



D2N2 LEP BOARD – AGENDA
 Friday, 31 January, 2020 (10.00am – 12 noon)

NE Derbyshire District Council, 2013 Mill Lane Wingerworth Chesterfield S42 6NG

1.1	Welcome and Introductions		Verbal	10.00
1.2	Declarations of Interest		Verbal	10.03
1.3	Minutes of meeting 19/12/19 and matters arising		Paper	10.05
2.	Strategic discussion			
2.1	Chair’s Report, including: a) Local Industrial Strategy update (inc presentation by Arup) b) Advisory Boards update (inc Place Board presentation by David Williams) c) Partnership Engagement	Elizabeth Fagan Joanna Rowelle David Williams	Paper Presentation Presentation	10.15 10.30 10.50
2.2	D2N2 Chief Executives Report, including: a) Annual Performance Review b) Growth Hub update c) Stronger Towns Fund d) Marketing and Comms update	Sajeeda Rose	Paper	11.10
2.3	Performance Review and Update including projects for approval: Ashbourne Airfield/approval of pipeline	Sajeeda Rose	Paper	11.25
2.4	East Midlands Free Trade Zone Proposal Exempt item under Local Government (Access to Information) Act	Elizabeth Fagan	Paper	11.45
3.	Any other business			11.55
4.	Date of next meeting: Tuesday, 31 March, 2020 (10 am – 12 noon) Notts 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 19 December, 2019

Rushcliffe Arena, Rugby Road, West Bridgford, Nottingham NG2 7HY

Chair Elizabeth Fagan
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Graham Cartledge	Business Representative
Paul Harris	Business Representative
Jane Howson	VCS Representative
Jayne Mayled	Business Representative
Cllr Chris Poulter	Derby City Council
Cllr Simon Robinson	Rushcliffe Borough Council
Viv Russell	Business Representative
Karen Smart	Business Representative
Cllr Martin Thacker	NE Derbyshire District Council
Viv Russell	Business Representative
David Williams	Business Representative
David Wright	Area Lead D2N2, BEIS

Also in attendance

Scott Knowles	East Midlands Chamber CEO
Robert Dixon	sub for Nottingham City Council CEO
Kath Marriott	Rushcliffe Borough Council CEO
Dan Swaine	Joint CEO Bolsover and N E Derbyshire DCs

Officer Support

Sajeeda Rose	Chief Executive, D2N2
Tom Goshawk	Head of Capital Programmes, D2N2
Rachel Quinn	Head of People and Skills, D2N2
Rob Harding	Head of Communications and Marketing, D2N2
Luke Stott	Communications and Marketing Officer, D2N2
Natalie Gasson	Head of Operations, D2N2
Sarah Wainwright	Derbyshire County Council Snr Accountant and D2N2 Monitoring Officer
Paul Stone	Representing S151 Officer

Apologies

Apologies were received from Board members Cllrs Lewis, Mellen and Cutts, Emma Rigler, Prof Mitchell and Dawn Ward. From the supporting officers, apologies were received from Anthony May, Ian Curryer and Carole Mills.

1.1 Welcome and Introductions

The Chair welcomed attendees to the meeting

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 meeting held on 24 September, 2019 were confirmed as a true record.

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

2. Local Industrial Strategy Arup presentation

The Chair introduced a presentation by Joanna Rowelle and Vicky Evans of consultants, Arup on the work completed to date to shape the vision for the LEP's Local Industrial Strategy (LIS).

Elizabeth Fagan prefaced the introduction by highlighting to Board members the critical importance of getting the overview plan in front of key Ministers in the new Government as a priority in the New Year.

JR and VE delivered a joint presentation, inviting comment and discussion as they progressed. Board was given a summary of the thinking to date which would inform the drafting of the final Strategy document. A draft version would be circulated as soon as possible in the New Year. The Strategy would include a number of overarching guiding principles, designed to tie in with the five pillars of government strategy on Place. Underpinning the guiding principles would be place-specific highlights – 'propositions' – based on evidence collected during the previous two-month consultation period.

The consultants sought constructive comments and confirmation that the work was progressing in the desired direction.

