# D2N2 LEP BOARD – AGENDA

**Friday, 30 November 2018, 11am – 1.00pm**

Ashfield District Council, Urban Road, Kirkby-in-Ashfield, Nottinghamshire NG17 8DA

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<tr>
<th></th>
<th>Welcome and Introductions</th>
<th>Verbal</th>
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<tr>
<td>1.2</td>
<td>Welcome to Ashfield District Council</td>
<td>Rob Mitchell, CEO</td>
<td>Presentation</td>
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<td>1.2.</td>
<td>Declarations of Interest</td>
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<td>1.3.</td>
<td>Minutes of meetings 18/10/18 and matters arising</td>
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## 2. Strategic discussion

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<th>Chair’s Report, including:</th>
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<tr>
<td>2.1</td>
<td>a) Implementation of the LEP review</td>
<td>Elizabeth Fagan</td>
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<td>(Appendices 1 and 2)</td>
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<td>b) D2N2 Board Governance Proposal</td>
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<td>c) Rolls Royce Action Group</td>
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<td>d) Partnership Engagement</td>
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<td>e) Media coverage report (Appendix 4)</td>
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<td>2.2</td>
<td>D2N2 (Interim) Chief Executives Report</td>
<td>Sajeeda Rose</td>
<td>Paper</td>
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<td></td>
<td>a) Review of D2N2 SEP (Appendix A)</td>
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<td>b) Local Industrial Strategy</td>
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<td>c) Annual Conversation 2018/19</td>
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<td>d) Skills and employment update</td>
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<td>e) ESIF summary update</td>
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<td>f) High Street Fund</td>
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## 3. Standing Items

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<th>D2N2 Enterprise Zone (inc Annex A)</th>
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<td>3.1</td>
<td>a) Implementation progress</td>
<td>David Williams</td>
<td>Paper</td>
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<td></td>
<td>(i) Nottingham sites</td>
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<td>(ii) Infinity Park</td>
<td>Cllr Lewis</td>
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<td>(iii) Markham Vale</td>
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<td><strong>Exempt item under Local Government (Access to Information) Act</strong></td>
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<td>3.2</td>
<td>Growth Hub &amp; Business Engagement Report</td>
<td>Chris Pook/Lindsay Wetton</td>
<td>Paper</td>
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<td>(inc Appendices 1 and 2)</td>
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### 3.3 Performance Review and update (inc Annex 1)
- **Sajeeda Rose**
- **Paper**
- **12:30**

### 3.4 GPF Report Capital Projects
- **Cllr Collins**
- **Paper**
- **12:40**

Exempt item under Local Government (Access to Information) Act

### 3.5 Infrastructure and Investment Board report
- **Cllr Lewis**
- **Paper**
- **12:45**

### 4. Any other business

Meeting dates for 2019:
- Tue 22/1/19 – 10am – 12 noon Derby
- Tue 19/3/19 – 10am – 12 noon Derbyshire
- Tue 14/5/19 – 10am – 12 noon Nottingham
- Tue 9/7/19 – 10am – 12 noon Nottinghamshire
- Tue 24/9/19 – 10am – 12 noon Derbyshire
- Tue 19/11/19 – 10am – 12 noon Derby

### 5. Date of next meeting:
- Tuesday, 22 January 2019 (10 am – 12 noon) Derby venue tbc

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

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Thursday 18 October 2018

Nottinghamshire County Council, County Hall, Wwest Bridgford Nottingham NG2 7QP

Chair Elizabeth Fagan
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Cllr Tony Ashton High Peak Borough Council
Cllr Jon Collins Nottingham City Council
Cllr Kay Cutts, MBE Nottinghamshire County Council
Peter Gadsby Business Representative
Cllr Barry Lewis Derbyshire County Council
Cllr Mick Barker Derby City Council (sub)
Rowena Limb Area Director, BEIS EM and SEM
David Williams Business Representative
David Williams (Geldards) Business Representative

Also in attendance

Scott Knowles East Midlands Chamber Chief Executive
Anthony May Nottinghamshire County Council CEO
Chris Henning sub for Nottingham City Council CEO
Mike Ashworth representing Derbyshire County Council
Greg Jennings sub for Derby City Council CEO
Dai Larner sub for High Peak Borough Council CEO

David Wright Assistant Director, BEIS (attending with R Limb)

Officer Support

Sajeeda Rose Interim Chief Executive, D2N2
Matthew Wheatley Growth Plan Manager, D2N2
Lindsay Wetton Senior Programme Manager – Business Engagement, D2N2
Rachel Quinn Careers, Employability and Inclusion Manager, D2N2

Apologies

Apologies were received from Board members Paul Harris, Jane Howson, Melanie Ulyatt, Cllr Robinson and Dawn Ward, together with Allen Graham of Rushcliffe Borough Council.
1.1 Welcome and Introductions

The Chair introduced herself to all at her first regular Board meeting before welcoming attendees to the meeting, including new Area Lead for D2N2 at BEIS, David Wright who was accompanying Rowena Limb.

1.2 Declarations of Interest

The Chair reminded all Members that Declarations of Interest should be stated to be recorded where an interest arose. No Declarations were made.

1.3 Minutes of last meeting and matters arising

The Minutes of the previous regular meeting held on 16 July, 2018 together with those of the one-item Board of 26 September, 2018 were approved as true records. There were no matters arising other than those already covered on the agenda.

2. Items for Strategic Discussion

2.1 Chair’s Report

The Chair introduced her report updating Members on developments in six particular areas as outlined and invited the interim Chief Executive to summarise progress with the LEP review.

Sajeeda Rose confirmed that D2N2 was well placed in many areas of the LEP review and referred members to the four key areas noted under para 3.5 where work is ongoing to ensure compliance. Following agreement by Board on 26 September to re-confirm the existing D2N2 geographic footprint and remove the overlap with Sheffield City Region, work was being undertaken to address the remaining matters.

On board composition and the requirement for 2/3 private-sector representation, Peter Gadsby acknowledged the value of drawing representation from leading companies as drivers of the economy, but referred to poor attendance at points in the past from private-sector representatives struggling to manage business commitments. By contrast, public-sector representatives had other portfolio-holders to call upon to substitute for them.

The Chair acknowledged this point and determined to recruit private-sector members who were committed to being active and present members of the Board. She also confirmed that one of the changes going forward would be to discontinue the practice of sending substitute representatives to ensure Board members attended its meetings.

On the requirement to move to a single Accountable Body, Board was reminded that currently three local authorities fulfilled the functions for different elements of LEP activity. A formal two-stage tender process would commence in November, 2018 for the selection of a single AB to be effective by 1 April, 2019.

The fourth key area to be addressed concerned the requirement for the LEP to become constituted and have an independent legal identity by 1 April, 2019. Outline plans for incorporation were to be submitted by 31 October, 2018. A number of LEPs including D2N2 had jointly obtained independent legal advice, which recommended establishing a company limited by guarantee. Further work would be required to consider the most
appropriate structure for D2N2 LEP within this framework, once agreement in principle had been obtained.

Cllr Barker referred to the need to take into account the potential liabilities for individual Board Members as directors of the new company, a point echoed by Cllr Cutts.

The Chair noted this and indicated that separate, individual advice would be commissioned for D2N2 LEP.

Board APPROVED the establishment of a company limited by guarantee for D2N2 LEP

**ACTION: SR** to progress further work on company structure, role of directors and revised terms of reference and articles of association.

The Chair reported briefly on meeting Secretary of State, James Brokenshire in August, 2018, confirming that real engagement had been demonstrated not only for the work under way for HS2 at Toton but for the LEP generally. Elizabeth Fagan also mentioned attendance at a meeting in London on 16 October, 2018 with Minister, Damien Hinds MP, focusing on LEPs and the skills agenda. She informed Members that the Minister had shown a keenness to understand more about Employment and Skills Boards and to engage with LEPs to embed the new strategic advisory panels on education.

Reference was also made to the roundtable discussion hosted by Deputy Chair, David Williams with Brexit MP, Suella Braverman in Nottingham on 3 October, 2018, which had reiterated current messages from Government on the status of the Brexit negotiations.

Deputy Chair, David Williams was then invited to give a short update on the Rolls Royce Action Group which he chairs. He confirmed that everyone who could assist with the re-employment of Rolls Royce staff facing redundancy was fully engaged with the process.

On East Midlands collaborative working, the Deputy Chair reported that D2N2 LEP had hosted the first meeting with Lincolnshire and Leicestershire LEPs, which had been positive.

Finally the Chair invited a verbal update on the work of the Metro Growth Board and its economic plan which would be taken into consideration as part of the SEP refresh. A general discussion ensued and a number of viewpoints were aired. The Chair summarised by confirming the need for the LEP to assimilate asks from a number of groups including the Metro Board into the SEP, which in turn would determine the direction of the Local Industrial Strategy. Crucially, the only way to get investment would be to work collaboratively across all counties and districts and to be open, prioritising options that delivered improved productivity across the region.

Board NOTED the report updates.

### 2.2 Chief Executive’s Report

Sajeeda Rose introduced her report updating Board on several items for information. Members’ attention was drawn in particular to the review of the D2N2 Strategic Economic Plan as appended and how this would feed in to the development of the D2N2 Local Industrial Strategy.
A general discussion took place, out of which a number of points arose:

- the draft needed to include more information on which key large projects would be worked on;
- emphasis should be put on connectivity with the wider surrounding area, not just the East Midlands (e.g. north-west of D2N2 area and close proximity to Manchester);
- more focus was required on the visitor economy, particularly as applied to Derbyshire;
- the needs of business in terms of access to finance and skilled labour should be clearly articulated;
- whether a 3-week consultation period was sufficient for meaningful evaluation.

The Chair thanked all for the contributions, which were duly noted. In response to the query over consultation timescale, she confirmed that this had been set after careful consideration to fit in with the timetable to finalise the SEP and to move on with the related Local Industrial Strategy submission to Government.

Board NOTED the report and RECEIVED the Consultation Draft SEP.

Board AGREED to the issuing of the Draft SEP for consultation by 26 October, 2018 with the deadline for receipt of feedback remaining at 16 November, 2018.

**ACTION**: MW to progress to issue consultation document and collate feedback.

### 3. Standing items

#### 3.1 D2N2 Enterprise Zone

**3.1 (i) and (ii) Nottingham and Derby**

Board NOTED progress taking place within the Enterprise Zone.

**3.1 (iii) Markham Vale**

Cllr Lewis introduced his report on the Markham Vale Enterprise Zone and updated members on the progress of development.

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

#### 3.2 D2N2 Business Growth Hub Update Report

In Melanie Ulyatt’s absence, the Chair invited Lindsay Wetton to introduce this report, updating members on strategic developments and progress made in the D2N2 Growth Hub and key business engagement issues.

LW drew members’ attention to the plans for development of a revised strategic framework to align with and support both the SEP and Local Industrial Strategy. Further work was
under way to capture greater detail in data on engagement and the suggestion of a RAG-rated summary of actions was noted.

Board APPROVED the outline strategic aims of the D2N2 Growth Hub in the context of the SEP ambitions.

Board NOTED the business engagement information report.

3.3 GPF Report Capital Projects

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

3.4 Infrastructure and Investment Board report

Cllr Lewis introduced a short report updating Board on May, July and September II Bs.

Members expressed a wish to see more detail appended to the report going forward, which was duly noted.

Board RECEIVED the programme performance overview and the high-risk report and noted budget update and proposal.

Board NOTED the approval of the funding release for Nottingham Castle, Rail and Research Centre, Technology Hub and Vesuvius.

Board NOTED the approval of pre-compliance requests for HS2 Strategic Sites, A61 Corridor and Becketwell.

Board NOTED the appointment of a Chairman and Vice-Chairman.

4. Any Other Business

Prof Kath Mitchell informed Board that the University of Derby, working alongside partners in Leicestershire and Lincolnshire and with FE partner, Vision West Notts was submitting a Skills Plan to the Midlands Engine and indicated that support would be sought from the LEP to support the bid.

5. Date of next meeting

Friday, 30 November, 2018 (11.00am – 1.00 pm) – Nottingham tbc.
1. INTRODUCTION

1.1 This report updates members on significant developments since the last Board meeting, specifically;
   a. Implementation of the LEP Review (Appendices 1 and 2)
   b. D2N2 Board Governance Proposal (Appendix 3)
   c. Rolls Royce Action Group
   d. Partner Engagement
   e. Media Coverage report (Appendix 4)

2. RECOMMENDATION

2.1 Board is asked to NOTE the report.

3. IMPLEMENTATION OF THE LEP REVIEW

3.1 Since the last board meeting we have continued to make progress on implementing the LEP review and submitted our formal implementation plan to Government on the 31st of October confirming how we will meet the timelines set out in the LEP review. Appendix 1 is a reminder and summary of the current position.

3.2 As we have previously reported, overall as D2N2 we are well placed with regards to compliance with many areas of the LEP review, with only 4 key areas where further action is required to ensure full compliance which are as follows:

   I. Geography
   II. Board Composition in relation to Private Sector Majority
   III. Single Accountable Body
   IV. Independent Legal Identity

3.3 The current position and next steps on each of these are set out below:

3.4 GEOGRAPHY

In terms of geography the LEP review was very clear in its requirement that all instances of overlaps between LEPs should be removed. In D2N2 we currently have an overlap with Sheffield City Region LEP (SCR), in 5 of our districts (Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire).
D2N2’s formal response to the review in our implementation plan is that we are supportive of this requirement and are keen to work with our Districts and SCR to reach a solution whereby we remove the overlap between the two LEPs, and seek to develop closer collaborative working with SCR in the future given the porous nature of our borders and shared interests.

Since the last board meeting I have met with and spoken to the leaders of most of the districts in the overlap areas with two meetings still remaining, to understand their position and encourage them to be part of the D2N2 LEP.

