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Welcome to the 2018/19 D2N2 Local Enterprise Partnership Annual Review which marks my first year as Chair. In every sector, every area, and every community in our region, D2N2 is helping to grow our economy.

D2N2 is more than a region of 1847 square miles, 2.1 million residents, and an economy worth £45 billion. We are the heart of England.

We are the heart of England culturally, with a number of world-class visitor attractions. D2N2 has worked with and invested in improvements to many of these including Buxton Crescent, Nottingham Castle, the Sherwood Forest Visitor Centre, and Derby’s Museum of Making in order to boost our visitor economy.

We are the heart of England creatively, as the birthplace of the MRI machine, the factory, and even the hot dog. Today, we continue to invest significantly towards advances in sectors such as health, low carbon, and energy to provide a better future for all.

And we are the heart of England logistically. Our connectivity and excellent transport links, including the motorway system and current mainline railways, will be further strengthened by HS2. We will use the transformation HS2 brings to drive the region towards a carbon-free tomorrow.

To make our carbon-free future a reality, we will work with business, local authorities, education providers, and the third sector. We will realise the opportunities carbon-free offers our region: technologically, logistically, digitally, and industrially.

Our future begins with our people taking pride in and celebrating our place at the heart of England. We have a duty to work in partnership across the region to deliver a healthy, prosperous, and thriving economy and place.

I thank our partners for their past support and joint investment, and look forward to continuing our work as we look to grow our economy quickly and sustainably, whilst improving the long-term health of our environment.

If we are to be an example to the rest of the UK, revolutionising our approach to growing our economy without sacrificing our environment, then it’s up to us.

Together.

Elizabeth Fagan
Chair, D2N2 LEP
Our Region at a Glance

D2N2 has had another very successful year with much progress made in a number of areas across the breadth of our region.

We have made great progress on the ground with transformational infrastructure projects, world-leading innovation, and an increased focus on careers activity within schools.

We continue to work collaboratively to raise aspirations whilst supporting our people to develop their skills and grow our businesses.

Here are just some of the projects that we are working on across our region.
Across the D2N2 region, businesses and people have had to evolve to meet the new challenges of an ever-changing national and global landscape.

As a Local Enterprise Partnership (LEP) we have also embraced change to strengthen our role in light of the government’s LEP review. We have responded in full by addressing all of its recommendations as part of our growth aspirations and ambitions, so we can create a more productive and balanced economy.

We have reviewed and strengthened our governance and structure, and this year have increased board membership and diversity. We have also put in place a new model to engage with wider partners and expanded our officer capacity.

Our new governance and internal structure will give us the line of sight to improve our delivery, enhance our governance, and work to produce a compelling place-based narrative that can be embraced by all.

Whilst our work is underpinned by governance and an evidence-based strategy, delivery is at the heart of what we do. We have made great progress on the ground with transformational projects such as Nottingham College’s new city centre campus, the City Hub and Buxton Crescent progressing towards completion in 2020. We have pushed forward on careers-focused activity, engaging with even more schools, and we have raised aspirations whilst futureproofing our workforce through European funds allocated to develop our people and grow our businesses.

Growing our economy responsibly requires a concerted effort across a range of areas and a collaborative approach by all. Our strategic economic plan, Vision 2030 sets out a strategy to improve productivity and inclusive growth. This will lay the groundwork for the creation of a Local Industrial Strategy (LIS) to reframe our landscape and develop a robust economy for the future.

Much has been achieved, but there is more to be done. The future of our area is full of opportunities and we will continue to ensure our work and focus delivers growth and productivity for the benefit of everyone who lives and works within our region.

Sajeeda Rose
Chief Executive, D2N2 LEP
Local Industrial Strategy (LIS): Shaping our economic future

The aim of the D2N2 Local Industrial Strategy (LIS) is to set out how we achieve greater productivity and inclusive growth, defining the distinctive long-term economic opportunities for our region.

Our board have agreed to develop an industrial strategy for the region focused on the opportunities for clean and inclusive growth as a unifying and distinctive theme.

The groundwork on the LIS for our region has started with an extensive evidence gathering exercise based on the five ‘foundations of productivity’ and four ‘Grand Challenges’ found in the UK’s Industrial Strategy.

The evidence base is intended to help inform the development of our LIS ahead of publication in March 2020.

For more information search ‘Local Industrial Strategy’ on the D2N2 website.

