vary. The recommendations in this report seek to provide additional assurance without impacting on the ability to determine the detail that suits their local situation. In the main this will lead to the required improvements. However, there may be a residual need for government to be able to undertake a deep dive from time to time to provide assurance on the approach to implementation and how governance arrangements work on the ground. The LEP Relationship Manager has a key role in providing insight into that and it is important to ensure that they have the skills to identify the effectiveness of practice, perhaps using a good practice tool. In addition they should ensure that concerns about compliance are addressed by the LEP and have clear routes to escalate issues within government in a timely manner. They should contribute to the risk assessments to identify those LEPs who would benefit from a deep dive of their arrangements. It is recommended that a risk based approach should be used to identify LEPs where a deep dive on governance and transparency would be of assistance. It is further recommended that this deep dive is undertaken by someone with no direct involvement with the specific LEP.

10.4 The National Assurance Framework makes clear that serious non-compliance could result in delays to or loss of funding. It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the matters they need to address and the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms.

11. Best Practice

11.1 The LEP Network currently supports a number of initiatives to share good practice and to provide support to LEPs at board and CEO level. This review identified a strong appetite amongst LEPs to further develop the sharing of
good practice, buddying arrangements, peer review and support, induction programmes for new chairs and for board members. The LEP Network receives a small amount of funding from government as well as a fee from its members. The support it can give on best practice is therefore limited. However, supporting self-improvement across the sector is a valuable mechanism and it is recommended that government continue to support this work and discusses with the LEP Network how best to take this forward.

12. Conclusion

12.1 This review has identified a number of measures which would give greater assurance to the Accounting Officer and government on the governance and transparency of LEPs. It found a sector which has a strong understanding of its responsibilities for stewardship of public funding and the need to improve its governance accordingly. There has been some historical concern that the strength of the LEP model, in providing private sector leadership of economic growth in localities, should not be damaged by an overly bureaucratic approach. This review has found that there is on the ground recognition that strong and proportionate governance arrangements can be pursued with overall benefit and safeguarding to all involved without becoming overly bureaucratic. In practice, some LEPs have already made their own choices to go beyond the current National Assurance Framework requirements and would welcome greater clarity in the NAF so that the sector as a whole can be seen to be excellent and effective stewards of public resources. The recommendations made in this report are intended to strengthen the improvement journey and are felt to be proportionate to the need for good governance and probity whilst promoting the uniqueness of the private-public relationships which the LEPs provide. These recommendations if supported should be taken forward in partnership with the LEPs and with accountable bodies and in doing so, consideration may need to be given to the resources and capacity of both to respond effectively.

12.2 Finally, I would like to thank all those who took part in this review and gave their time to provide information and views. I am particularly grateful that contributors were able to work to such short notice. I would also wish to acknowledge the work and support provided by the Cities and Local Growth Unit in undertaking this review.

Mary Ney
NED DCLG BOARD
JUNE 2017.

ANNEX A. Documents Consulted During the Review


2. Public Accounts Committee report on Cities and local growth – 1 July 2016
5. Government response to PAC reports in *Treasury minutes* - Dec 2016
6. Table of Chronology on LEP Assurance and Accountability
7. Local Growth Fund Accountability and Assurance Process Map
8. Examples of LEP Local Assurance Frameworks
9. Single Pot Assurance Framework guidelines; examples of Single Pot areas
10. Daily Mail articles and background (including government response)
11. Recent NAO letter from Aileen Murphie to Jacqui Ward on Daily Mail follow up and suggestions for improvement
12. Business Representative Organisations note on LEP reform
13. Summary from the recent assurance and transparency spot checks following Section 151 officer letters
14. Examples of Section 151 officer letters
15. CIPFA. ‘The role of the Chief Financial Officer’.
16. CIPFA. ‘Managing the Risk of Fraud and Corruption’.
17. CIPFA/IFAC ‘Good Governance in the Public Sector’.
The 2017 Annual Conversations

Guidance for LEPs

Version 1.0 – 27 October 2017
## Contents

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Introduction

1. This guidance sets out the process for this year’s Annual Conversations.

2. The Annual Conversation meetings are the formal process by which the Government and each LEP meet annually to: discuss the contribution the LEP has made towards driving forward local economic growth; to review LEP governance and assurance processes; to look at progress with delivery on key local growth programmes; and to discuss the LEP’s priorities and challenges for the year ahead.

3. The Annual Conversation also acts as a key milestone in the process for confirming the following year’s Local Growth Fund (LGF) payments.

4. You will have agreed a date and location with your Cities and Local Growth Unit (CLoG) Area Lead. Attendance is expected to include:
   - LEP Chair
   - LEP Chief Executive
   - Section 151/73 Officer

   It is also suggested that the LEP’s delivery lead is present.

   The LEP Board should be informed that the Annual Conversation is taking place.

5. Annual Conversations will be chaired by the CLoG Area Director. The meetings will be based around three themes: governance, delivery and strategy.

6. You will be aware of the recent report into LEP governance and assurance by DCLG non-Executive Director Mary Ney.¹ This report made a number of recommendations which have been incorporated into the Annual Conversation process. These are summarised in table 1 (overleaf).

### Table 1:

<table>
<thead>
<tr>
<th>Review Recommendation</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A formal annual assurance statement from the LEP Chair and Chief Executive, including arrangements for scrutiny.</td>
<td>The first part of the Annual Conversation will focus on discussing the current governance arrangements.</td>
</tr>
<tr>
<td><strong>Annual Conversations to include time to examine LEP performance on governance.</strong></td>
<td>Prior to the Conversation, the Chair and Chief Executive will be required to produce an annual assurance statement. This will set out the actions that the LEP has taken to improve governance and transparency arrangements (Annex C).</td>
</tr>
<tr>
<td><strong>The Section 151 officer to provide a report to the Annual Conversation</strong></td>
<td>LEPs will be questioned on the implementation of their assurance framework in practice.</td>
</tr>
<tr>
<td></td>
<td>Section 151 officers will be required to produce a report on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency (Annex B).</td>
</tr>
</tbody>
</table>

7. In light of the wider recommendations of the Ney Review, further work to update the National Assurance Framework will be undertaken during 2018.

8. Please note that in line with the National Assurance Framework, Section 151/73 Officers must write to DCLG’s Accounting Officer by 28 February 2018 to certify that the Local Enterprise Partnership’s local assurance framework has been agreed, meets the revised standards set out in the national Local Enterprise Partnership Assurance Framework (November 2016) and that the arrangements have been implemented.²

9. Letters should be addressed to:

   Melanie Dawes  
   Permanent Secretary  
   Department for Communities and Local Government  
   2 Marsham Street  
   London  
   SW1P 4DF

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And sent via email to: joshua.reid@communities.gsi.gov.uk copying in your CLoG Area Lead.

The Annual Conversation
10. The 2017 Annual Conversation will focus on three themes of Governance, Delivery and Strategy. Prior to your scheduled meeting you are asked to respond to a number of questions in Annex A. These questions should provide a helpful starting point for reflecting on local growth delivery to date.

11. There is also an opportunity in each section for you to identify areas where the Cities and Local Growth Unit can help support you. Please use this to feedback to us any issues that might be hindering growth, and any relationship issues that government intervention may be able to help resolve.

12. Unless otherwise agreed you should send the following documents to your CLoG Area Lead at least one week before your scheduled Annual Conversation:
   a. Completed Annual Conversation Preparation document (Annex A)
   b. Section 151/73 Assurance Statement (Annex B)
   c. Governance Assurance Statement (Annex C)
   d. Any additional supporting documentation (e.g. local MP engagement strategy)

13. You may wish to share the completed documentation with the Board prior to submitting it to your CLoG Area Lead.

14. As per previous years, the process will depend on the status of the LEP and the Mayoral Combined Authority. Mayoral Combined Authorities will still be required to undertake a separate Annual Conversation Process in 2018 and further communications will be made in due course.

15. Please note that DCLG is bound by the Freedom of Information Act and may have to disclose contents of this document on request.

Following the Annual Conversation
16. The Cities and Local Growth Unit will compile a record of the conversation which will include any actions that were agreed during the meeting. This will be shared with the LEP and Accountable Body for comments.

17. Following the Annual Conversation, CLoG will undertake a performance review. This will look at the performance of the LEP across the three themes in the round. The review will also highlight any areas where there may be need for further development or where there is good practice, to make sure this is captured. This will involve reviewing the information provided for the
Annual Conversation along with other sources including (but not limited to); Growth Deal data submissions and LEP governance processes and policies.

18. The outcome of this review, along with any further actions identified and the final notes of the Annual Conversation will be shared with you once the Annual Conversation process has concluded in March.

19. The outcomes of the Annual Conversation are informative, but not summative in determining whether or not and how the 2018 Local Growth Fund and LEP core funding grant payments will be released. In some cases, following the performance review, additional actions may be identified such as the need to develop an action plan in response to certain issues. If it is deemed that it is appropriate to apply conditions or sanctions in relation to future payments this will be communicated to the LEP at the earliest possible opportunity.

20. We plan to conduct a light-touch review of the Annual Conversation process in early 2018. We hope that your LEP will be able to contribute to this. Further details will be circulated in due course.
Annex A: Annual Conversation Preparation

**LEP Name:** [Please complete]

Please answer each question by providing appropriate detail and using examples where possible to demonstrate where things have gone well and where they could have been better. Unless otherwise stated keep answers to **300 words.**

### GOVERNANCE

1. How effectively have the accountability and decision making arrangements in your LEP’s Local Assurance Framework operated over the last 12 months, including engagement with the Section 151/73 officer?

   Set out here:
   - whether the arrangements in the Local Assurance Framework remain current?
   - how effectively have they worked and how were any issues dealt with (give examples)?
   - what steps were taken to ensure changes made at the start of the year were communicated and understood by staff and board members?
   - arrangements for publication of Minutes and Board Papers.
   - arrangements for publication of conflicts of interest policies and updating arrangements.
   - the nature of engagement of the S151/73 officer in LEP processes.
   - plans to review or improve LEP assurance processes.