Discussion took place between sections of the presentation, out of which the following feedback was provided:

1. Board recognised that this work to shape an Industrial Strategy for the D2N2 area was an exercise currently being replicated around the country by other LEPs. There was concern therefore that the finished strategy should accurately demonstrate the potential for development throughout the D2N2 area and, crucially, that the finished document should be drafted in a way that made it stand out from the rest.

2. The summary narrative was accepted as a baseline starting point, but the finished Strategy document would need to be less generic and should include tailored examples to enrich the pitch and make the narrative appropriately compelling.
3. Notwithstanding 2 above, it was recognised that many of the suggested 'propositions' were region-wide and some examples would benefit some areas more than others. Appropriate examples should therefore be added to give a feel of the intended benefit or outcome of the Strategy. It should not become a list of proposed projects. David Wright for BEIS commented that for central Government, what was to happen where and to what timescale would have greater impact than specific named examples.
4. In response to references to connectivity in deprived areas, the need to improve general connectivity throughout D2N2, both E-W and N-S was highlighted strongly for the final draft.
5. Feedback from business leaders had consistently shown the persistence of the skills gap in this area. The final LIS should show proposed measures to address this, such as the early years interventions identified from the work of D2N2's People and Skills Board.

The Chair thanked the presenters.

Board **AGREED** a two-stage approach to producing the final Strategy: a completed overview to be brought to the next meeting on 31 January, 2020, with a final full version submitted to Government by April, 2020.

3. Items for Strategic Discussion

3.1 Chair's Report

The Chair presented her report updating Board on a number of developments since the last Board, including:

- a) Advisory Board Updates
- b) Implementation of the LEP review update
- c) Marketing and Communications update
- d) Update from the LEP Chairs Network meeting.

The Chair invited the respective Advisory Board Chairs to provide a verbal update to supplement the published notes.

For the Place Board, Chair David Williams reported some frustration that a final agreed list of projects had not yet been reached. The next meeting of the Place Board on 9 January, 2020 would need to address this in order to have the information for inclusion in the final draft LIS next month.

For the Innovation Board, Chair Paul Harris reported that the group had reflected on what had been included in early versions of the draft LIS and had focused in particular on two areas for input, namely innovation 'for a purpose' (with specific economic benefit) and public/private sector collaboration around innovation in areas such as social care.

For the Business Growth Board, Chair Viv Russell reported that from the task and finish groups had come a working definition of productivity based on GVA by the hour.

For the People and Skills Board, Jane Howson reported that in line with existing LIS feedback data, work had been ongoing to align priorities and in particular to put in place support from primary school onwards. This work would be further supported now that inclusion representatives were in place.

On completion of the LEP review, the Chair informed Board that she and the Deputy Chair

had been in talks with a number of private-sector representatives and hoped to have a final business representative appointed to the Board early in 2020.

Elizabeth Fagan thanked the executive team for a successful Annual Conference. She confirmed to Board that more work was to be done to get the message out to the public in the New Year, with the new website hopefully to be completed in the first quarter of 2020.

The Chair reported to members on the recent meeting of the LEP Chairs Network group, which had considered making the Network a governing body. Whilst this had been felt to be unnecessary since LEPs were already governed by BEIS, the need for strong governance had nevertheless been agreed and work was ongoing to shape the role of the Network going forward.

Board **NOTED** the report.

3.2 Chief Executive's Report

Sajeeda Rose presented her report updating Board on a number of items including:

- a) Staffing Update
- b) Local Industrial Strategy inc Arup report
- c) Mid-year and Annual Performance Review
- d) Growth Hub and Brexit Support
- e) ESIF Update

and referred members to the detailed notes under each item.

Board was advised that all appointments had now been made to the new staff structure and a full team would be in place from February, 2020.

D2N2's Annual Performance Review by BEIS would be taking place on 23 January, 2020 and feedback would be provided to the next Board meeting.

Good progress had been made with committing most of the European funding and work was under way with neighbouring LEPs to try to secure further funding from the national pot.

The Chief Executive also highlighted ongoing work to promote funding calls to rural businesses around the region, which was being well received with events being fully supported with attendances.