I also attended a meeting with the Secretary of State James Brokenshire and Minister Jake Berry on the 6th of November, who both reiterated that this was still a firm requirement for Government and they were looking to LEPs to come forward with proposals on how they would achieve this. They also made it very clear that the failure to remove the overlaps would result in those LEPs being disadvantaged in terms of funding including the £200,000 for implementing the review and developing the Local Industrial Strategy and more importantly restricting access to the UK Shared Prosperity Fund. A letter to confirm this was issued after the meeting which is attached as Appendix 2.

We have shared this letter with all our Districts, and are in the process of arranging a meeting with SCR to agree a way forward.

At the time of writing we still do not have a resolution as both SCR and our Districts have reiterated their desire to maintain the overlap. I will provide a further verbal update on progress at the meeting.

3.7 BOARD COMPOSITION

In relation to LEP Board composition the review recommendation is to increase private sector representation on the board so they form 2/3rd of the board with a maximum permanent board size of 20.

Since the last board meeting the Government’s revised guidance on public and private sector classifications has meant that of the current 17 seats on the D2N2 Board (15 of which are filled) the composition of that is 6 public sector (local authorities) with the remaining 11 all classed as private sector.

Therefore by increasing the size of the board by another 1 private sector seat to 18 and recruiting to this along with the existing vacant private sector seats we would reach a 2/3rd private sector majority.

As agreed at the last board meeting we have launched the recruitment process (details attached at Appendix 3), and have circulated widely amongst our partners and stakeholders.

The deadline for applications is the 21st of December with a view to interviewing potential candidates in early January and confirming appointments through the Board Nominations Committee by the next board meeting scheduled for 22nd January 2019.
I would encourage board members to promote this amongst their own networks and encourage potential candidates to come forward to apply.

3.8 SINGLE ACCOUNTABLE BODY

The review recommends that all LEPs should have a single accountable body from April 2019. For D2N2 that will mean that we will need to change from the current position where we have 3 separate organisations fulfilling those functions for different elements of LEP activity (the attached appendix provides more details).

We have prepared and issued a tender specification which builds on the work of other LEPs that have already undertaken a similar process.

It is a two-stage process inviting expressions of interest from interested parties by 5th of December and full applications by the 3rd of January 2019 with a view to appointing a new single Accountable Body by the end of January 2019 and being in place by the 1st of April 2019 to comply with the LEP review.

3.9 INDEPENDENT LEGAL IDENTITY

The review requires all LEPs to have an independent legal identity by the 1st of April 2019. Currently of the 38 LEPs, 18 are already incorporated. D2N2 is one of the remaining 20 that doesn’t have a legal identity and operates as an un-constituted partnership and would therefore need to change to be compliant.

At the last board meeting the D2N2 Board on the 18th of October 2018, agreed to form a Company Limited by Guarantee in order to comply with the review.

Following the board meeting we have procured additional legal advice to support the establishment of the Company, including agreeing the form of the company and roles of Directors and Members.

The intention is to work with the board in advance of the next meeting to seek views on the structure and roles of the company in order to bring back a formal position to the January board meeting and set up the company before the 1st of April 2019 as per the requirements of the LEP review.

Given some of the concerns raised at the last board meeting by a number of the local authority representatives in terms of their role as Directors and/or Members, we have spoken to their Chief Officers to seek feedback on the specific issues so that we can address those accordingly.

4. D2N2 BOARD GOVERNANCE PROPOSALS

4.1 In order to deliver the strengthened role for LEPs as set out in the LEP review and to strengthen how we engage with partners across D2N2 to be more effective in our remit, there is a clear opportunity and need to revise our current governance arrangement.

4.2 The LEP review sets out the following clear roles for all LEPs:
**Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.

**Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.

**Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.

**Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

4.3 Taking this into account and building on what is already working well, the following model for governance has been developed to provide opportunity for wider stakeholder engagement, increase private, public and voluntary and community sector joint working and to meet Government’s tests on democratic and financial scrutiny and accountability.

Importantly, it has also been designed to mirror the strategic priorities within D2N2’s Strategic Economic Plan.

4.4 **Refreshed D2N2 Governance Structure**
The proposed purpose of each body, which will be chaired by a D2N2 Private Sector Board member is summarised in the table below alongside the proposed membership of each:

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<th>BODY</th>
<th>PURPOSE</th>
<th>MEMBERSHIP</th>
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<tbody>
<tr>
<td>D2N2 Board</td>
<td>Leadership and strategic responsibility for the delivery of the SEP and the Local Industrial Strategy and sets the strategic priorities for all funding and ensuring that it takes ownership for delivering inclusive and diversity led growth.</td>
<td>D2N2 Chair Private sector x 12 (including FE, HE, VCS), plus 6 x local authorities</td>
</tr>
<tr>
<td>D2N2 Area ESIF Committee</td>
<td>Oversight and strategic guidance on the delivery of the ESIF programme.</td>
<td>D2N2 Chair, Multi-sector representation as agreed by the Managing Authority for ESIF.</td>
</tr>
<tr>
<td>D2N2 Leaders Board</td>
<td>To ensure alignment across the cities, district, and county priorities in the SEP and LIS.</td>
<td>19 x Local authority leaders and Chair/Deputy chair of the D2N2 board</td>
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<td>D2N2 Investment Board</td>
<td>Approving all investments and ensuring that the financial and democratic accountabilities of all LEP investments (including GPF and LGF) are effectively discharged in line with the Local Assurance Framework.</td>
<td>D2N2 Chair, selected representatives of Local Authorities, including S151 officer from the Accountable Body, plus selected D2N2 private sector board members</td>
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<tr>
<td>Place Board</td>
<td>Implementation and strategic oversight of the priorities within the Place priority within the SEP and responsible for sub-committees as they see fit.</td>
<td>D2N2 Deputy Chair, Private sector, public sector, strategic delivery partners, and other appropriate representative partners from across the area.</td>
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<tr>
<td>People &amp; Skills Board</td>
<td>Implementation and strategic oversight of the skills priorities within the SEP ensuring the skill supply meets the demand, and fulfil the role of the Skills Advisory Panel</td>
<td>D2N2 Private sector Chair, Private sector employers, providers and other public sector and other appropriate representatives</td>
</tr>
<tr>
<td>Growth Hub Business Board</td>
<td>Set the strategic direction for and oversee the delivery of the Growth Hub and to provide insight and intelligence on business needs.</td>
<td>D2N2 Private Sector Chair, private sector representatives, Local authority partners, HE, FSB, IOD, CBI and EMC and other delivery partners</td>
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Innovation is identified as a driver of change within the SEP and industrial strategy, its purpose and where it sits most appropriately is area for further debate.

D2N2 Private Sector Chair, HE, private, public and other appropriate representatives

To implement these new governance arrangements, D2N2 is currently refreshing its existing board membership and each board member will be identified a lead area of responsibility based on their skills and experience.

Once the board is fully recruited each member will be assigned a lead area in agreement with the Chair and will be responsible for agreeing the full scope and purpose of the respective boards with support from D2N2 officers and then recruit its membership. Each board will set and agree its terms of reference and determine the need for any further sub-groups as appropriate.

This model is proposed for discussion and input from the board members.

5. ROllS ROYCE ACTION GROUP

5.1 Members will be aware that on 14th June, Rolls Royce plc announced a global restructuring process that would be likely to result in a significant number of redundancies, particularly at their Derby site.

5.2 Partners have continued to work together through the Action Group which is facilitated by Derby City Council and Chaired by D2N2, to co-ordinate a local response to the redundancy programme.

5.3 David Williams as Deputy Chair of D2N2 chaired the recent meeting of the Action Group on the 14th of November 2018 to hear ongoing progress on the collective efforts by partners to understand the full impact of the redundancies including on the local supply chain and put in place support measures for those affected.

5.4 Effective plans and systems have been in place to support those affected by redundancy, which is managed through the Rolls Royce People Working group which continues to make progress. Therefore it was agreed that the Action Group did not need to meet again until the New Year.

6 PARTNER ENGAGEMENT

6.1 Since the last board meeting I have met with a number of partners in my role as D2N2 Chair by way of introduction and to build on existing relationships with D2N2.
6.2 **Local Authorities:** In addition to the leaders of the Districts in the overlap area: Cllr. Tricia Gilby of Chesterfield Borough Council, Cllr. Simon Greaves of Bassetlaw District Council and Cllr. Lewis Rose of Derbyshire Dales. I have also met Cllr. Jason Zadrozny of Ashfield District Council and Cllr. Tony Ashton of High Peak District Council. I have further meetings planned over the coming months with the remaining district areas across D2N2.

We have also arranged the first Local Authority Leaders Board meeting on the 19th of December 2018. Further details and feedback will be provided at the next board meeting.

6.3 **MPs:** In the context of the LEP review and by way of introduction I have also had helpful meetings with a number of local MPs and I have committed to host a joint discussion locally in the New Year.

To date I have met with the following MPS: Robert Jenrick, Anna Soubry, Patrick Mcloughlin, Toby Perkins, Lee Rowley, and Heather Wheeler. Further meetings are also in the diary with a number of MPs.

6.4 I had a very productive meeting with **Sir Terry Morgan, Chair of HS2** on the 20th of November, and discussed how we collectively work together on delivering the aspirations of the HS2 growth strategy.

6.5 David Williams as Deputy Chair also represented D2N2 at a number of recent events on behalf of D2N2 including the East Midlands Chamber State of the Economy Conference and envoy to Westminster to launch the Chamber’s Business Manifesto for Growth.

8. **MEDIA ACTIVITY**

8.1 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.

8.2 This report lists coverage by:
   a. publication/media source
   b. date of article
   c. headline or summary of the news item
   d. ‘reach’ (maximum potential readership, listeners, viewers or website users) who might have seen the article.
   e. There is also a ‘Highlights’ section listing the top media ‘talking points’ for the period.

8.3 Copies of individual articles mentioned in the Media Coverage Report can be supplied to Board members on request.

Elizabeth Fagan
Chair
30th November, 2018
**Item 2.1 APPENDIX 1**

**D2N2 LEP REVIEW IMPLEMENTATION PLAN UPDATE**

Below is an update on progress towards addressing the recommendations from the LEP review.

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<th>LEP REVIEW RECOMMENDATION</th>
<th>POSITION FROM D2N2 LEP</th>
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<td><strong>GEOGRAPHY</strong></td>
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<td>LEPs to submit proposals by the end of September on geographies that best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.</td>
<td>The board agreed to reiterate the D2N2 geography and the removal of the existing overlap in line with the recommendations of the review. D2N2 has an overlap in 5 districts with Sheffield City Region. These are Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire.</td>
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<td>LEPs and mayoral combined authorities to move towards coterminous boundaries where appropriate</td>
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<td><strong>ROLES AND RESPONSIBILITIES</strong></td>
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<tr>
<td>LEPs to produce an annual delivery plan by April 2019 and end of year report at the end of the 2019-20 financial year</td>
<td>D2N2 already produces an end of year report. In terms of an annual delivery plan – currently we produce an operational plan based on the 3 year business plan. We will work with government to understand their requirements for a business plan and put steps in place to produce one that meets the guidelines.</td>
</tr>
<tr>
<td><strong>LEADERSHIP AND ORGANISATIONAL CAPACITY</strong></td>
<td></td>
</tr>
<tr>
<td>Wide consultation with the business community before appointing a new chair and appoints a new deputy chair</td>
<td>Chair appointment process has already been concluded which had cross sector engagement in the process. Deputy Chair has also been appointed.</td>
</tr>
<tr>
<td>Introduction of defined term limits for Chairs and Deputy Chairs</td>
<td>LEP terms of reference already has fixed term appointments of 2 terms of 3 years for the Chair. Deputy Chair term to be confirmed as part of revised governance arrangements.</td>
</tr>
<tr>
<td>Increase private sector representation on the board so they form 2/3rd of the board with a maximum permanent board size of 20 (option to co-opt 5 board members on a one year basis)</td>
<td>The D2N2 Board currently has 17 seats (15 of which are filled) The composition of that is 6 public sector (local authorities as per government guidance) and 11 private sector including the 2 seats yet to be filled. Based on the current composition the LEP board doesn’t quite meet the requirement to be 2/3rd Private</td>
</tr>
<tr>
<td>LEP REVIEW RECOMMENDATION</td>
<td>POSITON FROM D2N2 LEP</td>
</tr>
<tr>
<td>----------------------------</td>
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</tr>
<tr>
<td>Sector. Therefore by increasing the size of the board by 1 more private sector seat to 18 we will be compliant. Process to recruit additional private sector board members is underway.</td>
<td></td>
</tr>
<tr>
<td>Improve gender balance and representation from individuals with protected characteristics on the main board. 1/3rd female representation by March 2020 and equal representation by March 2023</td>
<td>Of the 15 board members we currently have 6 female board members, therefore we already have over a third female representation. We will need to consider diversity and gender balance as part of the recruitment of the remaining seats on the board.</td>
</tr>
<tr>
<td>Independent secretariat to support the chair and board in decision making.</td>
<td>D2N2 already has an independent secretariat in the form of the D2N2 Team. The D2N2 staff team are wholly independent from any other public sector body as they are employed by the Chamber.</td>
</tr>
</tbody>
</table>

**ACCOUNTABILITY AND PERFORMANCE**

<p>| All LEPS to have a legal personality by April 2019. | D2N2 does not currently have a legal identity and operates as an un-constituted partnership. The board has agreed to become a company limited by guarantee, and further work is underway to formalise the process. |
| LEPS to have a single accountable body in each area by Spring 2020 | D2N2 currently have 3 different Accountable Bodies: Derbyshire County Council to administer the Local Growth Fund which at £250M is the LEPs largest source of funding. Nottingham City Council for the Growing Places Fund (£24m Loan Fund) and the Enterprise Zone rates income. Derby City Council for the LEP core costs contribution from HMG (£500K PA) We have finalised a specification for a single Accountable Body based on the requirements of each of the LEP funding streams and will need to factor in what additional financial support the LEP will need once it becomes an independent legal entity. We are undertaking a procurement exercise to select a single authority and put into place transition arrangements to move from 3 to 1 by the start of the new financial year in April 2019. |
| LEPs to hold an annual general meeting open to the public and properly promoted. | D2N2 already holds an annual meeting open to the public. |</p>
<table>
<thead>
<tr>
<th>LEP REVIEW RECOMMENDATION</th>
<th>POSITON FROM D2N2 LEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEPs to set out who is accountable for spending decisions, appointments, and overall governance locally. This should be reviewed as part of a revised Local Assurance Framework.</td>
<td>As part of the ongoing governance review we will need to revise our LEP board terms of reference to clearly identify schemes of delegation and accountability. Government are due to publish revised guidance for LEP Local Assurance Frameworks in the Autumn. Following the publication of the revised guidance we will revise and update our local framework accordingly and by April 2019.</td>
</tr>
<tr>
<td>LEPS to set out how they will ensure external scrutiny and expert oversight</td>
<td>D2N2 currently has public sector engagement and scrutiny in the form of board level representation and officer level attendance at various local authority scrutiny committees. In addition Derbyshire County Council as the Accountable Body for the Local Growth Fund have also put in place separate audit and scrutiny arrangements to provide a check and challenge to the management of funding. Government are due to provide guidance on what scrutiny arrangements need to be put in place for each LEP. Once we receive further guidance we will seek to put formal mechanisms in place. This will also need to tie into the single accountable body procurement and guidance on the role of the section 151 (local authority finance director).</td>
</tr>
</tbody>
</table>
Thank you for meeting me on 6 November with a number of your colleagues from the East Midlands and Yorkshire and Humber regions to discuss your LEP geography proposal, and for all your hard work on submitting your implementation plans on 31st October.