2. What are the strengths and weaknesses of the LEP’s governance structure?

   Set out here:
   - what are the strengths and opportunities for development of the current LEP governance structure?
   - what roles and responsibilities do private sector members undertake within the Board and Sub Board structure? How effective is this and how might it be strengthened?
   - what if any changes to the governance arrangements are currently being considered and over what period?
   - how well is the succession planning process working in practice and what changes in board membership are anticipated within the next 12 months?
   - how appropriate is the level of representation on the Board (i.e. in terms of diversity, knowledge and skills) – how might this be improved?
### DELIVERY

**1. What in your investment programme has gone well?**

Set out here:
- what have been some of the main achievements in your local growth programmes in the period 17/18? Please also provide a view of overall investment programme delivery to date.
- for Local Growth Fund, to what extent are you meeting/exceeding planned outputs and spending against the 2017/18 LGF award? Are you on track to deliver overall programme spend/outcomes? If so, please demonstrate. If not, set out the action you are taking to get back on track.
- for other programmes (EZs, City Deal, Growing Places Fund, Devolution Deals as appropriate) set out the extent to which you are meeting planned spending/output targets. Set out any good practice or issues in delivery and what you are doing to tackle them.

**2. What has not gone well and what problems have arisen in the last 12 months?**

Set out here:
- where issues have been encountered, what has not gone as well as expected in the previous year (e.g. projects not coming to fruition or major programmes hit by delays etc.) and what has created the problems?

**3. How effective have the LEP’s performance management processes, as set out in the Local Assurance Framework, been?**

Set out here:
• how have you worked with projects to ensure that spend and output performance remained on track?
• what risks/problems have been identified in the last 12 months and might arise in the future?
• whether you foresaw the problems that you experienced? How have you managed risks and what remedial/mitigating actions have you taken?
• have there been situations where the performance management processes have been particularly successful? please give examples.

4. How effective has the LEP been in assessing value for money and strategic fit in business cases and in developing a high quality project pipeline? Set out here:
• any issues that have arisen in assessing value for money or ensuring that projects supported are of the greatest strategic value to your place.
• to what extent has the pipeline been used to address any gaps in the programme or slippage by projects?
• have you developed any good practice in relation to assessing vfm and developing project pipelines (please give examples)?

5. What can Government do to better support your delivery? The Cities and Local Growth Unit wants to support your local growth programmes to deliver. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.

STRATEGY

We recognise that significant strategic work and information was provided as part of your Growth Deal 3 submission in July 2016. This section provides an opportunity to comment on progress since then.

1. What is the vision for your place to 2030? How is the LEP going to get there? What are your key short term objectives and priorities? Set out here:
• how effective is your Strategic Economic Plan?
1. When was it last refreshed and in what ways has it been kept it under active review during the last 12 months?

2. How successful has the LEP been at engaging local partners and the wider community in delivering local growth? How successfully have you worked with different political entities in your area?
   
   Set out here:
   - how have you engaged local stakeholders about your strategy and ambitions for the LEP?
   - how do you work with different political entities (such as MPs, Mayoral Combined Authority, Local Authorities), and do you actively work together on projects or strategies? Are there any examples of good practice?
   - how have you implemented the guidance on branding in relation to Growth Deal projects?

3. How successful have you been in working across borders and project types?
   
   Set out here:
   - where you have worked across different functional geographies and whether you actively work together with other areas or bodies on different themes or projects?
   - any examples of good practice. Please state any involvement you have had in engaging with the development and implementation of initiatives such as the Northern Powerhouse and Midlands Engine.

4. How can Government support you in the next 12 months?
   
   The Cities and Local Growth Unit wants to support you to realise the potential of your place. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.
Annex B: Section 151/73 Assurance Statement

The Section 151/73 Officer should here provide a report to the Annual Conversation on their work for the LEP over the last twelve months and their opinion with a specific requirement to identify any issues of concern on governance and transparency. In particular, you should focus on any particular issued raised in Annex A. (max 500 words)

Section 151/73 Sign-off:

Signed:

Name:

Position:

Date
Annex C: Governance Assurance Statement

The LEP Chair and Chief Executive should here provide a brief formal assurance statement on the status of governance and transparency. In particular, you should focus on any issues raised in Annex A. This statement should also be published on the LEP’s website following conclusion of the Annual Conversation process (in April 2018). You should cover any Overview and Scrutiny function undertaken by the Accountable Body. (max 500 words)

<table>
<thead>
<tr>
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<tbody>
<tr>
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**D2N2 MEDIA COVERAGE REPORT**

**KEYHIGHLIGHTS**

**HS2 Growth Strategy**

**Sherwood Energy Village**

**Launch of D2N2 Growth Hub ScaleUp Service**

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**54 Media Mentions**

45,911 (average reach per day, over 44 days)

*The item on ‘Launch of HS2 Growth Strategy’ appears once here, but appeared on news bulletins throughout the day, on both TV Channels*
D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT

DATE: 8th November 2017
REPORT LEAD: David Ralph
AGENDA ITEM: 3.1
TITLE: Chief Executive Officer’s Report

1. Introduction

1.1 This report considers:

a. The SEP refresh - including a presentation and discussion on the Inclusive Growth Strategy (developed with NTU with the RSA) and the key recommendations and conclusions from the D2N2 Science and Innovation Audit

b. 17/18 Mid-Year Review and approach to energy strategy

2. Recommendations

2.1 The Board to NOTE the content of the report and agree any specific actions arising from the two reports

3. Key Events since last meeting

- Mary Ney Review published
- Annual Conversation Guidance published
- City Hub designs to public consultation
- HIF bid Forward Fund Expression of Interest submitted
- HS2 East Midlands Growth Strategy published
- Year 2 Life Science Challenge Fund secured

4. D2N2 – Mid Year review

4.1 The mid-year review is in 2 parts.

4.2 Appendix 1 provides a financial summary of the core (office) budget agreed as part of the 17/18 business plan and delivered through an SLA between the EM Chamber of Commerce and Derby City Council as Accountable Body.
4.3 Appendix 2 addresses the 17/18 Business Plan KPIs and narrative to the business plan

5. SEP refresh

5.1 The Board has previously received presentations on the ‘deep dive’ reviews of Productivity and Inclusive growth together with the Summary of the D2N2 State of the Economy report as part of the ‘evidence gathering’ phase of the SEP refresh. These reports can be downloaded from the ‘evidence base’ page of the SEP section of the D2N2 web-site @ http://www.d2n2lep.org/growth/evidence-base

5.2 As reported previously, D2N2 has appointed SQW consultants to provide independent support to the Board in moving from evidence to strategy, through analysis, consultation and priority setting. This will complement continuing partnership and ‘in-house’ work. SQW have been undertaking a range of ‘scoping’ interviews to complement the evidence gathering work.

5.3 To support the development and issuing of a SEP ‘Outline Strategic Framework’ Consultation Document, SQW will hold a workshop with Board at the 8th November Board meeting. A briefing paper for the Board is attached detailing progress to date, the way forward and emerging key messages to support the board’s discussions in the workshop. The workshop will focus on shaping the key headline strategic content of the consultation document.

5.4 The consultants will report back key emerging messages from consultation at the Board ‘away day’ session on 28th November to inform a discussion with Board about the key focus of refreshed SEP.

5.5 In January, the Board will consider the full Consultation Report and a draft of a refreshed SEP.

6. Energy Strategy

6.1 BEIS have awarded the D2N2 LEP with £40,000 to carry out an Energy Strategy. The ambition for the area is to be a “Smart Energy Region” looking long term to 2030 and responds to national trajectory for decarbonisation and clean growth and will reflect the energy related aspects of the Industrial Strategy. Work began in October and the draft strategy needs to be completed by March 2018. BEIS are also pursuing a national piece of work to develop “Local Energy Capacity Support” and we are keen to engage with the Energy Systems Catapult.

6.2 The work will also relate to the energy capabilities and competencies identified in our D2N2 Science & Innovation Audit and the refreshed D2N2 Strategic Economic Plan.

6.3 The work will deliver:

- a robust D2N2 Energy Strategy with short, medium and long term ambitions
- identify the big energy issues/problems in D2N2, which could include domestic energy efficiency issues and the state of the local grid and
• an understanding of the issues affecting the energy sector in D2N2, for example consultation with power stations, particularly within the context of decommissioning high-carbon generation and renewable heat opportunities at former Coal Authority sites.

• Implement a framework to capture and assess energy projects/activities and produce a pipeline of energy investment opportunities and action plans for the top 4 or 5 “investment opportunities”

• create an Energy Steering Group drawn from local expertise in energy infrastructure within D2N2 and from public, private, university and community representatives

• Collaborative working with these key stakeholders, including Universities, and work with upper tier local authorities energy lead officers to understand the strategic priorities for a localised energy strategy and compile a list of energy assets within D2N2. Engage with large employers, particularly those operating in or informing key sectors which have an overt alignment to informing the energy strategy such as (Toyota, Rolls Royce, Siemens, Boots, E-On and Bombardier) Housing (Nottingham City Homes, Housing Associations), and Transport and Logistics (HS2, Nottingham Express Transit).

• Work with D2N2 universities to drive emerging energy technologies, including research (e.g. Energy Research Accelerator), new technologies and industry collaborations

• Understand how energy issues affect SMEs through consultation with ESIF project beneficiaries and providers

David Ralph
November 2017
Appendix 1 – Financial Update Core Budget

1. **PURPOSE OF THIS REPORT**

The purpose of this report is to provide Board Members with the financial position of the D2N2 at 30 September 2017.

2. **MANAGEMENT ACCOUNTS TO 30 SEPTEMBER 2017**

Monthly management accounts to 30 September 2017 are attached to this report as Appendix A. Appendix B, attached to this report compares 2016 – 2017 expenditure to the current financial year.

The main variances comparing year to year are as follows:

- Salaries have increased by £39,357 from September 2016 to year to date September 2017 due to an increase in staffing by full time equivalent of 1.5 and an annual inflationary salary increases

- External consultancy fees are (£44,802) less in year to date September 2017 to year to date September 2016. This is inclusive of the Chair’s honorarium and in 2017-1, £10,000 expenditure for Foreign Direct Investment Benchmarking Contribution

- Marketing costs are (£21,994) less in the current year to date due to £20,000 for a stand at MIPIM 2017 last year

- Events costs are £21,477 greater in the current year to date due to a £30,000 contribution to Marketing Derby for MIPIM 2018

- There have been no Sponsorship costs incurred in the current year against £54,167 spent last year.