D2N2 in numbers

Key statistics

2,207,501 people with life expectancy of 79 years for men and 83 years for women

£542 median gross weekly pay

£21,201 Gross Value Added per head

930,000 jobs

971,790 dwelling stock

93.8% of people educated to NVQ4 and above

41.4% with superfast broadband

978,460 active enterprises

Local Growth Fund: Increasing prosperity and growth

One of D2N2’s key priorities this year has been to deliver year three of a £257.5 million programme of projects secured through the Government’s Local Growth Fund.

Our Local Growth Fund brings together local, national, and private sector partners to deliver transformational capital projects that benefit the local area and economy. By 2030, we aim to support the delivery of 18,000 jobs, 8000 houses and thousands of learners.

So far D2N2 has unlocked 3,835 jobs, 1237 homes and 906 learners.

This year we have supported infrastructure projects to unlock growth, worked with universities to build facilities to increase research and development in key sectors, and helped employers and training providers to develop workforce skills. We have also invested in strengthening our visitor economy to increase the number of visitors to the region and support further business growth and job creation.

This year a total of 16 projects and programmes across the D2N2 region have received growth deal funding. We have invested over £45m in local projects to drive economic growth in line with our 2018/19 targets.
Local Growth Fund Highlights

City Hub

The southern part of Nottingham city centre will change significantly over the next few years as a result of investment by D2N2. This includes £30 million we have allocated to The City Hub development, which represents our single largest investment. A part of Nottingham City Council’s ‘Nottingham Southside’ project, the new city centre campus will become the home of Nottingham College. The City Hub campus will be a landmark building for Nottingham, serving as many as 2000 students per year and providing high-quality college and community facilities.

The City Hub will foster and support links to employers and industry whilst providing industry-standard vocational learning, training facilities, and resources. It will also provide new business and incubation space.

The £58 million scheme is expected to be completed in 2020, increasing economic growth and delivering a step-change in the skills of the community.
In June this year, a £1.4m innovation centre at the University of Derby was unveiled to the rail industry providing expertise and technology to transform the development of rail transport.

The RRIC will enhance the skills of rail sector employees, support businesses and develop new collaborative research projects to unlock opportunities and greater efficiencies to rail supply chain businesses in the region.

Total Project Cost: £1.4 million.
D2N2 LGF Allocation: £902,800

Business Growth

The D2N2 Growth Hub is a vital network for growing ambitious businesses across Derby, Derbyshire, Nottingham, and Nottinghamshire.

Our team of specialist advisers work with businesses to review and identify those areas of a business which can be improved. Funded by the European Regional Development Fund (ERDF), our Growth Hub has helped more than 7,000 companies since it started in 2014.

Our priority this year has been to strengthen productivity growth across sectors and move towards a more high-value economy through better access to advice on exporting, finance, digitalisation, innovation, and leadership and management.

For more information visit: d2n2growthhub.co.uk

Case Study
Building solid foundations with Conspare

Conspare is a concrete specialist based in Derby with over 40 years’ experience in helping concrete producers improve their processes and efficiency.

To help it better position itself and grow, Conspare engaged with the D2N2 Growth Hub to support them with a major rebrand. The Growth Hub provided £16,000 of grant funding towards the development of a new website and technology for remote staff to improve efficiency in assessing client needs, open new market sectors, and create new jobs.

“...The funding from the Digital Growth Programme [part of the D2N2 Growth Hub] has enabled us to bring these to fruition and helped us to launch ‘Make it better’ to the industry at large. ‘Make it Better’ has redefined Conspare as a business and has taken us from the realms of selling spare parts and components to becoming a trusted process improvement partner to the industry’s big players.”

James Bullock, Conspare Managing Director
People and Skills:

Supporting business growth and job creation

The D2N2 region has one of the fastest-growing and well-balanced economies in the UK. As a result, we need to ensure we have a supply of appropriately qualified people to sustain this growth.

Stronger links are being built between schools and employers to help young people better realise their career potential. This year our Enterprise Advisor Network matched more than 100 schools across the region with volunteer business advisors.

In May, a new Careers Hub was established to cover 21 schools in North-East Derbyshire (including ones in Chesterfield and Bolsover) following a successful bid by D2N2 and partners.

The new hub will bring together schools and colleges along with employers, universities, training providers, and career professionals to improve job opportunities for young people.

For more information visit: www.d2n2schools.co.uk

Case Study

Network builds links between tech firm and Nottingham School

Currently, one in six technology specialists in the UK are female, while only one in ten are IT leaders.