Board **NOTED** the report.

3.3 Policy Update from BEIS

David Wright was invited to give a verbal policy update to the Board.

He reiterated the general message arising from the earlier presentation discussion around the importance of co-ordinating the lobby to Government.

The Chair confirmed a number of upcoming initiatives tied in with this, including a planned dinner for key business leaders on 22 January, 2020 which she would be hosting and at which the vision to date would be shared and views sought on future direction.

She informed Board that a letter had also gone out to all MPs for the area and that group meetings for both Conservative and Labour MPs would be arranged in the New Year to

gain their perspectives.

Lobbying would also continue through Local Government and the Midlands Engine for HS2.

Board **NOTED** the update.

4. Standing items

4.1 Capital Programmes Performance Review and Update

Sajeeda Rose introduced an update report on the performance of the D2N2 Capital Programmes including the Local Growth Fund, Growing Places Fund and Enterprise Zones.

The Chief Executive confirmed that the LEP was now well on track to spend the target £40m and was quite likely to achieve the £46m figure when taking into account previous year's underspending.

On measuring impact, a review of the 51 projects under LGF was taking place and a report would be submitted to the next Investment Board meeting in January, 2020.

Cllr Poulter recommended reviewing the process for new pipeline bids, noting that short-notice bidding was leading to a number of failures as evidenced by recent scoring. In response, Sajeeda Rose acknowledged that the need to run a recent short-notice pipeline call in order to offer the funding opportunity had meant less time for bidders to prepare and the need for longer preparation time in future was recognised.

In response to a question from the Chair, Karen Smart confirmed that the governing Board for East Midlands Airport were in full support for the proposed regionally-led Free Trade Zone.

The Chief Executive drew Members' attention to the Gedling Access Road project, which had been due to be considered by a meeting of the Investment Board on 29 November, 2019. This meeting had been cancelled due to the impending General Election and the item needed to be presented for Board approval now in order not to set back the desired start date for the project. She invited Head of Capital Programmes, Tom Goshawk to deliver a short summary presentation.

Tom Goshawk reminded Board that the role of Investment Board focused on ensuring that all projects complied fully with the Local Assurance Framework (LAF). This project was for a 3.8km stretch of road within Gedling borough, which would create 7 new junctions to unlock development sites. The scheme would create 200 new jobs and 1,050 new homes. The project was significant due to its potential for additional development off an existing major road network and also to improve the general efficiency of a key road route between Nottingham and Mansfield.

From the initial business case in May, 2016 £500k pre-compliance funding had been awarded at the developer's risk. The project had previously been deemed high-risk due to a number of land issues, but these had now been resolved. It had passed through a full business check and was fully compliant with the LAF.

Board **NOTED** the report and **APPROVED** £10.8m of Local Growth Funding for the Gedling Access Road Project.

4.2 Development Corporation Update

Board **RECEIVED** a confidential written briefing update on the Development Corporation.

4.3 HS2 Update Report

Board **RECEIVED** an update report for information and noting on developments nationally, regionally and locally with HS2.

4.4 D2N2 Enterprise Zone Markham Vale

Board received an update report on Markham Vale and the Enterprise Zone and **NOTED** the continuing progress being made on development activities, securing new occupiers and other updates regarding the Enterprise Zone in general.

5. Any Other Business

None.

5 Date of next meeting

Friday, 31 January, 2020 (10.00am – 12.00 pm) – North East Derbyshire District Council.

**D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT**

DATE:	31 January 2020
REPORT LEAD:	Elizabeth Fagan
AGENDA ITEM:	2.1

TITLE:	Chair's Report
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1. INTRODUCTION

1.1 This report updates members on significant developments since the last Board meeting, specifically:

- a. Local Industrial Strategy
- b. Advisory Boards: Place Board
- c. Partnership Engagement

2. RECOMMENDATION

Board is asked to **NOTE** the report.

3 LOCAL INDUSTRIAL STRATEGY

Since the presentation and discussion at the last board meeting, the Arup team along with the Executive team have further developed the emerging Local Industrial Strategy taking into account the feedback from the board discussion.