3. **VAT DISCLOSURE**

Following a VAT audit by HMRC in January 2016, East Midlands Chamber reviewed the legacy treatment of VAT on the D2N2 core contract (which provides the grant for the majority of D2N2 staffing and associated costs).

Following consultation with Derby City Council (who process the claim for core resources) regarding zero VAT inclusion on sales invoices to Derby City Council and following the taking of external advice from the Chamber’s appointed auditors, Mazars and Derby City Council’s own internal VAT expertise, it was agreed by all parties that ‘input VAT’ should have been claimed back through the contract since commencement.

Mazars subsequently prepared a letter of disclosure for HMRC following consultation with Derby City Council and D2N2 LEP Chief Executive and Chair.
A subsequent VAT inspection undertaken by HMRC in June 2017 confirmed an underpayment of £95,414 over a four year period. No raised assessment has yet been received from HMRC. Following discussion with the auditor no VAT penalties have been proposed due to the disclosure and corrective treatment of VAT for the D2N2 core contract.

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D2N2 MID Year Review

(Wednesday, 8 November, 2017)
D2N2 MID Year Review
(Wednesday, 8 November, 2017)

Contents
Appendix 2 - D2N2 17/18 Business Plan – KPIs and narrative..........................................................................................................................3
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Website (D2N2 LEP) .........................................................................................................................................................................................17
### Appendix 2 - D2N2 17/18 Business Plan – KPIs and narrative

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
<th>Who</th>
<th>Progress</th>
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</thead>
<tbody>
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<td>Carry out a Board led review to set out our 3 year plan</td>
<td>Green</td>
<td>D2N2 Board – led by Chair and DW</td>
<td>Report agreed September 2017 – next step Board workshop November 28th</td>
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<td>Develop a partnering agreement to progress Boots EZ development on the Nottingham Enterprise Zone</td>
<td>Amber</td>
<td>CEO/Boots</td>
<td>Infinity Park and Boots behind delivery profile.</td>
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<td>Actions agreed with IP</td>
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<td>Boots DEVCO have agreed a business plan but still to be signed off by Boots and disseminated to stakeholders.</td>
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<tr>
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<td><strong>Action - City, County and LEP CEOs to meet jointly with Boots to set out partnering agreement</strong></td>
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<tr>
<td>Develop an HS2 East Midlands Delivery Vehicle to deliver an agreed HS2 Growth Strategy</td>
<td>Green</td>
<td>CEO</td>
<td>Strategy published October 17.</td>
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<tr>
<td></td>
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<td><strong>Action - Business case for delivery vehicle being developed with CLG for completion Xmas 2017</strong></td>
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<td>Develop in partnership between the Skills Commission and the D2N2 joint committee an’ end to end’ implementation plan including overseeing to actions agreed as part of the Joint Area Review</td>
<td>Amber</td>
<td>Skills Commission</td>
<td>Mismatch report completed. Skills strategy published and SC reconvened,</td>
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<td>ABR report published – (Aug 17)</td>
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<td>Action</td>
<td>Status</td>
<td>Who</td>
<td>Progress</td>
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<td>Nott College merger completed and Skills Hub now back on track</td>
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<td>IOT EOI to be submitted October 17</td>
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<td>ESF programme to be commissioned Nov17</td>
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<td>Challenging year of delivery with</td>
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<td>a) significant slippage in many projects</td>
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<td>b) a number of projects failing to meet agreed performance outcomes (jobs/homes)</td>
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<td>remaining problems on reporting</td>
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<tr>
<td>Fully spend 17/18 D2N2 Growth Deal allocation whilst meeting and surpassing the requirements of the (updated) Local Assurance Framework 2016</td>
<td>Amber/Red</td>
<td>IIB</td>
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<td>Establish a new delivery mechanism for Growing Places Funding</td>
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<td>GPF review and revised criteria agreed</td>
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<td>Develop a D2N2 plan to accelerate housing delivery</td>
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<td>Red/Amber</td>
<td>D2N2/joint Committees</td>
<td>Joint committees not met but HIF Forward funding bid submitted for £99m/17,000 homes together with a number of marginal viability schemes</td>
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<td>Progress a D2N2 Infrastructure Plan</td>
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<td>Derbyshire CC and other LAs</td>
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<td>To be completed Dec 17</td>
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<td>Further accelerate ESIF programme commissioning to maximise our spending against our allocation</td>
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<td>MW/ESIF Committee</td>
<td>Good progress – incl PA 4 (low carbon)</td>
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<tr>
<td>Action</td>
<td>Status</td>
<td>Who</td>
<td>Progress</td>
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<td>--------------------------------------------------------------------------</td>
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<tr>
<td>Refresh our Strategic Economic Plan</td>
<td>Green</td>
<td>MW/LEPOG/D2N2 Board</td>
<td>Next Step – ESF 2nd phase delivery (Nov 17)</td>
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<td>Develop revised Scrutiny arrangements working with the D2N2 joint committee</td>
<td>Amber</td>
<td>D2N2/Joint Committee</td>
<td>Preferred framework with D2N2 joint committee not progressed but reports to Derbyshire CC Scrutiny (October 2017) and Notts Policy Committee (Sept 17)</td>
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</table>
1. Strategic Leadership and Advocacy

We will be influencing the national agenda on the things that matter most to our area including future funding. We believe we are uniquely placed to add value on the Government’s high level priorities such as addressing the skills gap, making effective infrastructure investments to support economic growth and delivering sufficient houses and business space to support the economy. We will sustain our national profile, work more closely with local business organisations and increase awareness of the opportunities for investment that D2N2 LEP offers.

<table>
<thead>
<tr>
<th>What we will do</th>
<th>Priorities in 2017/18</th>
<th>Lead by</th>
<th>Mid Year Review</th>
<th>Specific Highlights</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will use the knowledge of our board and partners to engage with government on unlocking growth at local level, supporting local authorities and contribute fully to ongoing devolution discussions. Our contribution to the debate will be firmly rooted in our experience in delivering our local strategies for transport, infrastructure, skills and business competitiveness and our understanding of what the economy and business needs.</td>
<td>The current priorities on which we intend to influence the debates at national level are:</td>
<td>Board, Chair and CEO</td>
<td>Working closely with Government and the LEP network on emerging frameworks including: Industrial Strategy/sector Deals National LEP review and the role of LEPs Future Funding incl Share Prosperity Fund. Preparing for Brexit Midlands Engine and local engagement</td>
<td>Clare Perry visit CLG/BEIS visit by civil servants Publication of State of the Economy report, productivity challenge and Social Inclusivity Report Completion of D2N2 ‘Fit for Purpose’ Review</td>
<td>Green</td>
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</table>
2. Business Engagement and Communications

We will increase our engagement with as wide a range of businesses as possible. Our effectiveness in unlocking growth will depend on our ability to understand what businesses want and to communicate their views. We will use high-quality, in-house communications to get our messages across, for example, by revamping our website and increasing our social media presence.

To increase our effectiveness and make sure we are focussing on the things that will make a real difference to our economy, we intend to engage with the businesses in our region, articulating their views and putting our weight behind their key concerns. We aim to have a dialogue with as wide a range of businesses as possible and the organisations that represent them. This will be reinforced by our investment in high-quality communications.

<table>
<thead>
<tr>
<th>What we will do</th>
<th>Priorities in 2017/18</th>
<th>Lead by</th>
<th>Mid Year Review</th>
<th>Specific Highlights</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will implement our strategy for engaging with our large and growing business population of over 66000 registered businesses, 90% of which are small and have fewer than 10 employees. Reaching out to such a varied audience is a challenge, but is essential if we are to speak with authority on their behalf. We will segment our businesses carefully and develop key messages for each, making sure that there is a benefit to them in engaging with us. We will engage with them using a variety of mechanisms including networks, forums, conferences and events, surveys, on-line communications, newsletters and social media. We will listen carefully to what they say and develop a sound business engagement strategy.</td>
<td>Engage much more effectively with the business community on the basis of a clear strategy to understand their key concerns and their views on how to stimulate growth. Board members to hold a series of meetings with key companies and support organisations in the D2N2 area. Continue to develop our website, media presence and our marketing collateral to reflect our ambition.</td>
<td>Board Member and Senior Manager, Business Engagement</td>
<td>As delivery increasing, we have looked to work both directly and through our implementation arrangements eg Growth Hub. A critical issue identified within our review is to increase business profile at Board level.</td>
<td>Board highlights paper – quarterly incl establishment of East Midlands Forum Engagement Meetings with OEMs Growth Hub performance and launch of scale-up Autumn Business Breakfasts</td>
<td>Green</td>
</tr>
<tr>
<td>What we will do</td>
<td>Priorities in 2017/18</td>
<td>Lead by</td>
<td>Mid Year Review</td>
<td>Specific Highlights</td>
<td>Rating</td>
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<tr>
<td>understanding of the key issues from the business perspective.</td>
<td></td>
<td></td>
<td></td>
<td>Comms update reported separately at end of report.</td>
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<tr>
<td>Our communications strategy will underpin our engagement with businesses as well as raising our profile nationally. To do this effectively, we have brought our communications in-house and employed a full-time professional communications manager. We will also be using our board members to a much greater extent to act as advocates to the business community.</td>
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<tr>
<td>We will use web-based communications and social media as well as getting out and talking to as wide a range of businesses and stakeholders as possible. We will develop feedback mechanisms so that we know how others view our progress and where the areas for improvement are.</td>
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</tbody>
</table>
3. Delivering our Key Strategies

Through our committees, we will deliver the goals in our Strategic Economic Plan, leading thinking and implementing strategies in:

- Infrastructure and transport
- Skills
- Innovation
- Business Support and Access to Finance
- Housing and Regeneration

Our objective is to achieve the goals in our Strategic Economic Plan and the individual strategies for Infrastructure, Skills, Innovation, Business Support and Access to Finance, Housing and Regeneration to support economic growth in our region. This work is led by our sub-committees, chaired by Board Members and comprising of partners and businesses.