To inspire young women to pursue careers in technology, the D2N2 Enterprise Adviser Network teamed up with global software firm, Ideagen Plc and one of the top schools in Nottingham, The Nottingham Girls’ Academy.

The partnership has helped The Nottingham Girls’ Academy create a careers strategy focussing on challenging gender stereotypes and increasing the number of girls embarking into science, technology, engineering, arts, and maths (STEAM) careers.

D2N2 People & Skills

“ This is a truly fantastic initiative, and I am particularly pleased to be working alongside the Nottingham Girls’ Academy in bringing this project to fruition.”

Ben Dorks, Ideagen CEO and D2N2 Enterprise Advisor

European Funding Programme

Since the current round of European Structural and Investment Funds (ESIF) were launched in 2014, we have committed £83m of the £196m allocated to the D2N2 LEP region to stimulate growth and jobs.

ESIF includes allocations from three European funds; European Regional Development Fund (ERDF), European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD).

This year we have invested in opportunities to help local areas grow and supported investment in innovation, businesses, skills, and employment in line with the programmes’ aims and objectives.

We have continued to raise awareness of funding opportunities and supported organisations in making high-quality applications designed to create a more productive and prosperous region for all.
**ESF Case Study:**

**Nottingham Trent University (NTU) programme delivers groundbreaking courses**

The ESF funded High-Level Skills programme is a ground-breaking consortium that brings together universities and colleges in the region to develop learning and training in collaboration with SMEs. The programme involves two complementary projects, Priority Skills for D2N2 SMEs and GRADS for D2N2.

Across D2N2, women play a huge role in business, but they are often paid less than their male counterparts. They are also more likely to miss out on career development opportunities due to factors such as part-time working to juggle responsibilities like childcare or caring for relatives.

As part of Priority Skills for D2N2 SMEs project, Nottingham Trent University has launched a series of courses that provide SMEs with the opportunity to access free bespoke training and career coaching for women keen to progress into senior management and leadership roles.

**ERDF Case Study:**

**Supporting the growth of life sciences**

The life sciences industry is an important sector across the D2N2 economy. The Inspiring Networking to Stimulate Technological Innovation in Life Sciences (INSTILS) project provides small and medium-sized life sciences firms in the D2N2 area with support and advice to innovate and create new products.

ERDF funding provided £3.69 million of the £7.39 million total project cost. The project is delivered by Medilink East Midlands in partnership with the University of Nottingham, Nottingham University Hospitals NHS Trust, and the East Midlands Academic Health Science Network (EMAHSN).

This year, the INSTILS project has helped NuVision® Biotherapies conduct a pilot clinical study to evaluate their regenerative therapy Omnigen® for the treatment of non-healing Diabetic Foot Ulcers. The pilot is almost complete and is showing very promising results.

**D2N2 INSTILS support:**

““The INSTILS support has been mission-critical, giving new data and opening up new pathways and pilot trials that we would not have reached without the support. Every other option open to us would not have produced the critical data required.””

Dr Andrew Hopkinson, CEO NuVision® Biotherapies
D2N2 Economic Context

Our vibrant economy, strategic location, and reputation are at the heart of England. D2N2 is home to some of the country’s leading businesses, world-class universities, and a proud heritage of innovation. The work to develop our Local Industrial Strategy will build on our successes and focus on the opportunities that will enable us to grow our economy quickly and sustainably, improving the long-term health of the environment. We want to ensure our people are leading healthy lives, celebrate and take pride in where they live and grow our economy collectively across the four corners of the D2N2 region.

D2N2 LEP Annual Accounts 2018 | 2019

The information below provides a summary of the funding that the D2N2 LEP is directly responsible for overseeing.

Financial Summary 2018/19

<table>
<thead>
<tr>
<th>Income Type of Funding</th>
<th>2018/19</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Growth Fund</td>
<td>Capital</td>
<td>£45,662,035</td>
</tr>
<tr>
<td>Growth Hub</td>
<td>Revenue</td>
<td>£430,500</td>
</tr>
<tr>
<td>Project Development</td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Energy Strategy</td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Skills Advisory Panels</td>
<td>Revenue</td>
<td>£75,000</td>
</tr>
<tr>
<td>Careers and Enterprise Company</td>
<td>Revenue</td>
<td>£240,779</td>
</tr>
<tr>
<td>HS2 Toton</td>
<td>Revenue</td>
<td>£190,000</td>
</tr>
<tr>
<td>HS2 Growth Strategy</td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Central Government LEP core funding</td>
<td>Core</td>
<td>£500,000</td>
</tr>
<tr>
<td>Additional LEP Review funding from Central Govt</td>
<td>Core</td>
<td>£100,000</td>
</tr>
<tr>
<td>Local Authority funding*</td>
<td>Core</td>
<td>£250,000</td>
</tr>
<tr>
<td>Income from grants**</td>
<td>Core</td>
<td>£165,037</td>
</tr>
<tr>
<td>Balance brought forward from previous years</td>
<td>Core</td>
<td>£264,210</td>
</tr>
<tr>
<td>** Total Income</td>
<td>£48,587,561</td>
<td>£68,224,985</td>
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</tbody>
</table>