As part of the ongoing consultation and engagement process, Arup presented at the Place Board and the D2N2 Leaders Board in early January and the key input from both of those sessions along with all the previous engagement has been captured in the final draft which the board will be asked to consider at the meeting.

We agreed as a board that we will develop our version of a compelling and succinct strategy setting out an ambitious vision for the region which we can use as the basis for leveraging a conversation with government for future investment. Further on in my report I will provide an update on the discussions I have planned over the coming weeks as part of promoting the regions ambitions.

Included within the board pack is the draft version of our Local Industrial Strategy that will be presented at the Board meeting for discussion and approval.

4 ADVISORY BOARDS

Since we last met as a Board on 19 December, 2019 the only advisory board that has met was the Place Board.

In addition to the update below I have invited David Williams, the Chair of Place board to provide an update to the main board on progress and direction of travel at the meeting.

The **Place Board** met on 9 January, 2020. The main focus of the agenda was to consider and contribute towards the local industrial strategy and in particular to identify key initiatives and projects that would transform the region within the context of the vision being developed by the LIS.

The Board also received a presentation from Homes England which captured the outcomes from a number of joint D2N2/Homes England facilitated workshops with Local Authority partners on the barriers to housing delivery in the region. The outcome of this work is continuing to be progressed with a view to addressing the identified barriers, this includes further workshops in mid-January that brought together Registered Housing Providers with Local Authorities to jointly bring forward more affordable and social housing.

Finally, the board also considered the findings of the review into the D2N2 Enterprise Zones with a view to identifying specific actions for each site based on best practice to accelerate delivery leading to more jobs and greater prosperity for the region. This work is being followed up with each individual site area starting with feeding into a workshop at Infinity Park, Derby in mid-January.

In advance of the next meeting of the full Place Board on 28 February, 2020 a number of workstreams are being progressed which includes a further discussion on developing a pipeline of transformative projects with Place leads, identifying the infrastructure barriers in delivering the ambitions of the LIS and co-ordinating the Stronger Towns Fund across D2N2 to ensure we maximise the potential impact within the region.

5 PARTNERSHIP ENGAGEMENT

Since the last Board Meeting, I have had ongoing discussions with key partners to inform and promote the work of D2N2 and the emerging vision for the region.

This includes a meeting of all the Local Authority leaders with their senior officers on 10 January, 2020. The key items on the agenda were a discussion on HS2 and alignment between D2N2 and the Development Corporation, an update on the progress of our Advisory Boards, a presentation and discussion on the emerging Local Industrial Strategy along with presentations from both D2 and N2 local authorities on their response to adapting to climate change as local authorities.

I have held a small dinner with a number of business leaders on 22 January, 2020 to increase our engagement and ensure that we recognise and understand the challenges from some of our larger companies within the region as part of our future strategy.

Finally, following the general election I wrote to congratulate and welcome all of the new and returning MPs and have arranged a number of individual and group meetings over the coming weeks as part of maintaining a strong dialogue with the regions MPs to ensure consistency of messaging on the challenges and opportunities across D2N2.

Elizabeth Fagan
Chair
31 January, 2020

**D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT**

DATE:	31 January 2020
REPORT LEAD:	Sajeeda Rose
AGENDA ITEM:	2.2

TITLE:	D2N2 Chief Executive's Report
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1. INTRODUCTION

1.1 This report updates Board on the following:

1.2

- Annual Performance Review (inc Annexes A,B,C)
- Growth Hub Update
- Stronger Towns Fund
- Marketing and Communications Update

2. RECOMMENDATIONS

2.1 Board is invited to

a. NOTE the report

3. ANNUAL PERFORMANCE REVIEW

At the time of writing the Annual Performance Review with the Cities and Local Growth Unit is scheduled for 23 January, 2020.

The Chair will be attending, along with the Executive team the Section 151 officer and the Accountable Body Manager to review the progress made by D2N2 over the last year. The focus of the review is structured around 3 key areas: Governance, Delivery and Strategy and in particular reviewing progress on any issues highlighted in the previous year as a key concern.

Attached to the report is our formal submission to government which will inform the discussion at the meeting. Following the meeting as part of the review process all LEPs will be marked against the assessment framework.