<table>
<thead>
<tr>
<th>What we will do</th>
<th>Priorities in 2017/18</th>
<th>Lead by</th>
<th>Mid Year Review</th>
<th>Highlights</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will refresh our Strategic Economic Plan</td>
<td>1. Refresh the SEP</td>
<td>Senior Manager – SEP</td>
<td>On target</td>
<td>Local resourcing to deliver publication of Evidence base - State of the Economy report, productivity challenge and Social Inclusivity Report</td>
<td>Green</td>
</tr>
<tr>
<td></td>
<td>2. Deliver a D2N2 wide Strategic Infrastructure Plan</td>
<td>DCC</td>
<td>December 2017</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>3. Refresh the skills strategy, review the innovation plan,</td>
<td>SC</td>
<td>Published</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Develop a housing strategy and review any other strategy</td>
<td>Joint Committee CEO</td>
<td>Not progressed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Agree the HS2 Growth Strategy</td>
<td></td>
<td>Published October 2017</td>
<td></td>
<td></td>
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<tr>
<td>We will strengthen committees as required, revising their terms of reference and reviewing membership where necessary</td>
<td>2. Deliver a D2N2 wide Strategic Infrastructure Plan</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>3. Refresh the skills strategy, review the innovation plan,</td>
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<td></td>
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<tr>
<td></td>
<td>5. Agree the HS2 Growth Strategy</td>
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</tr>
<tr>
<td>We will review and refresh the Skills Strategy and complete the Area based Review, focusing on strategic benefit to our region and identifying key interventions</td>
<td>1. Refresh the SEP</td>
<td>Senior Manager – SEP</td>
<td>On target</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>2. Deliver a D2N2 wide Strategic Infrastructure Plan</td>
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<tr>
<td></td>
<td>5. Agree the HS2 Growth Strategy</td>
<td></td>
<td>Published October 2017</td>
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</tbody>
</table>
such as new projects where there are market failures.

In some cases, such as the Growth Hub and Enterprise Advisors, we provide direct services and are funded by Government to do so.
4. Delivering LEP Programmes

As well as successfully delivering the 33 projects from Rounds 1 and 2 of the Local Growth Fund, we will need to deliver LGF Round 3.

We will showcase the value of investment in our area, focusing on projects which will have the potential to transform the region. We will make faster progress on our European Structural and Investment Funds Strategy to provide revenue funding for business support and skills. We will review the delivery mechanism for our Growing Places programmes and continue to invest to make the Nottingham and Derby Enterprise Zone a reality, including starting on site at Nottingham Science Park. We will develop robust assurance and project management systems, and strengthen our team to ensure that we meet the standards necessary for the effective administration of public money.

We have a portfolio of 33 capital projects funded by the Local Growth Fund, as well as projects supported by the Growing Places Fund, the Nottingham and Derby Enterprise Zone and significant European Structural and Investment Funds and the Growth Hub.

Local Growth Fund Round 3 is likely to result in a further increase in our project management task.

<table>
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<tbody>
<tr>
<td>The D2N2 Local Growth Fund is delivered through out Infrastructure and Investment Board delivered in accordance with the D2N2 Local Assurance Framework to ensure transparency and accountability and the effective use of public money. During 17/18, we will consult partners on the how to improve accountability and particularly scrutiny and we will appoint a</td>
<td>Implement an updated robust assurance framework to support effective project management. Implement LGF Round 3 and progress all the current Local Growth Fund schemes through the pipeline from business case to funding agreement and delivery as soon as possible, ensure targets and drawdown are achieved. Through increased local capacity, review the current Growing Places</td>
<td>All partners and Board IIB and EZ and ESIF Sub-committees</td>
<td>Done with further training Ongoing – LGF 3 delivery broadly on track although some slippage Additional capacity secured November 2017</td>
<td>Ney Report published</td>
<td>Green for processes and ESIF Red/Amber - delivery</td>
</tr>
</tbody>
</table>
Director of Place whose main role will be to manage LGF delivery.

We will continue to drive progress on the projects from Rounds 1 and 2 of the Local Growth Fund and implement the next round of major projects in LGF Round 3.

We will review our delivery mechanism for Growing Places Fund and progress the EZ and Growth Hub projects as quickly as possible, that outputs are achieved and that the money is spent on time and to budget.

We are accelerating the implementation of our ESIF Strategy to provide business support, skills development and employment.

We will evaluate their impact and contribution towards our objectives.

Fund Delivery Mechanism and progress the Nottingham and Derby Enterprise Zone projects as quickly and effectively as possible.

Work with the Managing Authorities to increase the speed of delivery, develop calls for projects and the project pipeline to deliver our ESIF Strategy and spend our allocation.
5. High Performing Organisation

STRONG BOARD – STRONG TEAM – STRONG PLAN

We aim to be a highly professional organisation which adds value to everything we do, is widely respected and a great place to work. This requires an engaged and committed board comprising high calibre individuals, excellent committees, whose members regard them as a good use of their time, and a professional and well-resourced team, focused on outcomes and impact. We must operate in a financially sustainable way, make sure that our processes for governance and accountability are exemplary and rigorously review our progress towards these aims using measures for impact and added value.

In accordance with our core values, we aim to add value to everything we do and to be a widely respected organisation and a great place to work.

This requires an engaged and committed Board comprising high calibre individuals; excellent sub-committees - whose members regard them as a good use of their time, and an effective and well-resourced Executive delivering a clear plan focussed on outcomes and impact.

We must operate in a transparent and accountable way through a financially sustainable model rigorously reviewing and scrutinising our progress towards these aims using measures for impact and added value.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>We will support our active and committed Board, chaired by Peter Richardson. The board is responsible for strategic direction, progress towards our aims and oversight of our operations. For 17/18, Peter will Chair a review group to look at LEP processes particularly in</td>
<td>1. Provide sufficient capacity (within our budget) to complete our responsibilities</td>
<td>CEO</td>
<td>LF Programme Manager recruited November 2017 – staffing quotient completed.</td>
<td>Rolls Royce recruited onto Board</td>
<td>Green/Amber</td>
</tr>
<tr>
<td></td>
<td>2. Put in place a Board level review group to look ahead at better local working</td>
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<td></td>
<td>Accountability and Transparency processes and Local Assurance Framework confirmed as compliant.</td>
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<td>3. Meet the requirements of the National Assurance Framework including improving</td>
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</table>
## What we will do

<table>
<thead>
<tr>
<th>Priority in 2017/18</th>
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<th>Mid Year Review</th>
<th>Specific Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line with the emerging joint committee, refreshed SEP and requirements for stronger Accountability and Transparency</td>
<td>Scrutiny of decision making and value for money</td>
<td>Business engagement and data analyst</td>
<td>Joint Committee not developed nor proposal to develop a single Accountable Body</td>
</tr>
<tr>
<td></td>
<td>4. Review the Growing Places Fund Delivery Mechanism</td>
<td>Joint Committee not developed nor proposal to develop a single Accountable Body</td>
<td>Growth Hub also recruited new manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board fit for purpose review completed – chaired by David Williams. Workshop to be held November 28th.</td>
<td>Board fit for purpose review completed – chaired by David Williams. Workshop to be held November 28th.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mid Year core funding provided as part of mid year review</td>
<td>Mid Year core funding provided as part of mid year review</td>
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</table>
D2N2 Social Media and Website – Update on 2017/18 objectives set

Social Media Channels

Twitter

*Followers, as at–*

- April 1, 2017  5,521
- September 30, 2017  6,126
- April 1, 2018 (projected)  6,738

2018 (end year) revised target – 6,750

- D2N2’s Twitter profile currently sits at a follower count of 6,203 (as of October 27), gaining an average of 20 new followers per week.
- Ranking – D2N2 is currently 9th of all 38 LEPs in terms of Twitter followers (up from 10th in April 2017).
- D2N2 has also implemented measures to encourage greater sharing of D2N2 website content. This has led to D2N2 content being promoted to a much greater extent and by a wider variety of people and organisations.

LinkedIn

- Our main LinkedIn group currently has a membership of 665 Derbyshire and Nottinghamshire businesspeople and has accounted for 40 visits to the D2N2 website in the past year.
- We continue to promote all D2N2 news, events and stories through the D2N2 LinkedIn Group.
Google
• D2N2 was set up as a Google registered business last year (2016). This allows it to appear at the top of search listings for relevant queries and also means that any news and stories published via this channel are prioritised in search results.
• In the past quarter, this has led to D2N2 being found 8,000 times on Google search and 5,500 times on Google Maps. This has led to an additional 104 website visits, 66 requests for ‘directions’ and 3 telephone calls.

D2N2 Newsletter
Subscribers, as at –
• April 1, 2017 1,802
• September 30, 2017 1,923
• April 1, 2018 (projected) 2,168
• The D2N2 Newsletter has been run through Mailchimp for the past 2 years. This has led to greater optimisation, analysis and measurement when promoting D2N2 news and events through this channel and also corresponds directly to significant increases in D2N2 website activity when newsletters and event invitations are sent out.
• The current subscriber count currently sits at 1,923 and through capturing attendee details at events and also through social media marketing, this number continues to increase at a rate of 2-3 subscribers/week.

Facebook
• D2N2 Facebook page currently sits at 150 likes, and has accounted for 192 visits to the D2N2 website in the past 6 months.
• Though unsure of Facebook’s potential when first set up, it is clear that this is a social media channel that works for D2N2. Facebook also gives D2N2 an advantage over other LEPs, in that very few other LEPs (except Oxfordshire, Cambs, Herts and Worcs LEPs) have a Facebook presence.
Website (D2N2 LEP)

Between September 30, 2016, and March 31, 2016 the LEP website saw –

- 34,186 sessions (uses of the D2N2 website)
- 22,253 users (people who used the D2N2 website)
- 81,980 page views
- In this period 61.6% (21,054) of all website sessions were conducted by new people.

Between April 1, 2017, and September 30, 2017 –

- 28,945 sessions (-15.33%)
- 19,412 users (-12.77%)
- 68,160 page views (-16.86%)
- In this period 63% (18,246) of all website sessions were conducted by new people. (+2.36%)

Between September 30, 2017, and March 31, 2018 (projected figures only)

- 30,609 sessions
- 20,778 users
- 70,006 page views
- In this period it is expected that 64% (19,853) of all website sessions will be conducted by new people.
**Introduction**

In September 2017, SQW was commissioned to support D2N2 LEP with the development of a new Strategic Economic Plan (SEP) for the D2N2 area, for approval by the Board in January 2018.

The initial scoping phase of the work is nearing completion, and a discussion in ‘workshop’ format will be held with the LEP Board on 8 November. In advance of the Board meeting, this paper explains the background to the development of the new SEP, provides a summary of work undertaken to date, sets out the forward timetable and highlights some issues for consideration by the Board.