* £62,500 each from Derbyshire County Council, Derby City Council, Nottinghamshire County Council and Nottingham City Council.
** Local Growth Fund and Technical Assistance funding.

Expenditure 2018/19

<table>
<thead>
<tr>
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<th>2018/19</th>
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<td></td>
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<td>Energy Strategy Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills Advisory Panels</td>
<td>Revenue</td>
<td>£75,000</td>
</tr>
<tr>
<td>Careers and Enterprise Company</td>
<td>Revenue</td>
<td>£202,467</td>
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<td>HS2 Toton Revenue</td>
<td>£190,000</td>
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<td>HS2 Growth Strategy Revenue</td>
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<td>Core</td>
<td>£500,000</td>
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<td>Core</td>
<td>£100,000</td>
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<td>Core</td>
<td>£250,000</td>
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<td>Core</td>
<td>£165,037</td>
</tr>
<tr>
<td>Balance brought forward from previous years</td>
<td>Core</td>
<td>£264,210</td>
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<tr>
<td>** Total Expenditure</td>
<td>£47,618,424</td>
<td>£68,480,346</td>
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</tbody>
</table>

Notes

- The colour of each indicator reflects its position relative to England’s average (the percentage difference is stated in brackets).
- Purple: the latest value is at least 5% below the average.
- Green: the latest value is above the average.
- ** Productivity is measured by GVA per full-time equivalent worker. Higher level qualifications is measured by the proportion of NVQ level 4 and above in the working age population. The ratio of median house price to gross annual resident earnings is used to measure housing affordability (lower is better).

Year end closing balance 2018/19

<table>
<thead>
<tr>
<th>Year end closing balance</th>
<th>2018/19</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Strategy Revenue</td>
<td>£13,689</td>
<td>£40,000</td>
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<tr>
<td>Skills Advisory Panels</td>
<td>Revenue</td>
<td>£75,000</td>
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<tr>
<td>Careers and Enterprise</td>
<td>Revenue</td>
<td>£38,795</td>
</tr>
<tr>
<td>Project Development</td>
<td>Revenue</td>
<td>£181,106</td>
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<tr>
<td>HS2 Toton</td>
<td>Revenue</td>
<td>£364,499</td>
</tr>
<tr>
<td>HS2 Growth Strategy</td>
<td>Revenue</td>
<td>£566,759.79</td>
</tr>
</tbody>
</table>

| Revenue Type of Funding | 2018/19 | 2017/18 |
D2N2 Board Members

The D2N2 Board has 17 current members, bringing together business, local authority, and university leaders to ensure that our work meets the needs of the region.

David Williams – Deputy Chair
Chairman
Goldlands LLP

Graham Cartledge CBE
Chairman
Handley House

Councillor Kay Cutts
Leader
Nottinghamshire County Council

Elizabeth Fagan – Chair
Non-Executive Chair
Boots

Paul J Harris
Founder
Phi Advisory Limited

Councillor Barry Lewis
Leader
Derbyshire County Council

Councillor David Mellin
Leader
Nottingham City Council

Jan Howson
Chief Executive Officer
Autism East Midlands

Emma Rigler
Managing Director
True Story

Councillor Simon Robinson
Leader
Rushcliffe Borough Council

Karen Smart
Managing Director
East Midlands Airport (EMA)

Councillor Martin Thacker
Leader
North East Derbyshire District Council

Dawn Ward, CBE
Chief Executive and Principal
Burton and South Derbyshire College

Advisory Boards

This year D2N2 created four Advisory Boards (Innovation, Place, Business Growth, People and Skills) to support the D2N2 Board, strengthen our governance, and create greater collaboration and inclusivity in our decision making. Each Advisory Board provides regular progress updates to the D2N2 Board and is developing a work programme to drive forward their areas of responsibility.

Search ‘D2N2 Board’ on the D2N2 website for more information