Members will recall that in last year's performance review we were scored as follows:

Delivery: Requires Improvement

Strategy: Good

Governance: Good

I believe we have made strong progress across all areas as demonstrated in the accompanying report, especially in relation to performance which was a challenge in previous years.

We will provide a full verbal update and report from the Annual Performance Meeting at the board meeting.

4. GROWTH HUB

General Progress

Engagement of SMEs continues to be steady, the Chamber have issued a tender to deliver circa 300 workshop events over the next 2.5 years, which will help to drive further engagement on specific topics.

D2N2 Business Investment Fund

The grant scheme was launched in August. Grants of between £3,500 and £20,000 will be awarded to SME projects that can clearly demonstrate step changes in their business activity contributing to improved productivity and efficiency. 60 applications have been received to date, with over 30 have gone to full application and grants are being approved by the panel. All Advisers are tasked with increasing interest in the fund and seeking applications that positively impact on productivity in SMEs

5. STRONGER TOWNS FUND

The Stronger Towns Fund was announced on 27 February, 2019 as a new £1.6bn fund to invest in to Towns across England to help them prosper and grow. £1bn of this funding will be allocated through a 'needs-based' formula. Following that a further £600m of funding is in place to be allocated using a competitive funding style.

The Government's expectation is that partners will work together within areas to create plans to transform the economic performance of their towns. These plans will need to be aligned with the Local Industrial Strategy in order to gain the greatest impact from the funding.

The towns in D2N2 which have received backing from the fund so far are:

- Mansfield
- Chesterfield
- Clay Cross
- Sutton in Ashfield
- Kirkby in Ashfield
- Newark
- Long Eaton
- Stapleford

Each town must establish a Town Deal Board by 30 January, 2020. Within the D2N2 executive team we have taken a lead for each town to proactively support the Town Deal Board along with ensuring that we co-ordinate activity across the region on areas where we can add value and ensure consistency and alignment with the LIS. We are convening a session to bring together the leads across all the towns along with both County Councils to ensure that we maximise the opportunities from the Towns fund into the region which we will co-ordinate through the Place Board. If any board member would like to be represented on the town boards please do let me know.

Further guidance is expected to be published on the fund. The following dates are the known milestones for the fund:

- Capacity funding distributed to Lead Council (November 2019)
- Town Deal Boards Convened (End of January 2020)
- Further Guidance Published (Early 2020)
- Town Investment Plans Produced (Summer 2020)
- Town Deals Agreed (2020/21).

6. MARKETING AND COMMUNICATIONS

SUMMARY

Work is continuing is on developing a engagement plan as part of a new marketing strategy. This will support and improve how we communicate to stakeholders and ensure we have clear and concise messaging underpinned by a consistent tone of voice.

In the last year, we have achieved a record number of milestones in supporting D2N2 with its objectives through our digital channels (website, social media, e-shot newsletters and Google Search). Measuring and evaluating our activities on these platform helps us understand our stakeholder needs and ensure our content is timely and relevant.

KEY UPDATES

Website

Work on the development and implementation of a new website to replace the LEP, TA, and Schools platforms is ongoing. It is anticipated that the project will be completed towards the end of Quarter 1, 2020.

Press and Media

D2N2 has invested (together with the D2N2 Growth Hub) in a media monitoring package to improve our media measurement. This is currently done in house but only gives a partial picture of our media mentions. The package also includes an extensive media journalist database which will help us improve our media distribution opportunities.

Digital Communications

Over 3 million people viewed a piece of content from D2N2 online in 2019 (+115% vs 2018). There have been nearly 55,000 online interactions, and conversations including links clicked, newsletters opened, and posts liked, shared, or commented upon – our highest recorded measurement (+486% vs 2018). Other highlights include:

- 9000 different accounts that follow our social media platforms
- Highest ever web traffic generated by social media (33% increase on 2018)
- Highest ever number of newsletters opens (169% increase on 2018)
- Highest visits to the website via google search (190% increase on 2018)

Sajeeda Rose
31 January, 2020

Annex A – D2N2 2019-20 Annual Performance Review Preparation

Introduction

The purpose of this document is to create a shared understanding of the LEP's position in relation to delivery, governance and strategic impact in preparation for the Annual Performance Review meeting. This is in order that both LEPs and the Cities and Local Growth Unit are fully briefed and prepared for the meetings, to make for a more open, transparent and productive meeting.