**Background**

D2N2 published its first SEP in March 2014, setting out a vision for “a more prosperous, better connected and increasingly competitive and resilient economy”. The first SEP was developed in the light of strong Government guidance at the time, and has been instrumental in bringing forward substantial new investment, including £257 million secured through the Local Growth Fund.

Three years on, much has changed, both in the national and international political and economic context, and in a number of key ‘drivers for growth’ (such as, notably, the plans for High Speed 2 and nationally, the development of the Industrial Strategy). With this in mind, D2N2 has commissioned a series of research and evidence studies, including recent analyses of productivity, inclusive growth and the area’s science and innovation ‘offer’. Building on these (and the wider existing evidence base), SQW has been commissioned to support the Board in preparing a new SEP, as “a focused and strategic document that will set out policies and priorities that will guide future investment decisions”, taking a long term view to 2030, while acknowledging considerable medium term national policy uncertainty.

**Timetable and process**

The development of the SEP involves three broad phases of work:

- **Scoping and initial analysis** (September – October): reviewing the evidence base and consulting with a number of key partners to help define the major strengths, weaknesses, opportunities and threats facing the D2N2 economy and the key issues that the SEP will need to address
Consultation (November – December): stakeholder focus groups, individual stakeholder consultations and a survey aimed at a wider range of respondents on the emerging priorities for the SEP

Drafting and completion (December – January).

Progress to date

Initial stakeholder views

We are currently nearing the end of the first, ‘scoping and initial analysis’ phase. While there are some further consultations with Board members and other stakeholders currently being arranged, a number of themes have emerged from the initial stage of work:

- First, there is a general consensus that the new SEP should be a sharper and more focused document, recognising that while the existing SEP was the right document at the time, the policy context is now substantially different. In particular, there seems to be a consensus that that the new SEP should focus less on individual projects and specific Government funding streams, and more on the big priorities for D2N2
- Second, stakeholders have highlighted the need for the new SEP to be ‘outward facing’, in particular recognising the importance of the wider Midlands Engine agenda and D2N2’s role within it, and the high degree of connectivity with neighbouring LEPs and city regions
- Third, while maintaining a long term view to 2030 is seen as valuable (particularly given the broad alignment with the timescales for the delivery of High Speed 2), it will be important to have intermediate goals and objectives – perhaps looking ahead to 2021/22 – so that progress can be measured effectively. This is especially important given the current economic and policy uncertainty
- Fourth, there is a general consensus on the big opportunities and challenges that the SEP should address. Stakeholders generally considered that the overarching aim of strategy should be to increase productivity, while ensuring that all have the opportunity to benefit from economic growth. More specifically, there is strong agreement on the importance of HS2 as a core ‘transformational’ investment, which could act as a driver of wider strategy
- Fifth, because the new SEP should be more concise and focused on the ‘big priorities’ (and because it will not – directly – lead to Local Growth Fund investment along the lines of the original SEP), it follows that it will not necessarily include the full range of specific local priority schemes. A balance will need to be struck between strategic themes from which D2N2 as a whole can benefit and local specificity and relevance
- Finally, stakeholders considered that the new SEP should help to drive stronger partnership working between the private sector and the local authorities, through the identification of a shared set of objectives.
**Strengths, weaknesses, opportunities and threats**

In the light of the scoping consultations and our review of the existing evidence base, the table below sets out an initial, high-level analysis of the strengths, weaknesses, opportunities and threats facing the D2N2 economy.

<table>
<thead>
<tr>
<th>Table 1: D2N2: Initial SWOT analysis</th>
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<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>• Locational advantages and connectivity (access to airports, and north/ south strategic rail and road links)</td>
</tr>
<tr>
<td>• Key sector strengths, including concentration of world-class advanced manufacturing and health/life science activity</td>
</tr>
<tr>
<td>• Strong science and innovation base, linked with major university presence</td>
</tr>
<tr>
<td>• ‘Core city’ and ‘key city’, both of which act as drivers for the local economy and are major employment centres</td>
</tr>
<tr>
<td>• Very high quality natural environment</td>
</tr>
<tr>
<td>• High levels of economic activity</td>
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<tr>
<td>• Relative cost advantages</td>
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</tbody>
</table>

**Opportunities**

• High Speed 2 – both in terms of strategic connectivity benefits and the potential for new development linked with infrastructure

• Midlands Engine strategy and potential for stronger links across (and a stronger voice for) the Midlands

• Growth in neighbouring employment centres significant to parts of D2N2 (e.g. Manchester, Sheffield and Birmingham)

• Greater collaboration across D2N2 (for example in housing delivery)

• Government policy uncertainty – potential to influence and develop new solutions

**Threats**

• Lack of infrastructure investment (e.g. cancellation of improvements to Midland Mainline)

• General economic and policy uncertainty, particularly linked with Brexit, impacting on investment decisions

• Within the advanced manufacturing sector in particular, high levels of dependency on a small number of larger employers

• Risk that other city regions are better resourced and better able to compete for limited resources

*Source: SQW*

**Moving forward**

Following the scoping phase, and the Board meeting on 8 November, it is intended that:

• We will develop a draft **Outline Strategic Framework**, providing a summary of the evidence base and SWOT analysis, and setting out a series of proposed strategic themes for the SEP. We will present initial headlines to the Board on the 8th.

• This will form the basis for the next phase of **consultation** with wider stakeholders, including a series of bilateral consultations, three themed workshops/focus groups and an online survey to enable to wider range of partners to express their views.

• We will provide **further feedback to the Board** following this next stage of consultation at the additional Board meeting on 28 November, and will discuss with the Board the emerging content of the draft SEP.
• This will then inform the **first draft of the SEP** during December.

**Issues for consideration by the Board**

The Board meeting will provide an opportunity for the Board to provide direction on the emerging content of the Outline Strategic Framework before we consult more widely. In the meantime, Board members may wish to consider:

• **The views expressed by stakeholders during the scoping phase.** Do they reflect the Board’s views? Are there any views that are surprising? Are there any other key issues that we should be taking into account in the development of the SEP?

• **The initial SWOT analysis.** Is this a fair high-level assessment of the opportunities and challenges facing D2N2? Are there any other strengths, weaknesses, opportunities or threats that should be addressed?

SQW

October 2017
1. **Skills & Employment Commission**

The Commission met on Monday 30th October 2017. Agreed Terms of Reference for the Skills & Employment Commission are at Appendix 1. Two items were tabled – Institute of Technology and Future ESF Programmes for 2018-2020.

2. **Institute of Technology**

Government is committed to developing prestigious Institutes of Technology to deliver the higher-level technical skills that employers need. DfE released a policy statement in September 2017. The creation of new Institutes of Technology (IoT) is to achieve a step-change in provision of technical education at higher levels as part of the Government’s ambitious reforms to technical education to increase the supply of technical skills that our economy needs to maximise productivity now and in the future and improve the life chances of thousands of young people. IoTs have a particular focus on teaching technical disciplines where industry demand is growing, driven by the pace of technological change and the loss of skills as older workers retire. Whilst there are examples of high-quality provision already, there is the need to work with employers to build on this and expand the offer across England, particularly at skills levels 4 and 5 (sub-degree level), aligned to the needs of local, regional and national industries.

Government will be launching a call for proposals for applicants to bid into the £170m fund to establish Institutes of Technology before the end of 2017. The expectation is for the first IoTs to open in 2019.

**Institutes of Technology: Process and Timeline**
DfE asked for interested parties to register an interest in the Institutes of Technology (IoT) initiative by the 31st October 2017. The process and information submitted is at this stage only to enable the IoT team to understand what type of IoT bids they can expect to receive.

A key recommendation of the D2N2 Area Review was for the FE Colleges to take a co-ordinated approach to develop a proposal for an Institute of Technology in the D2N2 area that will deliver against employer need. The D2N2 LEP was clear they would support only one IoT bid and that the Skills & Employment Commission would lead the LEP’s engagement with applicants.

With this in mind Sarah Drew, Deputy Principal of Burton & South Derbyshire College presented to the Commission on Monday 30th October 2017 details of a proposed bid whereby the FE Colleges and Universities across D2N2 will collaborate with employers to establish a regional Institute of Technology for provision of higher level technical pathways aligned to sectoral and occupational requirements for digital skills digital skills and which complements and extends existing technical education and training

Key features are:

- The FE and HE partners include Burton and South Derbyshire College, Chesterfield College, Derby College, North Nottinghamshire College, Nottingham College, Nottingham Trent University, University of Derby (including Buxton & Leek College), and Vision West Nottinghamshire College. (Discussions are underway with the University of Nottingham)

- The collaboration will better enable rapid development of an enhanced curriculum for level 4, 5 and 6 digital aspects of the priority areas and provide coherence across technical routes and between institutions with smooth progression pathways from Level 3 through to Level 6 offering increasing specialisation at higher levels.

- The collaboration will partner with representative employers in each priority sector to specify digital skills requirements to shape, direct and inform the initial curriculum offer and guide its evolution. D2N2 Colleges and Universities have extensive existing networks of employers and partnerships to bring forward collaboration.

In support of the bid a substantive piece of research is being undertaken by Nottingham Trent University, on behalf of the FE and HE partners, to identify, in detail, the digital skills needs of regional employers and potential key organisations, not currently engaged, for active involvement in the development of the Institute of Technology proposal.

Given the nationwide variance in skills needs and provision, DfE are not prescribing a ‘one size fits all’ delivery model but are offering flexibility for bidders to adopt models best suited to the needs of an area and the collaborative partners. However it is stated that delivery will be through partnerships of employers, FE and HE but could be through a range of legal structures and delivery models ranging from Joint Venture or Special Purpose Vehicles, wholly new FE or HE institutions or other entity of a type which is permitted to conduct HE and/or FE provision under existing FE and/or HE legislation. There is a requirement for the IoT to have a distinctive identity which is independent of its partner institutions.

With this in mind the partners are exploring a model which will leverage existing core revenue streams and assets of the partner FE/HE Institutions. The underpinning legal structure for such a collaboration would be either a Special Purpose Vehicle or Joint Venture Company to ensure shared responsibility and collective ownership. Independent advice on the risks, benefits and implications of
the alternative legal structures is currently being sourced to enable decisions to be made by the respective boards of each partner institution. Independent advice is being sought by the partners to provide detailed information on risks and benefits for consideration by CEOs of the partner institutions and their respective boards.