As I said in the meeting, the Government has a clear view that there should be no overlaps between LEP areas. This was the policy set out in *Strengthened Local Enterprise Partnerships* in July, and removing overlaps from LEP geography remains a key priority. I believe it is the right thing to do as we look to LEPs to lead on local industrial strategies, and to take decisions on how to invest the new UK Shared Prosperity Fund (SPF). As I said in our meeting, this view is strongly shared by my colleagues across Government.

In saying this, of course, we do not take the view that LEPs are separate economic areas insulated from their neighbours. Collaboration between LEPs is important now, not only in cases where there are overlap areas; and it will be every bit as important in the future. In agreeing on the best ways to eliminate overlap areas, we would encourage you to look to neighbouring LEPs to agree how best to enshrine that collaboration in the future. In assessing LEPs in future annual performance reviews, we will be taking account of how effectively and openly you work with neighbouring LEPs.

I would also like to clarify that co-terminosity with Mayoral Combined Authority (MCA) areas is important, recognising that non-constituent membership of the MCA by Councils and LEPs creates the basis for wider spatial collaboration.
Failure to resolve the overlaps will lead to increasing levels of relative disadvantage for LEPs. In the short run, we have said we are prepared to make additional capacity funding available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies. We will move to release this funding only where LEPs have both proposed and are now implementing changes to their geographies that meet the conditions set out and where we are content with your implementation plans.

More seriously, if in time there were cases where overlaps have not been resolved, then your areas may not benefit from UK Shared Prosperity Fund.

I am therefore keen that the remaining overlap areas are now resolved. I would therefore ask you, building on the positive contributions made at the meeting on 6 November, to work further on the best approach your overlaps, and return to me with proposals by 16 November. My officials are on hand to offer advice or to take part in any discussions.

Yours sincerely,

[Signature]

RT HON JAMES BROKENSHIRE MP
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D2N2 Local Enterprise Partnership: An Introduction

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D2N2 Local Enterprise Partnership

D2N2 is the Local Enterprise Partnership (LEP) for Derby, Derbyshire, Nottingham and Nottinghamshire.

Local Enterprise Partnerships are locally-owned partnerships between the public and private sector. The private-sector led partnerships play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.

The role of LEPs in driving local economic growth has been re-inforced by Government in the publication of the ‘Strengthened Local Enterprise Partnerships’ review published in July 2018¹.

D2N2 is the fifth largest of the 38 LEPs in England, covering an area with a population of more than two million people and an economic output of around £45 billion GVA (Gross Value Added).

Our goal is to improve the productivity of our economy through inclusive growth. Our vision is of a more prosperous, better connected, and increasingly resilient and competitive economy.

We will deliver this through a number of key actions set out in our Strategic Economic Plan:

- Build a stronger LEP with an effective Local Industrial Strategy;
- Support our businesses to improve their productivity;
- Utilise and develop our knowledge and innovation strengths in our key sectors;
- Address the skills challenges in our area to support the needs of employees and businesses in a changing economy;
- Seek investment to deliver the infrastructure necessary for world class transport and digital connectivity;
- Work with partners to realise the full economic potential from HS2.

D2N2 is led and governed by its Board; made up of high-profile and respected business leaders, local authority leaders and representatives of the higher education, further education and voluntary sectors from across the D2N2 area².

D2N2 is now looking to recruit additional private sector board members to strengthen the capability and capacity of the board to deliver the economic vision for its area. We are looking for candidates from the key business sectors in the area and from all across Derby, Derbyshire, Nottingham and Nottinghamshire.

Further details on the role and application process is included below.

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² For more information about who is already on the D2N2 LEP board, please visit www.d2n2lep.org/about/board
Job Description – Private Sector Board Members

Role of Board Members

- Provide strategic input to the Board on driving the growth of the D2N2 LEP area’s economy from a private sector perspective.
- Actively seek to promote the interests of the LEP at key opportunities to influence Government and business, with the broad aim of securing investment in the D2N2 LEP area.
- Contribute to a clear and informed view of the strengths, weaknesses, opportunities and threats facing the D2N2 area’s economy.
- Contribute to the further development and help to drive implementation of the LEP’s work programme, addressing the key priorities for economic growth.
- Contribute to the further development of the LEP’s strategy and governance, in particular in the context of the development and implementation of the Local Industrial Strategy.
- Champion the work of the Board, its objectives, outcomes and results to relevant partners, organisations, networks and business organisations.
- Adhere at all times to high standards of ethics and governance in public life.

Experience and Attributes

Board Members must be able to demonstrate the following:

- A clear strategic vision, excellent communication and leadership skills, and a demonstrable understanding of the drivers of economic prosperity.
- Significant experience of leading a successful business based within the D2N2 area in one of the key sectors, to demonstrate credibility and achievement as a driver of private sector growth in the D2N2 area.
- Well-connected, with demonstrable links with other businesses and organisations.
- Knowledge and passion for the economic and business drivers which will enhance the vitality and competitiveness of D2N2
- Preparedness to assume leadership roles on specific issues by agreement with the Chair to help drive work forward across the Partnership between formal Board meetings.
• Commitment to serve for up to three years at regular LEP Board meetings, other events and to champion the work of the Local Enterprise Partnership.

**Time Commitment**

It is anticipated that Board members will on average be asked to contribute one to two days per month to fulfil this role, for which expenses only will be available.
Timetable for Application

The closing date for applications is noon on Friday 21st December 2018. It is anticipated that those shortlisted will be invited for discussions with LEP Board members in early January.

Applications should quote the reference D2N2 Board Application and should include a letter outlining how your experience and networks would benefit the LEP, paying particular attention to the ‘Experience and Attributes’ criteria as outlined above.

All applications will be acknowledged. Please submit your application as follows:

By email (preferred) to sally.hallam@d2n2lep.org

By post marked ‘Strictly Private and Confidential’ to:

Sally Hallam
D2N2 LEP
8 Experian Way
NG2 Business Park
Nottingham
NG2 1EP

For any initial enquiries in confidence, please contact Sajeeeda Rose on 07879 350140 or sajeeda.rose@d2n2lep.org
1. INTRODUCTION

1.1 This report updates Board on the following:
   - Review of the D2N2 Strategic Economic Plan (Appendix A)
   - Local Industrial Strategy
   - Annual Conversation 2018/19 (Appendices B and C)
   - Skills and employment update
   - ESIF Summary Update
   - High Street Fund

2. RECOMMENDATIONS

2.1 Board is invited to
   a. NOTE the report

3. D2N2 STRATEGIC ECONOMIC PLAN & INDUSTRIAL STRATEGY

3.1 As agreed at the last meeting, D2N2 has issued a consultation draft Strategic Economic Plan. The consultation process has included gathering feedback through an on-line survey supplemented by a programme of 5 dedicated consultation events and engagement via third party events. This builds on the extensive process of evidence gathering, analysis and formal and informal consultation undertaken to date. Whilst consultation closed on 16th November, further submissions have been received since the deadline and have informed the suggested way forward.

Responses to Consultation

3.2 There has been widespread support for the Consultation Draft Strategic Economic Plan. In particular the key shift in strategic focus from jobs and homes to a focus on increasing productivity and widening prosperity has been strongly supported and the challenges and opportunities set out in the Consultation Draft, the vision and targets for 2030 and the strategic framework for determining investment priorities are broadly seen as appropriate.

3.3 The role of the LEP in driving progress towards the vision of the SEP has been widely recognised in consultation and reflects the roles set out in the Government’s Strengthening Local Enterprise Partnerships review and David Williams’ previous review of D2N2 Governance. This role encompasses not only determining how LEP area funding allocations are spent, but also acting as a strategic convenor for collective action by
partners and an advocate for the area to secure greater investment. The draft Strategic Economic Plan responds to these roles by being a ‘whole area, whole economy’ strategy, including priorities where change and actions will be led and majority funded by other partners, and being clearly the first phase of the ‘Local Industrial Strategy’, to be co-created with Government. This approach for the SEP has been widely supported in consultation.

3.4 There have been various comments about the degree of emphasis given to issues, sectors or geographies within the Consultation Draft and it is proposed that refinements are made to the draft in response before publication. A summary of the key issues arising from consultation is attached as Appendix A together with how the final draft should respond to those comments. These changes include the development of an executive summary within the final draft to enhance the ‘accessibility’ of the strategy.

3.5 Key changes to the draft in response to consultation include;
   
a. A stronger narrative on the importance of technology, particularly digital technologies, and innovation in driving change over the strategy period
   
b. Clarification that ‘opportunity sectors’ and ‘science and innovation sectors’ are all ‘priority sectors’ but that different sectors and types of sectors are important for different reasons and identification of the types of interventions to drive productivity growth in sectors.
   
c. A stronger articulation of the unique potential of the D2N2 geography and the economic relationships between our cities, market towns and rural areas and their contributions to the delivery of the vision
   
d. More prominence on the role of D2N2 LEP as an ‘advocate’ in supporting a strategic dialogue with national government and a collective voice for the area in ‘influencing up’ on key issues such as employment and skills as well as a ‘strategic convener’ in bring partners together.

3.6 Moreover, in consultation the view was clearly expressed on a number of occasions that it is now time to finalise and publish the SEP and move on to the development of the Local Industrial Strategy

3.7 The Strategic Economic Plan will set the strategic direction for the LEP until 2030 and, when finalised, will be used as the basis for a review of the structure, operation and resourcing of the LEP.

3.8 The Board is asked to NOTE the consultation process on the draft Strategic Economic Plan and approve the development of a final draft plan amended as indicated at paragraph 3.5 above and Appendix A attached. The final draft will be signed off for publication by the Chair and Deputy Chair before launch early in the New Year.

**Relationship with the Local Industrial Strategy (LIS)**

3.9 The D2N2 Strategic Economic Plan provides the framework for the development of the D2N2 Local Industrial Strategy in 2019. The Strategic Economic Plan is the LEP’s long term strategy. It is our partnership’s analysis of the challenges and opportunities for the area, our vision and framework of priorities. It is ‘phase one’ of the D2N2 Local Industrial
Strategy. The full Local Industrial Strategy will be jointly developed with Government over the course of 2019, building on the substantial evidence base gathered for the SEP and will be the shared strategy between Government and the LEP for investment and the development of the D2N2 economy. It will be the key reference point for the Government in determining its approach to investment in the local economy and will be built on a more ‘granular’ articulation of our assets and opportunities.

3.10 Should the Board approve the publication of the SEP, the LEP will then begin the development of the Local Industrial Strategy for publication by the end of 2019. In developing the LIS, it is suggested that the LEP draws on the resources, knowledge and capacity of partner organisations, alongside working with government to enhance our evidence base. In doing so, it is suggested that the LEP convenes an independent panel to consider and challenge the evidence gathered and advise on its implications.

3.11 There are a number of areas in which further evidence will enhance our understanding of the local economy and enable a more ‘granular’ approach to prioritisation within the Local Industrial Strategy. Whilst it will be for the LEP and Government to work jointly to determine the programme for further work, early indicative areas for further research and development to inform the LIS include;

a. Analysis of the impact of technological and demographic trends on the D2N2 labour market and business’ demand for skills and how provision can respond in education and throughout working lives
b. Fine-grained analysis within broad industrial sectors (and across sectors) of D2N2’s key specialisms, assets and supply chains to support development of action plans for productivity and growth that address D2N2’s Science and Innovation Sectors, ‘enabling competencies’ and the Grand Challenges in the National Industrial Strategy
c. Identification of the approaches and interventions that would have the greatest impact in supporting productivity growth and their spatial distribution and impact
d. Identification of a criteria based approach to prioritising infrastructure and other investments and packages of investments to promote productivity
e. Identification of the underlying determinants of D2N2 poor skills, workforce health and social mobility performance

3.12 Government has invited all LEPs to begin now the process of co-design, with Government, of their Local Industrial Strategy and made up to £200,000 per LEP available to support this process as part of the LEP Implementation Plan funding. As reported previously, the work done to date to support the refresh of our SEP puts us in a strong place to begin to develop an effective Local Industrial Strategy.