The DfE policy document sets out the need for all successful IoT bids to demonstrate adequate scale and impact and the lead authority for local economic policy (either the Local Economic Partnership (LEP) or Combined Authority) will need to confirm each bid fits with local strategic economic priorities.

Commission Members were asked to review and advise the LEP on the endorsement of the bid in readiness for the submission on the 31st October 2018.

Commission Members gave endorsement in principal to the proposed bid of the FE and HE partners and requested for the following points to be acknowledged in the development of and submission of the final bid.

- **To be demand-led and ‘employer driven’ – use existing employer links to encourage involvement from large employers who have key digital skills needs to lead the design of the IoT with the FE and HE partners**
- **For SMEs to feed into the need and design of the IoT**
- **For the IoT bid is ambitious so that a ‘step change’ for D2N2 can be achieved**
- **For the IoT to reduce complexities, and create coherence - for all stakeholders including individuals and parents**
- **To link to existing D2N2 employer advisory groups, such as sector & skills groups, D2 and N2 Skills and Employment Boards, Growth Hub, also the Apprenticeship Ambassador Network**
- **The need to communicate how apprenticeships and the apprenticeship levy can feed into the IoT bid**

**Next Steps:**

FE and HE partners submit the Institutes of Technology – Pro-forma by 31st October 2017. Commission members provide to Sarah Drew details of all existing groups and key employers. A ‘working group’ of IoT interested employers is convened to meet in November. Commission meet on 8th December 2017, 8.30am-10.30am to review the IoT bid for submission.

FE and HE partners have set up an Institutes of Technology Group on LinkedIn. The aim of the group is to facilitate connections between potential collaborators who are interested in establishing an Institute of Technology. The LEP is asked to promote this to interested employers.

3. **Future ESF Programmes for 2018-2020**

At its September 2017 meeting, the Commission had a detailed discussion on the approach to a ‘second round’ of ESF calls to maximise the value of ESF funding for the D2N2 area and ensure continuity of strategically important provision.

Following the advice of officers, on 26th September 2017, the D2N2 ESIF Committee approved a framework for future programmes, designed in consultation with partners, and following the advice of the ESF consultation report considered at the September meeting of the Commission, as a simpler proposition to promote easier navigation between support for beneficiaries, eliminate
‘overlap’ in provision and provide a framework that allows for local sensitivity and specialisation in delivery.

The Commission, in the October 2017 meeting, were asked to review and provide comment on ‘Strategic Overviews’ for the NEET and Young People, Employment and SKILLS Local programmes in advance of them being shared with the D2N2 ESIF Committee for approval at its meeting on 8th November 2017.

**Overview of Proposed Future ESF Programmes for 2018-2020 reviewed by the Commission:**

<table>
<thead>
<tr>
<th>IP</th>
<th>Priority</th>
<th>Module No</th>
<th>Module title</th>
<th>Amount</th>
<th>No of Part.</th>
<th>Call to be Published (Indict.)</th>
<th>Contract Award (Indict.)</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Employment</td>
<td>Module 1</td>
<td>EMPLOY Local</td>
<td>£ 8,100,000</td>
<td>13,227</td>
<td>Jan-18</td>
<td>Aug-18</td>
<td>EMPLOY Local finishing Jul 2018</td>
</tr>
<tr>
<td>1.1</td>
<td>Employment</td>
<td>Module 2</td>
<td>Healthy Work</td>
<td>£ 4,000,000</td>
<td>6,515</td>
<td>Jun-18</td>
<td>Jan-19</td>
<td>INSPIRE Local finishing Dec 2019</td>
</tr>
<tr>
<td>1.2</td>
<td>NEET &amp; Young People</td>
<td>Module 1</td>
<td>CAREERS Local Employability Programme</td>
<td>£ 1,000,000</td>
<td>2,500</td>
<td>Jan-18</td>
<td>Aug-18</td>
<td>CAREERS Local finishing Jul 2018</td>
</tr>
<tr>
<td>1.2</td>
<td>NEET &amp; Young People</td>
<td>Module 2</td>
<td>Support for Young People to Enter Sustainable Employment</td>
<td>£ 3,360,000</td>
<td>3,970</td>
<td>Jan-18</td>
<td>Aug-18</td>
<td>YEI and D2N1 finishing Jul 2018</td>
</tr>
<tr>
<td>2.1</td>
<td>Skills</td>
<td>Module 1</td>
<td>Enabling Workforce Development</td>
<td>£ 15,600,000</td>
<td>20,467</td>
<td>Jan-18</td>
<td>Aug-18</td>
<td>SKILLS Local finishing Jul 2018</td>
</tr>
<tr>
<td>2.1</td>
<td>Skills</td>
<td></td>
<td>Rebalancing the Skills System</td>
<td>£ 3,000,000</td>
<td>3,809</td>
<td>Jan-18</td>
<td>Aug-18</td>
<td></td>
</tr>
</tbody>
</table>

After engagement with the Skills Commission, the eligible age range for module 2 of the NEET and Young People programme has been extended from 16-18 years to 16-24 years.

Members acknowledged the intent for programmes to include ‘local priorities’ in recognition of the findings of the ESF consultancy report. There was a request for a note to be added to the Strategic Overviews for ‘local priorities to be based on the most up to date evidence available at the time of the programme being tendered’. LEP officers working with the DWP Managing Agent when developing the programme specifications will consult with local authorities to ensure the local priorities section is fit for purpose.

**Next Steps:**

Changes were noted to be made to the Strategic Overviews, and Commission comments to be fed into the ESIF Committee on 8th November 2017.
The D2N2 Commission is a body of ‘skills and employability ambassadors’ working to the D2N2 LEP Board, accountable for providing strategic direction for employability, post-16 education, employment and skills across the Derby, Derbyshire, Nottingham and Nottinghamshire area.

The D2N2 Commission will work cohesively in partnership through a strategic and joined up approach using joint investment to deliver an effective and efficient skills and employment system which will benefit the local economy, local people and local business.

The overall aim is to use a combined influencing power to strengthen better business performance, help to increase productivity, provide a joined up and simple employer engagement strategy, create opportunities for job creation and sustained employment and provide the skills needed by people to further develop within the existing workforce – and to make the D2N2 area one of the strongest and most resilient economic regions in the UK.

The D2N2 Commission will work with education, employment and skills stakeholders and government agencies with commissioning powers to get the best possible offer and provision to benefit individuals and businesses within the D2N2 area which responds to local strategic priorities.

The D2N2 Commission will be successful when the D2N2 area achieves a ‘step change’ in skills through raising skills levels and increasing quality of performance and productivity which benefits all communities and the local economy.

**The Role of the Skills & Employability Commission**

The D2N2 Commission will, for the D2N2 area:

* Prepare a Skills & Employability Strategy and create an evidence base that will influence provision reflective of local socio-economic conditions and needs.
* Respond to the voice of business by understanding their needs for recruitment, business growth, performance and competitiveness, and emerging growth opportunities for the local economy.
* Adapt and work with external drivers influenced by wider policy and trends affecting labour markets and businesses which are outside the influence of policy-makers within D2N2. Lobby government to bring about policy change where needed.
* Inform stakeholders of labour market conditions and employment skill needs and provision with the aim of influencing quality solutions to improve inclusive growth and productivity.
* Commission skills and employment provision that responds effectively to local strategic priorities by measuring impact and holding to account those who performance manage.
* Consult about local strategies and actions with stakeholders to identify where working at a D2N2 level can add value and impact to local employment and skills strategies.
* Measure progress and the impact of the key priorities and action plans by monitoring and reporting overall economic conditions through a set of KPIs addressing local socio-economic factors.
* Provide advice and assurance on all aspects of employability, post-16 education, employment and skills within the remit of a Local Enterprise Partnership to the D2N2 LEP Board and the D2N2 ESIF Committee (in respect of ESF provision).
D2N2 Skills & Employability Commission

Operation

The D2N2 Commission will operate to the D2N2 Core Delivery Principles which define the approach for commissioning, delivery and success measures to influence a local strategic fit:

- Impact and Scale
- Delivery Readiness
- Added Value
- Local Value
- Quality, Performance and Efficiency
- Strategic Partnerships and Co-ordination of Market Engagement
- Flexibility and Responsiveness

Membership

The D2N2 Commission will be chaired by a private sector member of the D2N2 LEP Board. Membership will consist of business sector representatives and representatives from the public, provider and third sectors. Business representatives will be responsible for ensuring the business voice is paramount in all activities overseen by the D2N2 Commission. The provider and public sector representatives will have the responsibility to link with their respective sectors and communities across the D2N2 area to ensure engagement and influence of the whole skills system is recognised. Membership will be for a maximum period of three years initially, with an option to re-appoint for a further three years.

Support will be provided by the Skills Officers Group who will manage progress in accordance with decisions taken by the D2N2 Commission.

Members: Chair (private sector member); Private Sector, Private Sector Agencies and Chairs of the areas Skills and Employment Boards (at least five representatives); Higher Education (1 representative); Further Education (1 representative); Schools (1 representative); Local Authority (a representative from each of Derby, Derbyshire, Nottingham and Nottinghamshire, and a representative for Derbyshire Districts and Nottinghamshire Districts).

Observers: D2N2 Local Enterprise Partnership; Job Centre Plus / DWP; Government Agencies (Education Funding Agency / DfE); Chair of the Skills Officer Group.

Managing Conflicts of Interest: Members of the D2N2 Commission are representatives of their industry sector or community of interest and have a responsibility to act on behalf of their wider constituency at all times in relation to the work they carry out. Members of the D2N2 Commission will complete an annual declaration of interests which will be held in a register at the D2N2 LEP office. Members will be asked at the beginning of each meeting to declare any conflicts of interest pertaining to the agenda items to be discussed.
Representation and Attendance

Each member of the Board can name one alternate to attend in his or her place who is authorised to take decisions on his or her behalf.

For the D2N2 Commission to be quorate for decision making at least 7 of the 14 members must be present.

Of these:
- a) At least 3 of the 7 should be a private sector representative
- b) At least 3 representatives must be from the local authorities

Decisions

If a vote is required on any matter it will be decided on a simple majority with the Chair having the casting vote. The D2N2 Commission will determine the frequency and timing of meetings according to the programme of work required.

All urgent matters to be considered for decision must have been circulated in writing to all members at least two clear working days before the meeting. No decision can be taken without notice having been given. In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the D2N2 LEP team.

Meetings and Papers

The D2N2 Commission will meet at least three times a year. A calendar of future meetings will be set for a year at a time.

The agenda and papers for meetings shall be approved by the Chair and issued at least five working days in advance of the meeting.

The agenda and papers shall be disseminated by the D2N2 LEP Team. D2N2 Commission members wishing to propose items for the agenda should contact the Skills Lead.

Minutes of meetings of the D2N2 Commission shall be approved in draft form by the Chair and disseminated to members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the D2N2 Commission at the next meeting.

Minutes shall be made publicly available in draft and final on the LEP website.
1. **INTRODUCTION**

The purpose of this report is to update members on developments and progress made in the D2N2 Growth Hub.

2. **RECOMMENDATION**

2.1 BOARD to:

a) Work with the Growth Hub team who are seeking financial partners for the “Growth Hub Plus” by preparing and developing a bid under the Winter 2017 ERDF Call.

b) All D2N2 Local Authority Leaders/Chief Executives who wish to engage further with the Growth Hub and have budget to contribute; to confirm these intentions before Christmas 2017.

c) Note the D2N2 Growth Hub Dashboard Appendix II and Organisation Chart Appendix I

d) Note the Activity Report (Section 5)

3. **BACKGROUND**

3.1 The D2N2 Growth Hub has been operating since December 2014 with a mix of funding (BEIS, ERDF and local investment).

4. **GROWTH HUB DEVELOPMENTS**

The Growth Hub is making steady progress on ERDF outputs, there is a time lag in reaching the 3 or 12 hour assist, however, the team anticipate reaching the targets over coming months.

- The Operations Team and Executive are beginning to explore the business support needs beyond March 2019, doing preparatory work for the imminent ESIF Call. All D2N2 Local Authorities have been consulted through two workshops and we ask that Local Authority Leaders who wish to engage further with the Growth Hub and have budget to contribute, to confirm these intentions before Christmas 2017.
- The team is preparing for the GDPR – General Data Protection Regulation legislation coming in on 25 May 2018. This will have an impact upon what and how we hold data. A Training and Implementation Plan is being drafted for consideration and sign off by the Project Board by February 2018.
• We have a new member of staff on the Advisor team for Nottinghamshire County Council and one leaving Nottingham City Council to take a post with Medilink. Appendix I shows the Growth Hub Organisation chart.
• Appendix II shows the “Dashboard” of activity and achievements since our launch.

4.1 D2N2 Scale up Support

Scale Up Activity (BEIS Funded Project) June 2017 – March 2018

Run by: NTU lead, academic input & monitoring, EMC (marketing) and local coaches for on the ground delivery (diagnostics, workshops/network sessions and coaching)

With a slow start, marketing is underway promoting at events, publications and social media channels. To date there have been 110 SMEs engaged and 47 live follow ups. Data below reflects activity against the contracted targets.

Scale Up Deliverables

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Comments</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a robust &quot;diagnostic&quot; suitable for Scale Up businesses</td>
<td>Complete and being used</td>
<td></td>
</tr>
<tr>
<td>Scale Up businesses (identify 50 and work with a min 20*), Potential Scale Up (Identify 50, work with 20*) and Ambitious businesses (identify 60 and work with 20* in early stages) *20% must be businesses that have not had any publically funded support before</td>
<td>To 30 Sept: 12 Scale Up diagnostics completed, 3 plans produced. 2 diagnostics to ambitious businesses completed</td>
<td></td>
</tr>
<tr>
<td>Provide a minimum of 5 Case Studies</td>
<td>To be completed by March 2018</td>
<td></td>
</tr>
<tr>
<td>At least 20 referrals to other local business support (that lead to positive action being taken)</td>
<td>To be completed by March 2018</td>
<td></td>
</tr>
<tr>
<td>Produce a final report providing an assessment of achievements and recommendations for improvements with business needs at its heart</td>
<td>To be completed by March 2018</td>
<td></td>
</tr>
</tbody>
</table>

This pilot runs to March 2018 and a Full Application for ERDF has been submitted from the same consortium to deliver beyond April 2018.
5. Headline ERDF Activity

<table>
<thead>
<tr>
<th></th>
<th>Q3 Claim</th>
<th>Total TD</th>
<th>Contract Target TD</th>
<th>Shortfall</th>
<th>%age Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 - 12 hour business assist</td>
<td>27</td>
<td>121</td>
<td>190</td>
<td>-69</td>
<td>-36.32</td>
</tr>
<tr>
<td>C8 - Jobs Created</td>
<td>2</td>
<td>3</td>
<td>54</td>
<td>-51</td>
<td>-94.44</td>
</tr>
<tr>
<td>P13 - 3 hour business assist</td>
<td>248</td>
<td>956</td>
<td>1298</td>
<td>-342</td>
<td>-26.35</td>
</tr>
</tbody>
</table>

- **Expenditure against ERDF budget is** rated GREEN.
- **Performance Against ERDF Output Targets** rated AMBER. There is a pipeline of engagement to be able to achieve increases in C1’s and opportunities to increase P13’s via increased marketing activity and a review of events will look to boost new business numbers in the pipeline. Performance will be discussed with DCLG during Q4.
- **Overall Engagement Levels** - We have no Overall Engagement level target. Engagement Level is now **5,049** businesses representing 6.6% of the overall D2N2 business population (approx. 71,000).
- **Referrals** - We have no formal Referrals target. Since 1 September 2016 when Referrals data to the new suite of programmes began to be monitored there have been a total of 1,239 referrals to external business support programmes.
BUSINESSES ASSISTED

As at 30th September 2017 the total number of unique businesses assisted by the Growth Hub now stands at 5,049. The total since 1st April 2016 is 2,857. The graph below shows how this has built up:

![Businesses Assisted by Initial Engagement Date](image)

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. Our average per month from 1 April 2016 is currently 159.
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>%</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashfield</td>
<td>2,800</td>
<td>119</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>3,875</td>
<td>134</td>
<td>3%</td>
<td>8</td>
</tr>
<tr>
<td>Broxtowe</td>
<td>3,180</td>
<td>181</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>Gedling</td>
<td>3,385</td>
<td>138</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>Mansfield</td>
<td>2,645</td>
<td>162</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>Newark &amp; Sherwood</td>
<td>4,675</td>
<td>194</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>Rushcliffe</td>
<td>5,155</td>
<td>209</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>(Total Notts County Area)</td>
<td>25,715</td>
<td>1137</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Nottingham City*</td>
<td>8,480</td>
<td>1221</td>
<td>14%</td>
<td>1</td>
</tr>
<tr>
<td>Amber Valley</td>
<td>4,430</td>
<td>212</td>
<td>5%</td>
<td>6</td>
</tr>
<tr>
<td>Bolsover</td>
<td>4,080</td>
<td>124</td>
<td>3%</td>
<td>8</td>
</tr>
<tr>
<td>Chesterfield*</td>
<td>3,275</td>
<td>387</td>
<td>12%</td>
<td>2</td>
</tr>
<tr>
<td>Derbyshire Dales*</td>
<td>4,640</td>
<td>445</td>
<td>10%</td>
<td>3</td>
</tr>
<tr>
<td>Erewash</td>
<td>3,595</td>
<td>161</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>High Peak</td>
<td>3,820</td>
<td>233</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>3,305</td>
<td>150</td>
<td>5%</td>
<td>6</td>
</tr>
<tr>
<td>South Derbyshire</td>
<td>3,625</td>
<td>149</td>
<td>4%</td>
<td>7</td>
</tr>
<tr>
<td>(Total Derbys County Area)</td>
<td>30,770</td>
<td>1861</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Derby City</td>
<td>7,000</td>
<td>537</td>
<td>8%</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71,965</strong></td>
<td><strong>4756</strong></td>
<td><strong>7%</strong></td>
<td></td>
</tr>
<tr>
<td>Out of Area</td>
<td>288</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>71,965</strong></td>
<td><strong>5044</strong></td>
<td><strong>7%</strong></td>
<td></td>
</tr>
</tbody>
</table>

As is to be expected the three Local Authority Areas (asterisked) where Enhanced Local Services have been active for most of 2016 and 2017 have enjoyed the highest penetration rates.
A People Based Service

Growth Hub Manager
Chris Pook

Business Helpline
Helen Carter, Lucy Curtis, & Jodey Adams

Paul Humphreys
Nottinghamshire

Anthony Byrne
Nottingham City

Heather Bradford
Derbyshire Dales

Julie Nicholson
Derbyshire

Lisa Hoyland
Derbyshire

Tracey Hylton-Burrows
Nottingham City

Adrian Williamson
Chesterfield

Richard Beason
Derbyshire

Specialist Finance Adviser
John O’Donnell

To be appointed
Nottingham City

Damian Cliff
Nottinghamshire

Tom Ramsay
Nottinghamshire

Power up your business!
BUSINESSES ENGAGED

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses Engaged</td>
<td>183</td>
<td>2,014</td>
<td>1,827</td>
<td>1,015</td>
</tr>
<tr>
<td>Total Business Contacts</td>
<td>208</td>
<td>2,063</td>
<td>1,856</td>
<td>1,616</td>
</tr>
</tbody>
</table>

Total Contacts Dec 2014 - Sep 2017: 6,701

EQUALITY & DIVERSITY – APR 16 – TO DATE

<table>
<thead>
<tr>
<th>Age</th>
<th>National Average</th>
<th>D2N2 Growth Hub (Q3, 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-34</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>35-44</td>
<td>56%</td>
<td>59%</td>
</tr>
<tr>
<td>45-54</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>55+</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Average</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>D2N2 Growth Hub (Q3, 2017)</td>
<td>61%</td>
<td>39%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>National Average</th>
<th>D2N2 Growth Hub (Q3, 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>85%</td>
<td>99%</td>
</tr>
<tr>
<td>Black</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Asian</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Mixed</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

CUSTOMER SATISFACTION RESULTS

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>15/16</th>
<th>16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rated our service good to excellent</td>
<td>77%</td>
<td>73%</td>
</tr>
<tr>
<td>Recommend to another business</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>Positive action taken from growth hub</td>
<td>93%</td>
<td>50%</td>
</tr>
</tbody>
</table>

MARKETING TARGETS 2016/17

- Increase Twitter followers by an average of 2.5% per month.
- Increase dwell time on D2N2 Growth Hub website for 2 – 5 min to an average of 30%.
- Achieving average click-through-rates of 18% for eshots.