4.0 ANNUAL PERFORMANCE REVIEW 2018/19

4.1 Board members will recall that last year D2N2 had its formal assessment with Government (referred to as the Annual Conversation) in November 2017.

4.2 Government have now published guidance in relation to the revised process of reviewing LEP performance – The Annual Performance Review, which is attached for reference at Appendix B.
4.3 Our Annual Performance Review with Government is scheduled to take place on January 15th 2019. This is the formal process by which the Government and each LEP meet annually: to discuss and review the contribution the LEP has made towards driving forward local economic growth; its governance and assurance processes; progress with delivery on key local growth programmes; priorities and challenges for the year ahead; and how it is focusing activities on strategy, branding, communications, allocation of funds, co-ordination and Advocacy.

4.4 We are required to produce a formal response in advance of the meeting on how we are progressing against each area and will work with our relevant partners and accountable bodies to prepare this.

4.5 Looking back at the outcome from last year, Members will recall that D2N2 LEP was assessed as overall ‘requiring improvement’ but with elements of good performance. In the 3 specified categories, it assessed D2N2 LEP’s performance as:

   a. Governance: Requiring improvement
   b. Delivery: Good
   c. Strategy: Good

4.6 Following the review process we put into place an action plan to address each of the issues and actions from the review which was acknowledged and recognised by Government as demonstrating good progress at a follow up meeting in April 2018.

4.7 We have also made significant progress on making improvements across all areas of delivery and strategy which we can evidence in support of our annual performance review.

4.8 Attached to the report as Appendix C is a reminder of the actions from the last Annual Conversation and progress on how we have addressed these over the last year.

SKILLS & EMPLOYABILITY UPDATE

5.1 We were delighted to see a large turnout at the People and Skills consultation event on the 15th November in Chesterfield. The People and Skills elements of the SEP were broadly supported with minor suggestions, specifically in relation to:

   • Increasing emphasis on skills progression in work and life-long learning; reflecting the demographic changes expected to 2030;
   • Creating governance and sub-structures which all work to bring together business, providers, local stakeholders and policy makers (government departments in particular) to better coordinate and influence the local landscape;
   • The opportunity to engage health within the structure of ‘People’ governance;
   • A local desire for more regular ‘open forum’ events like the consultation event to ensure more partners are able to engage without the need to be part of a formal group or governance body;
   • Moving towards the new governance arrangements as soon as possible, which is reflected in the proposed governance arrangements set out in the Chairs report.
5.2 In our work with schools and the Careers & Enterprise Company; recruitment activity continues to Enterprise Coordinator roles in both Nottinghamshire and Derbyshire with appointments expected before year end. To support this work we have also appointed Phil Crompton, Former Headteacher at Trent Academies Trust as D2N2 Careers Ambassador. Phil will be primarily focussing on building stronger engagement and understanding between Heads and senior leadership within our schools and D2N2 careers activity.

7. **ESIF SUMMARY UPDATE**

7.1 **ERDF:** Currently there are 6 live calls across all Priority Axis areas

**PA1 – Research and Innovation (£2,410,836)**
Adoption of innovative practices and technologies within SME’s, formation of innovative firms, Promotion of graduate retention in D2N2

**PA2 – ICT (£950,893)**
Developing ICT products and services – ecommerce and enhancing demand for ICT amongst SME’s

**PA3 SME Competitiveness (£5,759,165)**
Practices / technologies to promote productivity, focus on Leadership and Management, support for export, trade and Foreign Direct Investment, scale up programme to support small, productive firms to grow

**PA4- Shift towards a low carbon economy (£8,649,227)**
Supporting SME growth by becoming more energy efficient, promoting place-based approaches to smart low carbon communities, Support low carbon technologies in buildings and infrastructure

**PA5 Climate change adaptation / risk prevention (£1,081,399)**
Preventing exposure to flood risk in priority area of Lower Derwent

**PA6 Preserving, protecting the environment / resource efficiency (£1,051,102)**
Environmental protection and resource efficiency measures which support environmental and business benefits

3 Technical Assistance workshops were held in Nottingham, Derby and Chesterfield to support organisations make high quality applications to the call documents

The closing date for all applications to the calls is 23\textsuperscript{rd} November 2018

7.2 **ERDF Timescales:** A number of live ERDF projects applying to continue provision within the current open call schedule have articulated concerns regarding the timescales required to secure a new funding agreement. This could potentially cause a hiatus in provision between the end of the current project and commencement of the next set of activity which could result in projects losing staff and momentum.

LEP officers will work with MHCLG to minimise the risk to current projects seeking extensions to provision and where possible streamline the assessment process to move quickly to funding agreements.

7.3 **ESF:** Currently there are 2 live calls within Investment Priority 1
1.1 – Access to Employment for Jobseekers and Inactive People in the D2N2 LEP area (£8.1 m)
This call for proposals aims to support unemployed and inactive participants into employment and self-employment. The closing date for applications is 28 December 2018.

1.2 Careers & Employability Service for those at risk of becoming NEET in the D2N2 LEP Area (£1m)
This call will provide a ‘Careers and Employability Service’, to work with senior managers in educational establishments to agree a programme of activity that delivers enhanced careers and employability support to young people aged 15 – 19 identified as at risk of becoming NEET.

The closing date for applications is 16 January 2019

7.4 2 Technical Assistance workshops are to be held in Nottingham and Derby with a 3rd planned for Chesterfield to support organisations make high quality applications to the call documents

7.5 Contract Extensions for Big Lottery and DWP opt in provision
The ESIF committee have agreed in principle to explore the offer from both DWP and Big Lottery to extend contracts for provision currently being delivered by these co financing arrangements. In D2N2 the programmes under consideration are;

7.6 DWP Opt in - Investment Priority 1.1 - Working Links – INSPIRE Local
This project is due to end in January 2019

7.7 Big Lottery Opt in – Investment Priority 1.4 – Building Better Opportunities
The following projects are currently funded through the Big Lottery Opt in and due to end in December 2019:
   • Framework Housing – Opportunity and Change
   • Greater Nottingham Groundwork Trust – Towards Work
   • St Ann’s Advice Group – Money Sorted

DWP and Big Lottery have both confirmed that they will not be developing alternative provision or consider alternative provision which uses opt in match. The ESIF committee agreed that the offer of the opt in contract extension for both DWP and Big Lottery opt ins be progressed dependent upon ESIF committee being in receipt of performance information for each provider that shows that they are meeting the extension eligibility criteria.

7.9 DWP letter to ESIF committees
Catherine Blair, Head of the ESF Division wrote to all ESIF committees on 12 November 2018 outlining DWP priorities for the ESF programme. A key area of work to be undertaken by LEP officers is to work with DWP LEP leads to develop plans to commit funds for the remainder of the programme by the first week in December 2018. LEP officers are working with local authority skills officers to identify priorities to be addressed in the second half of the ESF programme aligning plans and activity to the priorities emerging from the SEP refresh.
7.9 **EAFRD**

The EAFRD Growth Programme funding calls for Tourism Infrastructure, Food Processing, and Business Development projects closed for Expressions of Interest on 31 May 2018. EAFRD Expressions of Interest continue to be evaluated by DEFRA and the Rural Reference Group.

8. **HIGH STREETS FUND**

8.1 The new high streets fund is a £675m fund allocated from MHCLG and announced in the Autumn Budget to tackle the ongoing decline of UK High streets. The fund is split into two funding pieces with £55m dedicated fund towards the redevelopment of Heritage high streets which will help to restore historic high streets with the support of Historic England as well as equipping communities to bring heritage assets back into economic use. The remaining £620m of funding aims to invest in the physical infrastructure of high streets to improve the flow of people through infrastructure delivery and support new development to take place, this tranche of the funding also supports the densification of residential and workspace areas in high streets where retail units are currently underutilised.

8.2 The fund is expected to be fully announced with details around the full objectives and assessment criteria later in 2018 with an expression of interest stage in Spring 2019 and a full bidding round in summer 2019.

8.3 D2N2 is currently engaging with local partners to develop a potential joint strategy for the funding and how we can unlock the potential of the funding into the local economy. Alongside this, LEP officers are consulting with MHCLG, and liaising with Historic England to influence the criteria using the example of the LEPs LGF funded, N2 Town Centres Programme.
### Item 2.2 APPENDIX A - SUMMARISED KEY FEEDBACK ON SEP CONSULTATION DRAFT

<table>
<thead>
<tr>
<th>1. What role can you play to support the implementation of the plan and its indicative key actions?</th>
<th>Proposed Refinement of LEP</th>
</tr>
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<tbody>
<tr>
<td>Recognition from many partners that working together is necessary to achieve success. Very positive offers of engagement from a broad range of stakeholders and partners - from Universities, Colleges and training providers to Local Authorities, national government agencies, business sector groups and heritage organisations. A number of potential projects are promoted for LEP support, including the hosting of the national Food Innovation Network within D2N2 and the promotion of the Derwent Valley Mills World Heritage Site.</td>
<td>Strengthen narrative on partnership working and role of LEP as advocate and convenor. Review and refine ‘assets’ section of SEP including recognising assets where this is backed by evidence and add a stronger articulation of the D2N2 geography and the economic relationships between our cities, market towns and rural areas and their contributions to the delivery of the vision.</td>
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<thead>
<tr>
<th>2. Is the overall analysis of the economic challenges facing D2N2 correct? Does it reflect your experience?</th>
<th>A stronger narrative on the importance of technology, particularly digital technologies, and innovation in driving change over the strategy period – being a challenge and opportunity for the LEP and economy.</th>
</tr>
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<tbody>
<tr>
<td>There is strong recognition from many partners that the economic challenges facing the area are accurately described and that there is a need to focus on improving productivity. There is a need to capitalise on our strengths as well as address inequalities and challenges.</td>
<td>A stronger narrative on the importance of technology, particularly digital technologies, and innovation in driving change over the strategy period – being a challenge and opportunity for the LEP and economy.</td>
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<thead>
<tr>
<th>3. Is the ‘tone’ of the document right, particularly the vision, and do the targets reflect the key changes we need to see?</th>
<th>Include an Executive Summary with a clear and succinct narrative. Review overall text to ensure consistency in terminology and structure to reflect key narrative. Reference working with partners as part of development, implementation, review and dissemination of findings of Monitoring Framework. Consider presentation of final SEP in different forms and development of supplementary documents – such as a potential investment prospectus – linked to the themes and priorities of the SEP.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tone is broadly OK but we may need different publications for different audiences, particularly business. As an area and as a LEP we need to be higher profile nationally and the SEP needs to be a vehicle for this. Need an accessible executive summary and a clear ‘pitch’ to stand out from the competition. Various suggestions about need to clearly measure aspects of the vision, including the attractiveness of place, inclusion, inequalities between areas, health, poverty, labour market ‘churn’ and various aspects of ‘inclusion’. Suggested stronger emphasis on manufacturing. Welcome emphasis on ‘place’ and environment. Need clear alignment of terminology throughout the document and the structure to be accessible – following the key themes.</td>
<td>Include an Executive Summary with a clear and succinct narrative. Review overall text to ensure consistency in terminology and structure to reflect key narrative. Reference working with partners as part of development, implementation, review and dissemination of findings of Monitoring Framework. Consider presentation of final SEP in different forms and development of supplementary documents – such as a potential investment prospectus – linked to the themes and priorities of the SEP.</td>
</tr>
</tbody>
</table>

| 4. Is the Strategic Framework of themes, ambitions and priorities appropriate? If not, what should we be seeking to achieve? | Strengthen narrative on partnership working and role of LEP as advocate and convenor. Identify areas in the document to clarify importance of digital, sustainability, inclusive growth and health. Recognise the inter-dependence of actions within and across |
governance. Co-ordinated offer to engage from ‘DEFRA family’ agencies and align local approaches.

<table>
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<tr>
<th>5(a). What is the most important single action to deliver the strategy within the 'Productive and Growing Businesses' theme?</th>
</tr>
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<tbody>
<tr>
<td>Strong support for focus on productivity and collaborative approaches, particularly around innovation, but also dealing with the potentially disruptive consequences of change on the labour market. Strong support for cross-sectoral focus on improving the productivity of the ‘middle band’ of firms. Visitor economy approach should support higher value (rather than just volume) of visits. Recognition of the inter-dependence of actions within and across themes. Various comments about the presentation of a ‘hierarchy’ between sectors potentially affecting access to opportunities.</td>
</tr>
<tr>
<td>Clarification that ‘opportunity sectors’ and ‘science and innovation sectors’ are all ‘priority sectors’ but that different sectors and types of sectors are important for different reasons and identification of the types of interventions to drive productivity growth in sectors Strengthen reference to higher value tourism. Retain balanced approach between sectoral specific and cross sector interventions to maximise impact on aggregate productivity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5(b). What is the most important single action to deliver the strategy within the 'Skills and Knowledge for the Future' theme?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong response to the people and skills theme and an emphasis on its importance for the economy. All aspects of the proposed approach were considered to be important. Stronger emphasis on the need to support businesses to implement higher value processes and technologies to drive demand for higher level skills and promote greater graduate retention. Careers support, information and ‘inspiration’ and support to ‘manage transitions’ are required throughout working life not just by young people and in schools.</td>
</tr>
<tr>
<td>Refine wording to add emphasis on progression, supporting businesses and life-long learning as part of the balanced approach described.</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>5(c). What is the most important single action to deliver the strategy within the Quality of Place theme?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong support for the economic importance of place-making and place-marketing. There should be a stronger emphasis on digital connectivity and housing in the final draft alongside recognising the value of sustainable short distance trips for commuting and leisure as well as investment in strategic transport infrastructure. Better joint working to promote investment in strategic priorities is key. Need to better describe the distinctiveness of ‘place’ and a stronger focus on supporting regeneration in city and town centres.</td>
</tr>
<tr>
<td>Refine wording to reference stronger articulation of the potential of the D2N2 geography and the economic relationships between our cities, market towns and rural areas and their contributions to the delivery of the vision. Strengthen reference to active collaboration on housing, early priority of digital connectivity, especially 5G, and reference role of short distance trips in connectivity.</td>
</tr>
</tbody>
</table>

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<tr>
<th>6. Is the Monitoring Framework appropriate? Are there other measures we could usefully and readily monitor?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various additional measures were proposed including; the value of tourism visits, health of the workforce, natural capital and the disability employment gap. Need an ongoing and wide dialogue with partners about the condition of the economy and its strategic implications throughout the plan period.</td>
</tr>
<tr>
<td>Add measures where they are available and clearly reflect strategic priorities. Clarify that D2N2 will work with partners to refine and enhance monitoring framework over plan period and</td>
</tr>
<tr>
<td>7. Do you have any other comments on the plan? Is there anything missing or not given enough weight?</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Need to put clearer emphasis on the economic value of the arts and culture with more granularity on which aspects of the Food and Drink sector are most important for D2N2. Need to understand the delivery structure for the plan. Role of peripheral areas and their external relationships needs clearer recognition. Need to be clear that firms outside the ‘priority sectors’ will be supported to become more productive. Need to foster better engagement with our Higher Educational Institutions on a range of issues but particularly to deliver a stronger innovation eco-system in D2N2 across sectors. LEP needs to better at evaluating value for money and impact of funded interventions and better demonstrate transparency in managing conflicts of interest where LEP partners are key deliverers of schemes such as the Growth Hub and skills and employment programmes. Need to recognise and deal with the potentially disruptive impact on the labour market of productivity improvements in firms. Need more clarity on how key actions will be funded. Co-ordinated offer of engagement from ‘DEFRA family’ agencies to deliver the SEP and the Government’s Environment Plan and Clean Growth Strategy.</td>
</tr>
</tbody>
</table>
Introduction

1. This guidance sets out the process for the LEP Annual Performance Review (formally Annual Conversation) process 2018-19. As with previous years, the Annual Performance Review process will be conducted by the Cities and Local Growth Unit.

Background

2. Local Enterprise Partnerships (LEP) are business led public-private partnerships entrusted with investing public funds to drive growth across England. Together they are responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity.

3. The Accountability System Statement for Local Government and Local Growth Fund (LGF) sets out how local government funding and LGF are allocated, describing the robust local systems which are in place to ensure that resources are spent with regularity, propriety, and value for money.

4. Over the past year the Government has published its Review of Local Enterprise Partnership Governance and Transparency, led by Mary Ney (October 2017) and its best practice guidance (January 2018), these provide additional recommendations and guidance for LEPs to follow in addition to the National Assurance Framework (November 2016). The Nolan Principles of Public Life underpin these documents. See Annex A: Local Enterprise Partnership National Assurance Framework Amendments, which indicates where the best practice guidance provides further support to the National Assurance Framework.

5. More recently the Government has published the conclusions and recommendations from the Ministerial review into LEPs, Strengthened Local Enterprise Partnerships. This publication sets out a series of Government commitments alongside a number of additional changes that Government will work with LEPs to implement. How a LEP is progressing with its implementation of the recommendations of Strengthened Local Enterprise Partnerships will not be assessed as part of the Annual Performance Review. This does not preclude discussion of this topic in the Annual Performance Review meetings.

Annual Performance Review

6. The Annual Performance Review is 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 on delivery of key local growth programmes; to discuss the LEP’s strategy, its priorities and challenges for the year ahead.

7. The Annual Performance Review also acts as a key milestone in the process of confirming LGF payments for the following year.

8. The Annual Performance Review cannot be seen as a standalone item, it is important to remember that it sits alongside the following assurance elements:

   a) Regular dialogue between the Cities and Local Growth Unit and LEPs ensuring that emerging issues and risks are dealt with early;

   b) Quarterly and bi-annual LEP monitoring returns including total and forecast spend, and output metrics for Local Growth Fund, Enterprise Zones and Growth Hubs;

   c) On-going monitoring of LEP progress by the Cities and Local Growth Unit, regular attendance at LEP Boards and sub-boards to allow continuous assessment of overall progress with Growth Deal delivery to provide an early warning system which highlights any emerging risks so that prompt action can be taken to address these; and

   d) Deep dives, which review the governance, transparency and accountability processes and culture in LEPs.

9. The 2018-19 Annual Performance Review builds on the process used in 2017-18 and has been amended following consultation and feedback from the LEPs.

10. The Annual Performance Review will provide the Government and LEP with the opportunity to:

   a) Reflect on the LEP’s performance over the last twelve months in the areas of governance, delivery and strategy;

   b) Elaborate on key issues highlighted in their pre-annual performance review document return;

   c) Showcase the progress to date on delivery of strategic economic objectives and programmes;

   d) Reflect on their current position and highlight to Government any barriers they are encountering, and

   e) Look forward to the major achievements and challenges expected in 2019-20.
11. An overview of the Annual Performance Review process is set out in Annex B.

12. Please note that in line with the National Assurance Framework, Section 151/73 Officers must write to the Ministry of Housing, Communities and Local Government’s (MHCLG) Accounting Officer by 28 February 2019.¹ This year we expect the letters to certify that the LEP is compliant with the National Assurance Framework (Nov 2016) and the changes outlined in Annex A. Further guidance will be provided.

13. Letters should be addressed to:

   Melanie Dawes  
   Permanent Secretary  
   Ministry of Housing, Communities and Local Government  
   2 Marsham Street  
   London  
   SW1P 4DF

   And sent via email to: localgrowthassurance@communities.gov.uk copying in the relevant Cities and Local Growth Unit Area Lead.

**Ahead of the Annual Performance Review Meeting**

**Compliance checks**

14. During November, the Cities and Local Growth Unit will undertake a series of checks to test elements of a LEP’s compliance with the National Assurance Framework. The checks will consist of desk-based reviews of the material that each LEP is required to publish and make accessible online as set out in the National Assurance Framework 2016, Review of Local Enterprise Partnership Governance and Transparency (Mary Ney Review), and the Local Enterprise Partnership governance and transparency best practice guidance (Jan 2018).

15. LEPs will be informed of their result via their Area Lead, and where not compliant will have five (5) working days to resolve the issue. Should the issues not be resolved within five (5) working days, the LEP will be asked to produce an action plan detailing how it intends to rectify the area of non-compliance. This action plan will be reviewed and monitored by the Area Lead and Cities and Local Growth Unit, and further reviews may be initiated.

¹ Or section 127 Officer for the Greater London Authority
Annual Performance Review Meeting Preparation

16. Area Leads will gather information from a variety of sources in preparation for the discussions at the Annual Performance Review meeting. This will include data returns on government funded projects and programmes as well as an assessment on the progress against the agreed actions from the Annual Conversation last year.

17. The Annual Performance Review meeting takes place in the context of ongoing and trusted dialogue between Area Leads and LEPs. Performance issues ought to be surfaced and dealt with in real time, and so the Annual Performance Review should not include any surprises for either LEPs or the Cities and Local Growth Unit.

18. As in previous years, the 2018-19 Annual Performance Review meeting will focus on three themes of Governance, Delivery and Strategy. Prior to the meeting LEPs are asked to respond to a number of questions (see Annex C). These questions should provide a helpful starting point for reflecting on LEP performance over the last twelve months.

19. There is also an opportunity in each section for the LEP to identify areas where the Cities and Local Growth Unit can provide further support. This can be used to feedback to the Cities and Local Growth Unit any issues that might be hindering growth, and any relationship issues that government intervention may be able to help resolve.

20. Unless otherwise agreed, the LEP should send the following documents to their Cities and Local Growth Unit Area Lead at least one week before their scheduled Annual Performance Review:

   a) Completed Annual Performance Review Preparation document (Annex C);
   b) Section 151/73 Assurance Statement (Annex D);
   c) Governance Assurance Statement (Annex E); and
   d) Any additional supporting documentation (e.g. local MP engagement strategy).

21. In line with the recommendations of the Mary Ney review the LEP should publish Annex E on its website.

22. LEPs may wish to share the completed documentation with the LEP Board prior to submitting it to the relevant Cities and Local Growth Unit Area Lead.
Freedom of Information

23. Please note that the Cities and Local Growth Unit is bound by the Freedom of Information Act and may have to disclose contents of this document on request.

Mayoral Combined Authorities

24. As per previous years, the engagement of Mayoral Combined Authorities (MCA) in the Annual Performance Review will depend on the relationship between the LEP and the MCA. Where the Local Growth Fund forms part of the Single Pot, it is expected that the appropriate operational lead is represented at the LEP Annual Performance Review meeting. For completeness, further communications with regard to MCA Annual Conversations will follow under separate cover, but in the first instance any query should be directed to the relevant Cities and Local Growth Unit Area Lead.

Annual Performance Review Meetings

25. Dates and locations of Annual Performance Review meetings should be agreed between the LEP and the relevant Cities and Local Growth Unit Area Lead. Attendance must include, unless otherwise agreed by the relevant Cities and Local Growth Deputy Director:
   - LEP Chair
   - LEP Chief Executive
   - Section 151/73 Officer
   It is also suggested that the LEP’s delivery lead is present and a representative from the MCA if Local Growth Fund forms part of the Single Pot.

26. The LEP Board should be informed that the Annual Performance Review meeting is taking place.

27. Annual Performance Review meetings will be chaired by the relevant Cities and Local Growth Unit Deputy Director supported by the Area Lead. A Cities and Local Growth Unit representative not associated with the individual LEP area may also be in attendance.

28. The meetings should focus on the themes of governance, delivery and strategy, and how the LEP has made progress towards driving forward local economic growth, as well as a forward look at its priorities and challenges for the year ahead. There should be room in the meeting for reflections on
individual projects if any particularly significant delivery issues have arisen, but this should be by exception. **Annex F** provides a standardised agenda.

29. In line with the recommendations of the Mary Ney review, the Governance section of the Annual Performance Review meeting should include dedicated time to discuss the report of the Section 151/73 officer and the assurance statement by the LEP Chair and Chief Executive.

**DfT, ESFA and Homes England Engagement**

30. In some instances, colleagues from across Government may be invited to attend Annual Performance Review meetings. For example, where transport makes up a significant portion of the LEP’s overall programme in 2018-19 DfT may be invited or ESFA could be invited where there are significant skills issues or Homes England where there are housing issues to discuss.

**Following the Annual Performance Review Meeting**

**Record of the Annual Performance Review Meeting**

31. The Cities and Local Growth Unit will compile a record of the meeting which will include any actions that were agreed during the meeting. This will be shared with the LEP and Section 151/73 officer for comment and agreement. See **Annex G**: Note template, which provides a template for notes and actions to be noted and agreed.

**Performance Assessment**

32. Following the Annual Performance Review meeting, the Cities and Local Growth Unit will undertake a performance assessment. This will look at the performance of the LEP across each of the three themes and will be based on a holistic view of LEP performance over the last twelve months. The review will highlight and capture areas for further development or of good practice, this will involve reviewing the information provided for the Annual Performance Review along with other sources including (but not limited to): Growth Deal data returns; and LEP governance processes and policies.

**Overall Markings**

33. LEPs will receive one of four markings: inadequate; requires improvement; good; or exceptional, for each of the three themes (governance, delivery and strategy). **Annex H** provides an indication of some of the key indicators that are used to inform the markings. It is important to note that this list is not exhaustive and that markings will be based, not only on the information
provided as part of the Annual Performance Review, but also the on a holistic view of the assurance elements as outlined in paragraph 8.

34. If a LEP receives an individual marking of inadequate or requires improvement for any of the three themes, the LEP will be required to provide an action plan detailing how they intend to improve the areas of concern. This action plan will be agreed with the Cities and Local Growth Unit. If the result of the compliance check remains non-compliant following a subsequent spot check after the five (5) day period post notification, then the LEP’s marking for the theme of governance cannot be higher than requires improvement.

35. In addition to individual markings, LEPs will receive an overall marking of inadequate, requires improvement, good or exceptional. This marking will be based on the LEP’s markings for each of the three themes. To achieve an overall marking of exceptional a LEP must achieve exceptional for all three themes. If a LEP receives inadequate or requires improvement for their governance their overall marking will not be higher than requires improvement.

36. A deep dive may be triggered if a LEP is non-compliant or where they receive an inadequate or requires improvement marking.

**Moderation**

37. Moderation will take place within the Cities and Local Growth Unit to help ensure consistency of markings as well as help to identify any common issues. It will compare opportunities and challenges identified in areas with similar characteristics.

38. Following moderation, markings for each theme and an overall marking will be confirmed. LEPs will also be marked as either compliant or non-compliant in relation to the compliance checks and will be notified prior to the Annual Performance Review meeting. Each theme marking of exceptional, good, requires improvement or inadequate and the overall performance marking for the LEP will be confirmed.

**Outcome**

39. The outcomes of this review, along with any further actions identified and the notes of the Annual Performance Review will be shared formally with the LEP once the process has been concluded, which is expected to be March 2019.

40. The outcomes of the Annual Performance Review are informative in determining whether or not, and how, the 2019-20 Local Growth Fund and
LEP core funding grant payments will be released. Where the need for further improvement is identified, the LEP must acknowledge this and set out an action plan, with milestones, to address the issue. 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.

Forward Look

41. Building on the successful engagement in reviewing the 2017-18 process in collaboration with the LEPs, we plan to continue to engage on the development of the LEP assurance process going forward.