MARKETING TARGETS – STATUS UPDATE

June 2017 – March 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>LinkedIn</td>
<td>1,000</td>
<td>697</td>
</tr>
<tr>
<td>Social Media</td>
<td>4,000</td>
<td>446</td>
</tr>
<tr>
<td>Case Studies</td>
<td>24</td>
<td>6</td>
</tr>
</tbody>
</table>
D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD REPORT

DATE: 8th November 2017
REPORT LEAD: Cllr Barry Lewis
AGENDA ITEM: Item 4.3 (3)

| TITLE: | Markham Vale Enterprise Zone update |

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**

3.1.1 The development by Priority Space Ltd comprises 13 workshop and office units totalling 25,621 sq. ft. is being marketed.

3.1.2 Negotiations are at a detailed stage with a prospective purchaser of the two remaining areas on Plot 5 comprising 1.6 and 1.1 acres.

3.1.3 Discussions are underway to bring forward the area of the previously reserved rail sidings for a 6.5 acre development plot as the need for a rail freight terminal option is no longer required.

3.2 **West of the M1**

3.2.1 Terms have been agreed with a potential occupier for a 43,000 sq. ft. warehouse, manufacturing, laboratory and office unit on 2.8 acres adjacent to the motorway. Planning approval was granted in October 2017. Subject to completing all legal agreements, construction is anticipated to start in January 2018; when fully operational the new business will create up to 35 new jobs in the addition to the 35 safeguarded ones.

3.2.2 Discussions are underway to bring forward a 2.2 acre development plot adjacent to the motorway junction.

3.3 **Markham Vale North (Seymour)**

3.3.1 The German car components company Ferdinand Bilstein have completed the fit-out of their 220,000 sq. ft. advanced logistics and office centre and are now in the testing/commissioning stage. A number of recruitment events have already been held; the last one on 14th October attracted 550 potential employees for the initial 150 posts available. The company anticipate being operational from early December.
3.3.2 Derbyshire based contractor Bowmer and Kirkland have completed the construction of the 2\textsuperscript{nd} Great Bear building. The 480,000 sq. ft. advanced logistics centre on part of Plot 13 has been handed over to the client. Fit-out works have not yet commenced but are expected to within the next few weeks as the company progress discussions with their major client. It is anticipated that this development will create 400 new jobs when fully operational.

3.3.3 Derbyshire based construction company, G.F. Tomlinson, have completed the construction of a 90,760 sq. ft. chilled food distribution facility on Plot 16 for Gist Ltd – a chilled food distribution company. The client has commenced fit-out works which are expected to be completed during early 2018. When fully operational the development will create up to 200 new jobs.

3.3.4 Bowmer and Kirkland have commenced the construction of a 69,125 sq. ft. state-of-the-art building for a medical technology company on part of Plot 13 (to the rear of the Great Bear 2 building). 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 The Council’s in-house construction team are constructing the road extension and installing utilities to serve the remaining development land on plot 13.

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 An event is to be held in January to unveil a further phase of the Walking Together mining memorial art installation following the receipt of funding from the Duke of Devonshire Trust.

4.3 Grant funding of £35,000 has been secured from the Heritage Lottery Fund for a further but distinct part of the Mining Memorial, namely the Story Mine. This funding will help the Community Working group to carry out research into the lives of the thousands of local men who worked at the site between 1882 and 1993; the research will be shared on a new website and at community events held in the locality.
1. INTRODUCTION

This report provides an update on the 28th of September Infrastructure and Investment Board (IIB).

2. RECOMMENDATION

To receive project updates and the high risk report, an update on the budget and the high risk project responses from scheme promoters.

3. PROGRESS

September 28th IIB

The September 28th IIB was held at County Hall, Matlock it considered the following agenda items:

- An update of the LGF projects including High Risk projects and next steps
- Local Growth Fund Budget and Project Monitoring
- High risk project (Outputs) and subsequent responses from promoters were discussed

- A general update on all projects was given which have a 16/17 and beyond start date. Eleven projects were on the High Risk report. These are:
  
  o Nottingham Skills Hub. Funding has been given as pre-compliance because the project is not fully compliant with the Local Assurance Framework. The project remains at high risk until the final business case has received sign off.
  
  o A61 Corridor. Failure to provide a Stage 2/Outline Business Case should have been submitted for the rest of the scheme by July.
  
  o Gedling Access Road. The promoter has reported that the start date for commencement has slipped by 12 months due to delays in some land being purchased through a Compulsory Purchase Order.
  
  o A61 Whittington Moor Roundabout. The promoter has reported that the start date for commencement has slipped by 12 months due to delays in some land being purchased through a Compulsory Purchase Order.
  
  o Vesuvius. Queries are outstanding with regards to the viability gap in the project. A lower amount of funding had previously been requested than the £5.5m now
allocated, the actual viability gap needs to be established before the project can proceed.

- Newark Southern Link Road. The project is on the high risk register due to missed output targets
- Infinity Park. The project is on the high risk register due to missed output targets
- Our City, Our River. The project is on the high risk register due to missed output targets
- Nottinghamshire Broadband. The project is on the high risk register due to missed output targets
- Seymour Link. The project is on the high risk register due to missed output targets
- A46 Corridor (Phase 1 employment units). The project is on the high risk register due to missed output targets

The IIB noted that the funds are a risk this year due to a large number of high profile projects that are failing. They requested that sponsors provide LEP officers with a detailed report setting out how the promoter intends to deliver the project, how it will mitigate any risks and provide a list of milestones that if not adhered to will ultimately result in the project being deleted from the programme.

- LGF Budget. The Board were updated on the current financial position of the programme. The current profile underspend for 17/18 is £15.93m with the overall programme overcommitted by £7.473m which is to be funded from Growing Places Fund and contributions from the 4 upper tier authorities.

- High Risk Proformas and responses

6 projects were presented to the board as being behind their expected delivery profiles in terms of outputs. Four projects were brought forward for discussion and a decision to be made. The Newark Southern Link Road and Infinity Park Derby projects were reverted to a later board to allow for more information to be gathered to present to the board.

The four projects brought forward for discussion were as follows:

- Our City Our River – The project cited heritage issues as delaying the programme and its planning process by 12 months. The reprofile suggested by Derby City Council has no overall delay on the delivery of outputs and the same goals will be achieved by the same end dates. The IIB agreed with the recommendation to accept the proposed new output forecast.

- Nottinghamshire Broadband – The promoter stated that the output delivery for the project is actually on profile but they have been unable to capture the data in a way that can be evidenced. The promoter has now developed a mechanism for collection and proposes that the outputs will be stated in the Q3 2017/18 monitoring return. The
IIB agreed with the recommendation to accept the proposed new output forecast with full delivery in Q3 2017/18.

- Seymour Link Road – A slight delay in the construction process of the new road and anticipated business space fit out has led to a delay in the recruitment of staff members to the new businesses on the Markham Vale site. This has subsequently affected the output profile by causing the full delivery of outputs to be delayed by 21 months, the project will still deliver its full output profile within the 2021 LGF period. The IIB agreed with the recommendation to accept the proposed new output forecast.

- A46 Corridor (Phase 1) - The construction programme started later than expected due to a delay from a land transfer between the HCA and Rushcliffe Borough Council (RBC) pushing the final completion date back by 3 months. This has delayed the initial tranche of output delivery but RBC have confirmed that the full output delivery date will not extend past the Q4 17/18 date set out initially. The IIB agreed with the recommendation to accept the proposed new output forecast.
Background

The Transport Knowledge Hub is a free online resource aimed at providing Local Enterprise Partnerships, local authorities and other local decision makers with tools and information to make transport investments that drive sustainable and inclusive local economic growth. It offers best practice guidance relating to the selection, development and delivery of transport investments, as well as case studies and the most up-to-date relevant news.

The Hub provides up to date information on funding and relevant Government announcements. It also runs workshops and events aimed at sharing best practice and creating a community of local decision makers.

The Hub is overseen by a Board, chaired by Hilary Chipping, Deputy CEO and Head of Strategy & Operation at SEMLEP. Board members include LEPs, local authorities, Local Partnerships, LEP Network, the Department for Transport and other Government departments. The Board meets four times a year. D2N2 is represented on the Board by Ian Morgan.

Initial funding for the project has been provided by Greener Journeys. Greener Journeys is a coalition of Britain’s leading bus companies and other supporters including Transport for London, Transport Focus, Campaign for Better Transport, the RAC Foundation and the Confederation for Passenger Transport UK (CPT). It is dedicated to encouraging people to make more sustainable travel choices. It aims to reduce CO₂ and other emissions from transport by encouraging people to switch some of their car journeys to public transport.

Key Objectives

- To provide information and guidance for LEPs on each stage of the infrastructure delivery cycle.
- To be the "go to" source of up to date relevant information on transport infrastructure investment with focus on funding and other related Government announcements.
- To build a community of local decision makers through organising events, seminars, webinars and project peer groups for sharing best practice

Seminars

The Transport Knowledge Hub hosted its first national seminar ‘Funding Transport Investment’ in September. The event was chaired by Professor Tony Travers and speakers included KPMG’s Lewis Atter, TfL’s Julian Ware and Savills’ Rory Brooke. The round table attracted over 40 senior delegates – from government departments including the DfT and the Treasury, Local Enterprise Partnerships, local authorities, transport operators and business organisations.
The seminar focused particularly on the question of land value capture. Transport projects routinely increase the value of property and developments nearby and discussion centred on how this might be quantified, so that transport projects can tap into it as a source of funding for the project itself or to plough back into future programmes.

The Chairman of Network Rail, Sir Peter Hendy, recently summed up the role of the Hub by saying, “The Transport Knowledge Hub comes at a vital time for our transport networks. As our population continues to grow and our roads become more congested, public transport has an increasingly important role to play in keeping our country moving. Investment in local transport infrastructure, such as rail networks and bus services, can have a huge impact on development and economic growth in local areas, so I’m delighted that the Hub will provide the guidance and expertise local decision makers need to make effective investments.”

Ian Morgan
November 2017