Indicative Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Action</th>
</tr>
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<tbody>
<tr>
<td>November</td>
<td>Compliance checks</td>
</tr>
<tr>
<td>November</td>
<td>Data gathering</td>
</tr>
<tr>
<td>November – January</td>
<td>LEP pro forma returns</td>
</tr>
<tr>
<td>November – January</td>
<td>LEP Chair/CE statement</td>
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<tr>
<td>November – January</td>
<td>S.151 officer statement</td>
</tr>
<tr>
<td>December – January</td>
<td>Annual Performance Review Meetings</td>
</tr>
<tr>
<td>February</td>
<td>Cities and Local Growth Unit Moderation</td>
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<tr>
<td>28 February</td>
<td>S.151 Officer letter to MHCLG Accounting Officer</td>
</tr>
<tr>
<td>February</td>
<td>LEP notified of Annual Performance Review outcome</td>
</tr>
<tr>
<td>February – March</td>
<td>Deep Dives</td>
</tr>
<tr>
<td>Mid-April</td>
<td>Payments made to LEPs</td>
</tr>
</tbody>
</table>
Annex A: Local Enterprise Partnership National Assurance Framework Amendments

National Assurance Framework amendments following the issuing of the Local Enterprise Partnership governance and transparency: Best practice guidance January 2018.

<table>
<thead>
<tr>
<th>Section</th>
<th>National Assurance Framework states</th>
<th>Guidance can be found in the Best practice guidance, January 2018 at:</th>
</tr>
</thead>
</table>
| Governance and decision making | Section 1.1, Page 8  
The local assurance framework must set out its rules governing:  
- The conduct for all board members (see gov.uk guidance “The 7 principles of public life”) | Chapter 4: Example Code of Conduct  
23 – 26 |
| Transparent decision making   | Section 2.3, Page 9  
Local Enterprise Partnerships must, therefore, set out in their local assurance framework the arrangements for transparent decision making covering:  
- Arrangements for making, and recording decisions, and for ensuring that papers, decision minutes, agendas etc are published promptly in line with existing Local Authority rules and regulations [access to information, Schedule 12A of the LGA 1972, as amended by the FOI 2000] | Chapter 1: Guidance on the publication of meeting and agenda items  
6 – 8 |
|                                | Section 2.3, Page 9  
- Have a published conflicts of interest policy, a register of interests covering any decision makers which is kept updated | Chapter 5: Register of Interest  
27 – 37 |
|                                | Section 2.3, Page 9  
- a published complaints policy | Chapter 2: Guidance and examples of confidential reporting procedures for third parties  
9 – 13 |
In addition, the Review of Local Enterprise Partnership Governance and Transparency, Led by Mary Ney, Non-Executive Director, Ministry of Housing, Communities and Local Government Board, October 2017 made the following recommendations that were accepted and will form part of the 2018-2019 Annual Performance Review.

<table>
<thead>
<tr>
<th>Section</th>
<th>Recommendation</th>
<th>Action required</th>
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<tbody>
<tr>
<td>4.1</td>
<td>Page 7</td>
<td>LEP Leadership (Chair and CEO) to provide a brief assurance statement on the status of the governance and transparency within the organisation. Deadline: Prior to the Annual Performance Review</td>
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<tr>
<td></td>
<td>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 the governance and transparency within their organisation and which can be explored in greater detail during the Annual [Performance Review] process with government. This statement to be published on the website. (See also section 10 below.)</td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>Page 11</td>
<td>Completed CIPFA published ‘Principles for section 151 officers in accountable bodies working with Local Enterprise Partnership’.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>Page 11</td>
<td>Section 151 Officer to provide a report to the Annual [Performance Review] on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency. Deadline: Prior to the Annual Performance Review</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>9.3 Page 12</td>
<td>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 [Performance Review] process.</td>
<td>The LEP to report on what scrutiny arrangements the LEP currently has in place as part of its annual assurance statement. Deadline: Prior to the Annual Performance Review</td>
</tr>
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</table>

| 10.2 Page 13 | It is recommended that the Annual Conversation 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 recommendations at paragraph 4.1 above) and the report of the Section 151 officer. | The Annual [Performance Review] will have designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements and the report of the Section 151 officer. Deadline: Actioned – Already part of the Annual Performance Review process |

| 10.3 Page 13 | 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. | Completed |
Annex B: Annual Performance Review Process

1. Letter from Cities and Local Growth Unit to LEP's, enclosing guidance and next steps
2. Non-Compliant
   - Compliance Checks, Cities and Local Growth Unit
   - Cities and Local Growth Unit, notifies LEPs of any issues
3. Compliant
   - Annual Performance Review Meeting
4. Each theme receives an individual rating
   - Inadequate
   - Requires Improvement
   - Good
   - Exceptional
5. Moderation Process
6. Deep Dive Process (if required)
   - Inadequate
   - Requires Improvement
   - Good
   - Exceptional

- Action Plan
- Letter from Cities and Local Growth Unit to LEPs confirming overall rating
- Letter from S151 Officer to Accounting Officer, MHCLG
**Annex C: LEP Preparation**

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 improved. Unless otherwise stated keep answers to 500 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:
   - Is the Local Assurance Framework consistent with the National Assurance Framework and the changes made via the Mary Ney review and best practice guidance?
   - How effective have the arrangements worked and how were any significant issues and risks dealt with (give examples)?
   - What steps have been taken to ensure changes made at the start and during the year were communicated and understood by staff and board members?
   - The arrangements for publication of Minutes and Board Papers
   - The arrangements for publication of conflicts of interest policies and updating arrangements
   - The nature of engagement of the S151/73 officer in LEP processes
   - Whether there is active debate/discussion at the board and sub groups when decisions are made? How is this evidenced?

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?
   - Do members of the Board attend regularly and stay for the duration of the meetings?
   - Whether the engagement from Board members is positive?
   - What, if any, changes to the governance arrangements are currently being considered and over what period?
   - Succession planning processes and evidence of these working in practice and what changes in board membership are anticipated within the next 12 months? If the chair is changing, how you intend to consult with the business community?
   - Whether the LEP feels it needs to change the representation on the board, and if so how it intends to go about this? (i.e. in terms of diversity, knowledge and skills, gender, sectors)
   - If scrutiny and reviews take place, what is the purpose, how are these done and what actions take place?
   - What is the LEP’s approach to continuous improvement?
LEP Name: [Please complete]

3. What can Government do to better support your governance?

The Cities and Local Growth Unit wants to support your LEP to improve its governance and transparency arrangements. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.

DELIVERY

1. What in your investment programme has gone well?

Set out here:
- Current performance in meeting the LEP’s investment profile
- Anticipated year end position
- If investment is not on track, set out the action you are taking to get back on track
- For Local Growth Fund, to what extent are you meeting/exceeding planned outputs for 2018/19? Are you on track to deliver overall programme outcomes? If so, please demonstrate. If not, set out the action you are taking to get back on track
- For other programmes (Enterprise Zones, City Deal, Growing Places Fund, Devolution Deals, Growth Hubs 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
- What have been some of the main achievements in your local growth programmes in the period 2018? Please also provide a view of overall investment programme delivery to date

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 do not pose risks, whether any mitigating factors and actions have been taken to get performance back 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
- Add mitigating factors and actions taken to get back on track

### 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 project pipeline been used to address any gaps in the programme or slippage by projects?
- Have you developed any good practice in relation to assessing value for money and developing project pipelines (please give examples)?

### 5. How effective has the LEP been in promoting its work and ensuring LGF branding guidance is followed:

Set out here:
- How the LEP explains its decisions and investments to the wider business community and public?
- How the LEP implements the branding guidance in relation to growth deal projects. (Please provide 2 examples)
### STRATEGY

**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:
- Does your SEP closely guide the plans, activities?
- When was it last refreshed and in what ways has it been kept under active review during the last 12 months?
- What the LEP is doing to develop its evidence base and other preparation for the development of its Local Industrial Strategy, so that it is long-term, based on clear evidence and aligned to the national Industrial Strategy?
- To what extent do you engage with partners to maintain your understanding on the local economy? Do you engage with partners outside the area to inform and improve strategic thinking?

**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?
<table>
<thead>
<tr>
<th>3.</th>
<th>How successful have you been in collaborating with other LEPs, Universities, communities and industry bodies etc? And what have you achieved as a result?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set out here:</td>
<td></td>
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<tr>
<td>• Where you have worked across different functional geographies and whether you actively work together with other areas or bodies on different themes or projects? Please state any involvement you have had in engaging with the development and implementation of initiatives such as the Northern Powerhouse and Midlands Engine</td>
<td></td>
</tr>
<tr>
<td>• Good practice and key achievements as a result of this collaboration and ideas for the future</td>
<td></td>
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<tr>
<th>4.</th>
<th>How can Government support you in the next 12 months?</th>
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<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
Annex D: Section 151/73 Assurance Statement

The Section 151/73 Officer should here provide a report to the Annual Performance Review 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 issues raised in Annex A. (max 500 words)

Signed:
Name:
Position:
Date:
Annex E: 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, they 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 Performance Review process (in April 2018). You should cover any overview and scrutiny function undertaken by the Accountable Body. (max 500 words)

Signed:
Name: [Please complete]
Position: [Chair]
Date: 

Signed:
Name: [Please complete]
Position: [Chief Exec]
Date:
Annex F: Agenda

**[Insert LEP Name] Annual Performance Review 2018-19**

**Location:**
**Date:**
**Time:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introductions</td>
</tr>
<tr>
<td>2.</td>
<td>Purpose of the Annual Performance Review</td>
</tr>
<tr>
<td>3.</td>
<td>Update on actions from the Annual Conversation 2017</td>
</tr>
<tr>
<td>4.</td>
<td>Governance</td>
</tr>
<tr>
<td></td>
<td>Suggested headings/discussion points:</td>
</tr>
<tr>
<td></td>
<td>a. Chair &amp; Chief Executive Statement</td>
</tr>
<tr>
<td></td>
<td>b. S151/73 Officer report</td>
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<td></td>
<td>c. Accountability</td>
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<td>d. Decision-making</td>
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<td></td>
<td>e. Engagement with S151/73 officer</td>
</tr>
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<td></td>
<td>f. Governance Structure</td>
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<td>g. Government support</td>
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<td>5.</td>
<td>Delivery</td>
</tr>
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<td></td>
<td>Suggested headings/discussion points:</td>
</tr>
<tr>
<td></td>
<td>a. Achievements</td>
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<td>b. Challenges</td>
</tr>
<tr>
<td></td>
<td>c. Performance Management Process</td>
</tr>
<tr>
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<td>d. Value for Money assessment/Project pipeline</td>
</tr>
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<td></td>
<td>e. Branding and communications</td>
</tr>
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<td></td>
<td>f. Government support</td>
</tr>
<tr>
<td>6.</td>
<td>Strategy</td>
</tr>
<tr>
<td></td>
<td>Suggested headings/discussion points:</td>
</tr>
<tr>
<td></td>
<td>a. Vision/objectives</td>
</tr>
<tr>
<td></td>
<td>b. Local Industrial Strategy</td>
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<td>c. Local engagement</td>
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<td>d. Political engagement</td>
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<td></td>
<td>e. Cross border working</td>
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<td></td>
<td>f. Government support</td>
</tr>
<tr>
<td>7.</td>
<td>LEP feedback</td>
</tr>
<tr>
<td>8.</td>
<td>AOB</td>
</tr>
<tr>
<td>9.</td>
<td>Summary of Actions and Next Steps</td>
</tr>
</tbody>
</table>
Annex G: Note template

[Insert LEP Name] Annual Performance Review 2018/19

Location:
Date:
Time:

Action from 2017 Annual Performance Review

<table>
<thead>
<tr>
<th>Action #</th>
<th>Action Point</th>
<th>Date completed</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<tr>
<td>5</td>
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</tr>
</tbody>
</table>

Governance

Delivery

Strategy

LEP Feedback

AOB

Action Points

<table>
<thead>
<tr>
<th>Action #</th>
<th>Action Point</th>
<th>Owner</th>
<th>Date to be completed</th>
<th>Date completed</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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<td>2</td>
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<td>5</td>
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</tr>
</tbody>
</table>

Attendees:
Annex H: Guidance on Performance Markings

We recognise that a LEP has autonomy over how it implements the National Assurance Framework (2016), which is supported by the Review of Local Enterprise Partnership Governance and Transparency, led by Mary Ney (October 17) and its best practice guidance (January 18), to ensure compliance. It is appreciated that there is not a “one-size-fits-all” approach and that each LEP will face different circumstances and challenges.

It is important that the Nolan principles are embedded throughout the work of any LEP, from its governance, to its delivery and strategy. Capturing how these principles are embedded requires consideration on a case-by-case basis. The outcome of the review is to arrive at a set of agreed actions from an assessment of performance against the three themes of governance, delivery and strategy. This table sets out some of the characteristics which may be demonstrated by LEPs across the four marking categories; it is not an exhaustive list of indicators. Every LEP will have areas in which it can improve. The intention of this review process is to help LEPs to identify these areas and form a considered plan to improve.

<table>
<thead>
<tr>
<th>Governance</th>
<th>Exceptional</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The LEP is performing above and beyond the guidance set by the government, demonstrating a strong culture of accountable governance, where it is evident that the Nolan principles are embedded throughout.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There should be robust and transparent structures and processes in place to ensure decisions are based on strong evidence and subject to rigorous challenge. Decisions made at LEP Board and sub-boards reflect the business voice.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There should be evidence of active, consistent collaboration and engagement with external stakeholders; demonstrating leadership within the local area and beyond. The LEP should have a clearly defined culture of proactive, continuous improvement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The LEP is meeting the requirements as set out by government and may, in some circumstances, go above and beyond these.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The LEP should have a culture of accountable governance, where it is evident that the Nolan principles are embedded throughout. There should be clear and transparent structures and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>processes in place to ensure decisions are evidence based, with active private sector challenge and engagement throughout the decision-making process.</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There should be evidence of good collaboration and engagement with external stakeholders. LEP Board membership should have diverse representation including gender and/or should be taking active steps to address any imbalance. The LEP is reactive to improvement opportunities.</td>
<td></td>
</tr>
<tr>
<td>Requires Improvement</td>
<td>The LEP in some areas of governance does not yet meet the standards expected by government as set out in the Framework and supportive documents, and/or the Nolan principles but this does not pose a risk to its overall governance.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The LEP will have a Local Assurance Framework which meets departmental guidance, however, one or more areas of implementation could be improved.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improvements could be made towards a culture of good governance, it may not be evident that the Nolan principles are at the core of the LEP and sufficiently embedded in all aspects of the LEPs work. There is limited debate/discussion when making decisions or the private sector voice is crowded out.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There may be some evidence of collaboration and engagement with external stakeholders. Diverse representation on the Board is lower than expected. The LEP may have ad hoc improvement which is pursued as a result of external pressure or not undertaken in a timely manner.</td>
<td></td>
</tr>
<tr>
<td>Inadequate</td>
<td>The LEP will have fallen short of the expectation of Government and Nolan principles.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For instance, the LEP’s implementation of its Local Assurance Framework poses a risk to a LEP’s governance. A culture of good governance is lacking, and there could be concerns over whether the Nolan principles are being adhered to and embedded. Decisions are taken without discussion or regard to due process, and there is little evidence that the business voice makes a difference.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is little evidence of collaboration with external stakeholders. LEP Board diversity is negligible and is not representative of the economy of the area. There is resistance to</td>
<td></td>
</tr>
</tbody>
</table>
improvement and the LEP has no appetite to reflect and implement improvements until required.

<table>
<thead>
<tr>
<th>Delivery</th>
</tr>
</thead>
</table>
| **Exceptional** | The LEP demonstrates a strong and effective programme management; consistently delivering investment programmes to its spend profiles, meeting/exceeding planned outputs.  

The LEP should have an agreed pipeline of projects which is publicly accessible, actively managed and underpinned by a transparent selection process. The pipeline should be well aligned to the LEP’s strategic priorities and delivers value for money.  

The LEP should have a clear, managed approach to risk including appropriate and deliverable mitigations, with regular reviews that the board and relevant persons understand and act upon. The LEP should be proactive in promoting the projects it supports, with clear, consistent recognition of Government support.  

The LEP should fully adhere to all branding and communications guidelines in promoting government support for its projects. |
| **Good** | The LEP demonstrates effective programme management, which enables programmes to be delivered to its spend profiles and achieve planned outputs over their lifetime.  

The LEP has an agreed pipeline of projects which is publicly available, and underpinned by transparent selection processes. The pipeline is reasonably aligned to the LEP’s strategic priorities and generally delivers value for money.  

The LEP has a clear, managed approach to risk including appropriate and deliverable mitigations which are presented to Board. The LEP will promote the projects it supports, but recognition of Government is inconsistent.  

The LEP generally adheres to the branding and communications guidelines. |
| Requires Improvement | The LEP is at some risk of not achieving its investment programme spend profiles, and risk of underperforming on the delivery of outputs.  

The LEP has an agreed pipeline but there has been no active review recently. The pipeline lacks transparency, robustness and strategic direction and does not represent the best value for money.  

There is limited management of risk with some evidence of board oversight, limited evidence of the appropriate use of mitigations, project reviews and reporting. The LEP only promotes some of the projects it supports and/or recognition of Government support is very inconsistent.  

Branding and communications guidelines are not often enforced. |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inadequate       | The LEP is most likely at risk of not achieving its investment programmes spend profile.  

The LEP may be consistently underperforming on output delivery. There is little or no evidence of a pipeline or active management of any programme/project slippage. The investment programmes lack the necessary alignment with strategic priorities and value for money is uncertain.  

There is little evidence of consistent risk management, with risks that are poorly defined, out-of-date or out-of-scope. The Board is poorly sighted or not aware of risks.  

The LEP is reactive to promotion of projects and the opportunity to communicate widely. Branding and communications guidelines are regularly ignored or not enforced. |
| Strategy         | Exceptional  

The LEP has a clear vision and ambition for the economy that is actively reviewed and refreshed, and that informs LEP Board discussions, decision and communications. This is owned and led by the LEP and its partners, which aligns with government guidance.  

Strategies should be based on robust and testable evidence of their economy. Decisions should be informed by the wider private sector and communities of the area, and there is an appetite to
<table>
<thead>
<tr>
<th></th>
<th>The LEP should be a strong convenor of local partners, ensuring targeted engagement in the broader business community, collaborating effectively through cross-LEP and regional forums.</th>
</tr>
</thead>
</table>
| **Good**           | The LEP has a clear vision and ambition which translates into a clear framework of strategic priorities and programmes.  
The LEP has clear ownership of the vision and ambition. Decisions are made after listening to the views of others, and the views of others are sought when developing vision, strategies and plans.  
The LEP is a good convenor of local partners, collaborating through cross-LEP and regional forums. |
| **Requires Improvement** | The LEP’s future vision lacks clarity, shows limited ambition or vision.  
There may be inconsistent ownership of the vision and ambition by the LEP Board. Decisions may be made after listening of views of the wider private sector or communities of the area but with little consideration of these.  
The LEP has some success in convening local partners, but rarely works through cross-LEP or regional forums. |
| **Inadequate**     | The LEP’s vision and ambitions are limited and without clarity.  
There is little ownership of the vision and ambition by the LEP board. Decisions are made with little input or consideration of views of the wider private sector or communities of the area.  
The LEP has limited success in convening local partners. |
Item 2.2 Appendix C - Annual Conversation Actions

D2N2 had its Annual Conversation discussion with Government on the 29\textsuperscript{th} of November 2017. Below are the key actions identified in relation to Governance and how they have been addressed:

<table>
<thead>
<tr>
<th>Action</th>
<th>Current Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government guidance will be issued shortly to provide clarity on conflicts/accountability/transparency issues; following which the LEP will review its local Accountability Framework and associated policies again</td>
<td>We have acted upon all the guidance that has since been issued including the best practice guidance. We produced a separate action plan to demonstrate how we have implemented the requirements within the best practice guidance which demonstrated that all actions were implemented as required and on time.</td>
</tr>
<tr>
<td>The LEP would be prioritising recruitment to the private sector vacancy to provide leadership on its strategic priorities</td>
<td>Since the review we have recruited a new private sector Chair who was appointed in July 2018. We have also launched a recruitment process for additional private sector board members due to conclude in January 2019.</td>
</tr>
<tr>
<td>By spring 2018 the LEP will reach a clearer view on its Accountable Body arrangements, on the assumption that moving to a single AB is the direction of travel to ensure robust assurance and provide greater opportunities to align different programmes (e.g. GPF, LGF)</td>
<td>We have developed a service specification to procure a new single accountable body which has now been issued for tender. We have set out a two stage process with a view to formally appointing in January 2019 and full transition to a single Accountable Body by April 2019.</td>
</tr>
<tr>
<td>The LEP will ensure MPs are engaged on a regular basis as an ongoing action</td>
<td>We have good relationships with all our MP’s and communicate regularly via newsletter.</td>
</tr>
<tr>
<td>Action</td>
<td>Current Position</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>With the appointment of the new Chair we have had several meetings with local MPs. The new chair has offered to host a meeting of all local MPs within the D2N2 area.</td>
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</tbody>
</table>
| The Chair committed to addressing the perceived conflict of interest issue with regard to the EZ Steering Group chair role in the coming weeks; while also committing to further tightening up governance and transparency its decision-making processes | This has now been addressed. The Chair of the EZ stepped down in December 2017 and a new private sector chair from the LEP board has been appointed who has no DOIs.  
The Terms of Reference of the board have also been reviewed at the last meeting of the Steering Group and have been put forward before the November 2018 board for approval. |
1. **INTRODUCTION**

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

2. **GROWTH HUB UPDATE**

The Growth Hub continues to deliver business support services across the area and below are the key areas of activity during the previous quarter.

   a) Scale Up Programme begins in January – 2 Scale Up Advisors have been recruited
   b) A Skills Advisor has been recruited
   c) Growth Hub 2.0 is at final stages of its application, we are hopeful of a 1 April start, which will include a grant, bring the Digital Growth Programme into the Growth Hub and new partners will join the delivery team
   d) Growth Hub Strategy has been produced to contribute to the SEP productivity targets. We have worked on some metrics to measure success in terms of awareness & engagement, growth & productivity and economic impacts.
   e) Appendix 1 shows the Dashboard of key operational activity
   f) Appendix 2 shows the draft Marketing Strategy that will direct our resources to address our productivity challenges
The Growth Hub Team

A People Based Service

Growth Hub Manager
Chris Pook

Business Helpline
Helen Carter, Lucy Curtis, & Jodye Adams

Paul Humphreys (Scale Up Specialist)
Lisa Hoyland
Derbyshire

Specialist Finance Adviser
John O’Donnell

Business Advisers
Paul Stuart, Business Engagement Manager

Anthony Byrne
Nottingham City

Tracey Hylton-Burrows
Nottingham City

Katrina Davis-Betani
Nottingham City

Heather Bradford
Derbyshire Dales

Adrian Williamson
Chesterfield

Damian Cliff & 1 TBA
Nottinghamshire

Julie Nicholson
Derbyshire

TBA
Derbyshire

TBA
Skills Advisor

Power up your business!
**Growth Hub Operational Dashboard (Dec 2014–Nov 2018)**

* figures based on data collected since Q2 2018

### Engaged
- **7,019** businesses

### ERDF eligible
- **4,416** businesses

### Turnover
- **£231M** combined

### Employment
- **2,887** combined FTE

### Targets
- **3hr assists (P13)**, % of target:
  - 85% achieved

- **12hr assists (C1)**, % of target:
  - 69% achieved

- **New enterprises (C5)**, % of target:
  - 41% achieved

- **Jobs created (C8)**, % of target:
  - 48% achieved

### Source of enquiry (Top 10)
- Event - Growth Hub: 24%
- Growth Hub Website: 23%
- Other (please specify): 13%
- Approached by Growth Hub: 13%
- Event - Other: 9%
- Referred by another business: 7%
- Growth Hub Marketing: 4%
- National Business Network: 3%
- Growth Hub Surgery: 2%
- Twitter: 2%

### Size of businesses
- 1-9 Micro (inc. Proprietor): 66%
- 10-49 Small: 7%
- Unknown: 25%

### Key Sectors
- Creative & Digital: 40%
- Life Sciences: 13%
- Visitor Economy: 12%
- Food & Drink: 10%
- Construction: 10%
- Low Carbon: 6%
- Transport Eq.: 5%
- Other: 2%

### Nature of enquiry (Top 10)
- Business Strategy and Planning: 39%
- Access to Finance: 33%
- Starting A Business: 12%
- Sales and Marketing: 5%
- Other: 5%
- Staff Training/Development: 3%
- New Product & Service Development: 1%
- Searches for Premises: 1%
- Management Training/Development: 1%
- Sector Specific Expertise: 1%
Engagement by Local Authority

### Derbyshire

- **Total**: 2,529
- **High Peak**: 348
- **Derby**: 748
- **Chesterfield**: 476
- **Bassetlaw**: 183
- **Mansfield**: 223
- **Newark & Sherwood**: 284
- **Ashfield**: 168
- **Gedling**: 229
- **Bolsover**: 183
- **Broxtowe**: 270
- **Derbyshire Dales**: 535
- **NE Derbyshire**: 228
- **South Derbyshire**: 217

### Nottinghamshire

- **Total**: 1,688
- **Nottingham**: 1,744
- **Rushcliffe**: 304
- **Newark & Sherwood**: 284
- **Bassetlaw**: 210
- **Mansfield**: 223
- **Ashfield**: 168
- **Gedling**: 229
- **Bolsover**: 183
- **Broxtowe**: 270

### Recipients of referrals/Signposts

#### Derbyshire

- **Nottinghamshire County**: 2,492
- **Cities**: 2,122
- **C1**: 159
- **C5**: 12
- **P13**: 124
- **Overall penetration rate**: 15.3%
- **Number of businesses**: 16,255

#### Nottinghamshire

- **Total**: 2,492
- **Nottingham**: 1,744
- **Derby**: 748
- **Rushcliffe**: 304
- **Newark & Sherwood**: 284
- **Bassetlaw**: 210
- **Mansfield**: 223
- **Ashfield**: 168
- **Gedling**: 229
- **Bolsover**: 183
- **Broxtowe**: 270

### Top 7 categories

- **Access To Finance**: 1,190
- **ICT & Digital Support**: 677
- **Innovation**: 499
- **Start-Up Support**: 388
- **Skills**: 456
- **Sector Specif...**: 390

### Engagement, outputs and penetration rate by LA

<table>
<thead>
<tr>
<th>Local Authorities</th>
<th>Engaged</th>
<th>P13</th>
<th>C1</th>
<th>C5</th>
<th>C8</th>
<th>Overall penetration rate</th>
<th>Total number of businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derbyshire County</td>
<td>2,529</td>
<td>753</td>
<td>124</td>
<td>15</td>
<td>8.6%</td>
<td>29,450</td>
<td></td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>535</td>
<td>99</td>
<td>43</td>
<td>11</td>
<td>11.4%</td>
<td>4,680</td>
<td></td>
</tr>
<tr>
<td>Chesterfield</td>
<td>476</td>
<td>157</td>
<td>46</td>
<td>0</td>
<td>14.3%</td>
<td>3,320</td>
<td></td>
</tr>
<tr>
<td>High Peak</td>
<td>348</td>
<td>133</td>
<td>1</td>
<td>0</td>
<td>8.9%</td>
<td>3,925</td>
<td></td>
</tr>
<tr>
<td>Amber Valley</td>
<td>302</td>
<td>96</td>
<td>15</td>
<td>1</td>
<td>6.8%</td>
<td>4,460</td>
<td></td>
</tr>
<tr>
<td>Erewash</td>
<td>240</td>
<td>70</td>
<td>3</td>
<td>0</td>
<td>6.5%</td>
<td>3,690</td>
<td></td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>228</td>
<td>83</td>
<td>2</td>
<td>0</td>
<td>6.8%</td>
<td>3,335</td>
<td></td>
</tr>
<tr>
<td>South Derbyshire</td>
<td>217</td>
<td>49</td>
<td>3</td>
<td>1</td>
<td>5.9%</td>
<td>3,690</td>
<td></td>
</tr>
<tr>
<td>Bolsover</td>
<td>183</td>
<td>66</td>
<td>11</td>
<td>0</td>
<td>7.8%</td>
<td>2,350</td>
<td></td>
</tr>
</tbody>
</table>

**Cities**

- **Nottingham**: 1,744
- **Derby**: 748

**Nottinghamshire County**

- **Total**: 1,688
- **Rushcliffe**: 304
- **Newark and Sherwood**: 284
- **Broxtowe**: 270
- **Gedling**: 229
- **Mansfield**: 223
- **Bassetlaw**: 210
- **Ashfield**: 168

**Total**

- **Engaged**: 6,709
- **P13**: 2,123
- **C1**: 327
- **C5**: 26
- **C8**: 28
- **Overall penetration rate**: 9.3%
- **Number of businesses**: 72,430
D2N2 GROWTH HUB
MARKETING STRATEGY OVERVIEW 2018—2022 (DRAFT)

Key Partners
- Local Authorities
- D2N2 LEP
- East Midlands Chamber
- BEIS
- DIT
- Universities
- Innovate UK
- Business Support Programme Partners

Key Activities
- Strategic Opportunities
- Customer Segmentation
- Customer Reviews
- Reporting Impact
- Enhanced Partnership Working

Value Propositions
- The ‘go to’ place for business support
- Free and Impartial
- Referral Service
- GH Programmes (Scale Up)
- GH Programmes (Digital) (Mentoring)
- GH Grant Support
- Additional Resource
- Link with local business community
- Data and intelligence gathering

Customer Relationships
- Telephone Support
- Account Management
- Executive Board
- Business Community
- Exec & Board
- Account Management

Customer Segments
- SMEs

Channels
- GH Business Advisers
- Account Management
- Account Management
- Media Relations
- Events
- Enquiry Line
- Website
- E-Newsletter
- Social Media
- Learning App

Cost Structure
- Channel Costs
- CRM

KPIs
- Event Attendance and Feedback Evaluations
- Enquiries (Tel and Online)
- Digital and online Impact
- Case Studies
- Intermediary Referrals
- Grant Enquiries and Applications

Created by SMEs DELIVERY PARTNERS
1. INTRODUCTION

This report provides an overview of performance of both the Local Growth Fund budget and the Growing Places Fund.

2. RECOMMENDATION

To NOTE the paper.

3. PROGRESS

3.1 In addition to the separate reports on the Local Growth Fund from the Infrastructure Investment Committee and the Growing Places Fun Sub-group this paper provides an overview and update on progress of both programmes.

An overview of both funds is provided by way of background details on the make-up and operation of both funds at Annex 1

3.2 LOCAL GROWTH FUND 2018/19

Overall good progress is being made in this financial year with projects coming forward for approval and delivery.

After the delays in the last financial year and the underspend against our target with Government at the end of the year, we have made significant progress with a number of our large capital projects moving forward.

The table below shows our financial target for this year and our current estimated end of year position:

<table>
<thead>
<tr>
<th>2018/19</th>
<th>BUDGET</th>
<th>SPENT TO DATE</th>
<th>FORECAST</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Millions</td>
<td>32.36</td>
<td>23.00</td>
<td>53.13</td>
<td>+20.77</td>
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</table>

The table shows that against our budget of £32.36M (financial target and allocation set by Government) we are showing that we will spend £53.13 Million, and have already spent £23M. Whilst this is an overspend against the budget this takes in to account underspends from previous years which currently sit at £40M.

We have profiled the rest of the underspend across the remaining financial years of the Local Growth Fund (2019-2021), to balance the funding received from Government with what is required to deliver the full programme. Further details are provided in the report from the IIB.
We continue to closely monitor the programme and review all projects at the IIB on a risk based approach. Currently there are 4 projects flagged as high risk which are detailed in the attached High Risk report.

In advance of the end of the year and in preparation of the Annual Performance Review we have written to all projects to provide an end of year position to ensure that we have an accurate understanding of the programme and mitigate any risks where projects are failing to meet their targets. At the same time we are continuously exploring opportunities for accelerating delivery to offset any delays across the programme which are inevitable with complex physical infrastructure schemes.

In terms of outputs we are again making good progress against delivering our core targets and report these back through the IIB.

3.3 GROWING PLACES FUND

The attached report provides a detailed update on progressing the current pipeline of projects.

Of the overall programme allocation of £23.3M, £11M of loans have been agreed with a further £7M under review. Leaving just under £6M unallocated.

In terms of approved loans these are progressing well with payments, with a number of applicants seeking early re-payment.

With regards to projects under review these have all been provided with clear indications of what is required from them to move forward, with a long-stop date for completion or withdrawal from the programme.

The GPF sub-group agreed that no further applications will be accepted and a review of the programme will be commissioned once the LEP Single Accountable Body was appointed to re-shape the fund to meet the current market demand.
### Projects at High Risk are:

<table>
<thead>
<tr>
<th>Project</th>
<th>Why is this high risk?</th>
<th>Mitigation</th>
<th>LGF Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gedling Access Road</td>
<td>The promoter has reported that the start date for commencement had previously slipped by 12 months due to delays in land being purchased through a Compulsory Purchase Order.</td>
<td>The promoter has provided an update to the IIB and has had approval for a Pre-Compliance Agreement. Work on a CPO is ongoing and the project promoter is currently awaiting any final objections should they be lodged. The promoter will have a greater indication of the potential challenges that have been lodged and subsequently the future timescales of the project in January 2019.</td>
<td>£10.8M (£40.2m Total Cost)</td>
</tr>
<tr>
<td>Applicant Nottinghamshire County Council</td>
<td></td>
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<tr>
<td>The Gedling Access Road is a new 3.8km road which provides access to the regenerated Gedling Colliery site to allow development of 1150 Homes and 6ha of employment land.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A61 Corridor and Whittington Moor Roundabout</td>
<td>Delays in submitting the business case on the first phase of the programme in relation to Whittington Moor.</td>
<td>The promoter has provided previous updates to the IIB on progress and has had approval for a Pre-Compliance Agreement to support the development of the full corridor development.</td>
<td>£16.04M (£20.8m Total Cost)</td>
</tr>
<tr>
<td>Applicant Derbyshire County Council</td>
<td></td>
<td>The project has been awaiting the conclusion of a consultation on the proposed improvements at Whittington Moor Roundabout. A number of objections have been raised to a proposed road closure which has delayed the scheme. A report on the options will be presented to the December IIB along with progress on the remainder of the corridor improvements.</td>
<td></td>
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<tr>
<td>The A61 Corridor is a collection of highways improvements through Chesterfield to enable delivery of housing and employment sites whilst mitigating congestion factors.</td>
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</tr>
<tr>
<td>Newark Southern Link Road</td>
<td>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion</td>
<td>The applicant made a submission to the Housing Infrastructure Fund which was not successful. Further funding alternatives are being considered.</td>
<td>£7M (Total Cost £47m)</td>
</tr>
<tr>
<td>Project</td>
<td>Why is this high risk?</td>
<td>Mitigation</td>
<td>LGF Investment</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Applicant Newark and Sherwood District Council</td>
<td>Newark Southern Link Road provides a link road between the A46 and A1 South of Newark Town Centre to facilitate the delivery of up to 3150 homes.</td>
<td>currently being worked on from the project sponsor. Meetings have been held with key stakeholders to come to a conclusion about potential funding solutions for the project. D2N2 has part funded an independent viability assessment to identify the best course of action for funding the full scheme. A further meeting with key partners is due to be held in December to review the assessment and agree a solution.</td>
<td></td>
</tr>
<tr>
<td>Southern Gateway Applicant Nottingham City Council</td>
<td>The Southern Gateway project involves the demolition and regeneration of the Broadmarsh Car Park and surrounding areas to enhance the public realm in the south of Nottingham City.</td>
<td>Ongoing delays in submitting the business case and the high level of spend therefore the impact on the programme as a result of the delay</td>
<td>£15M (Total Cost £42.7m)</td>
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</tbody>
</table>
Item 3.3 Annex 1

LEP Funding Streams Overview

Local Growth Fund (LGF)

Background to the fund

The Local Growth Fund is a capital infrastructure investment fund from the Ministry of Housing, communities and Local Government and totals £12bn nationwide. D2N2 has received £257m of funding over the three existing funding rounds which started in 2014, D2N2 has received the following awards:

- Growth Deal 1 (July 2014) - £172.3m
- Growth Deal 2 (January 2015) - £22.2m
- Growth Deal 3 (November 2016) - £62.99m

Process for project allocation

All the projects in the current programme came forward as part of an open call selection process which formed the basis of the bid for Local Growth Funding to Government.

D2N2 made an open call for new projects to come forward to deliver the economic growth priorities of the area based on the Strategic Economic Plan (SEP). All projects that were received from the public and private sector were scored independently against the Single Assessment Framework (SAF) which scored projects based on their Strategic, Economic and Delivery cases from each expression of interest.

Once these were completed and prioritised the projects were selected for submission to Government as part of the LEPs overall Growth Deal submission.

Government prioritised the projects and approved funding to D2N2 based on individual projects from the submission.

Management of funds

After the funding award was delivered to D2N2, the LEP worked as the managing authority for the funds to ensure that projects comply with the Local Assurance Framework to be able to release funding to the projects.

The LAF is based on the National Assurance Framework that is published routinely by Central Government to ensure that compliance and suitable governance processes are in place for the delegated release of funds. All projects are subject to a two stage assurance process from this point that is internally reviewed by LEP Officers at the outline business case stage and then approved by the Infrastructure Investment Board (IIB) at the Final Business Case stage.
The IIB has been granted delegated decision making powers by the D2N2 LEP Board and is made up of the following members:

- 8 members from D2N2 Upper tier authorities (2 from each authority)
- 4 District/Borough reps (2 from Derbyshire, 2 from Nottinghamshire)
- 2 Private Sector LEP board members
- Education sponsor

**Programme Overview**

The programme as stated has received £257m of funding from government to fund 51 projects across Derbyshire and Nottinghamshire. The following is a list of the types of projects funded with match contributions from the project sponsors:

- Transport and Road Infrastructure
- Flood Defence and Alleviation
- Skills and Learning Facilities
- Visitor Economy
- Business Park development
- Urban regeneration and renewal

Across the 51 projects it is expected that the funding will help to deliver 29,000 jobs and 10,700 homes.

**Growing Places Fund**

The Growing Places Fund (GPF) is a recurring loan fund to deliver job growth and retention in D2N2 by providing loans to business to spend on capital projects with the aim of expanding business. The fund holds no restrictions on the type of organisation that can apply and aims to help ‘stalled’ projects be delivered with loans between £250k and £2 million.

Delivery and economic impact are the two main factors that are considered in the assessment of bids as well as:

- Project readiness;
- Deliverability and risks;
- Financial implications (leverage, prompt draw down and repayment);
- Value for money;
- Job creation benefits; and,
- Other economic benefits (e.g. GVA/GDP growth/potential)

**Process for applications**

The first stage of the loan application process requires any potential applicant to submit an Expression of Interest to the LEP and Accountable Body for an internal due diligence review. Following this review if successful the project will be passed on
to the GPF Sub Group made up of officers from D2N2 LEP, 4 Upper tier authorities and the Accountable Body. Should the GPF Sub Group approve the project then the submission is delivered to an external firm which will carry out an independent due diligence exercise which informs whether the loan is appropriate to take forward from a risk perspective. Should a loan be seen as suitable all decisions are then given to the LEP Board who have final authority over any loan sign off with the recommendation of LEP officers and the GPF Sub Group.

**GPF Progress**

Currently 9 projects have active loans through the GPF mechanism with a total value of £11.093m of GPF allocated, this allocation has released a further £46.5m of private sector investment in to the D2N2 economy as a result of the match funding for Capital projects in the area.

The funding is expected to contribute to the delivery of at least 500 jobs, 800 homes and the delivery of 200,000m² of commercial floorspace with the projects that are currently funded.

The Loan fund is currently on hold and will be reviewed in the New Year to see what product is the best fit for the current market to achieve the funds objectives.
D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD REPORT

DATE: 30 November 2018
REPORT LEAD: Cllr Lewis
AGENDA ITEM: Item 3.5

TITLE: IIB Local Growth Fund Budget Report

1. INTRODUCTION

This report provides an update on the Local Growth Fund budget

2. RECOMMENDATION

To note the paper

3. PROGRESS

The current forecast shows that in 2018/19 the programme is overcommitted by £21m. This will be offset by the money being held by Derbyshire County Council to achieve a balanced budget.

The remaining balance held by DCC will then be returned to the programme in 2019/20.

The LEP and Accountable Body are currently reviewing the final two years grant profile to ensure a workable cashflow position.

The overall programme is currently showing an over commitment of £7.45m, which at the June 2017 IIB meeting was agreed to be funded by a £4m contribution from the Growing Places fund and the balances to be shared on an equitable basis by the 4 Upper Tier Authorities.
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<td>Total LGF Commitments</td>
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<td>55.40</td>
<td>66.40</td>
<td>53.13</td>
<td>47.50</td>
<td>38.96</td>
<td>258.17</td>
</tr>
<tr>
<td>Total LGF funding</td>
<td>39.05</td>
<td>55.40</td>
<td>66.39</td>
<td>32.36</td>
<td>17.42</td>
<td>40.09</td>
<td>250.71</td>
</tr>
<tr>
<td>Annual (under)/over commitments (£M)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.01</td>
<td>20.77</td>
<td>30.08</td>
<td>-1.13</td>
<td>Overall Overspend 7.46</td>
</tr>
</tbody>
</table>