The document is divided into two parts. Deadlines have been set in order to ensure parity across LEPs, regardless of when their meetings are scheduled.

The LEP is required to return this document to localgrowthassurance@communities.gov.uk copying the relevant Cities and Local Growth Unit Area Lead as follows:

Action	Deadline
PART A: LEP PREPARATION	To be returned to the Cities and Local Growth Unit by 16 December 2019
PART B: LEP UPDATED POSITION	To be returned to the Cities and Local Growth Unit by 1 March 2020

PART A: LEP PREPARATION

To be returned to the Cities and Local Growth Unit by 16 December 2019

LEPs are required to complete the information below to provide evidence on their current position (actual to date, as per the date of this document). As stated in the APR Guidance, the LEP's Quarter 2 data will only be considered if the LEP met the 22 November deadline.

This is not the sole source of information/evidence and the Cities and Local Growth Unit will gather performance information from a wide variety of sources. This report has been designed to capture key points on which to shape discussions at the Annual Performance Review meeting. Therefore, please keep comments brief as there will be time to discuss fully at the meetings. It intentionally does not cover each and every criteria detailed in Annex F Performance Assessment Key Indicators; it concentrates on those covered in the category requirements provided in that document and provides LEPs with the opportunity to submit important LEP data and information.

Delivery

Local Growth Fund (LGF) Financial information

	Total LGF Allocation (£m) ¹	Total LGF Expenditure (£m)	% of LGF Expenditure v total award	Actual LGF Contractual Commitment (£m) ²
Q4 17-18	£250,759,642	£102,692,193	41%	£135,144,000
Q4 18-19		£144,824,794	58%	£211,588,000
Q2 19-20		£165,645,518	66%	£214,938,000
Current position ³ (to date)		£165,645,518	66%	£222,219,519
20-21 Forecast		£250,759,642	100%	£250,759,642

This table breaks down the amount of expenditure that has been recorded in quarterly monitoring for all projects. The commitments column refers to the amount of LGF that is committed to projects through a signed contract, this does not refer to the total amount spent.

LGF Project information

The tables below are to be populated based on your **dashboard definitions** of projects and their risk.

¹ Total LGF Allocation should not include any DfT retained schemes.

² Actual LGF Contractual Commitment is where a contract is actually signed e.g. the contract to deliver project A with company X was signed.

³ Current position is the updated position the LEP is at on the date this form is completed.

	Total number LGF projects ⁴	Number of LGF Transport projects ⁵	Number of retained Transport schemes where LEPs are match-funding with LGF	Number of skills capital projects
Q2 19-20	43	9	0	5
Current position (to date)	46	11	0	5

	Number of completed / in monitoring projects	Number of red or red amber risk rated projects	Number of in progress project	Number of projects in pipeline
Q2 19-20	19	3	23	7
Current position to date	20	3	26	4

Completed/ in monitoring refers to projects which have completed infrastructure works and are either monitoring outputs at present or have finished all outputs. The projects within the pipeline are the remainder of the projects in the programme which have not been formally approved by the Investment Board.

Value of projects

The tables below are to be populated based on your **dashboard definitions** of completed, in progress and approved pipeline.

	Value of completed Transport projects (£m)	Value of Transport projects in progress (£m)	Value of approved pipeline Transport projects (£m)	Value of completed Skills projects (£m)	Value of Skills projects in progress (£m)	Value of approved pipeline Skills projects (£m)
Q2 19-20	£0m	£49.75m	£23.00m	£0m	£38.3m	£0m
Current position to date	£0m	£54.44m	£18.31m	£0m	£38.3m	£0m

Complete projects are projects which have both utilised all LGF monies and completed and recorded outputs. Projects in progress include all projects completing infrastructure works and those which are monitoring outputs. The projects within the pipeline are the remainder of the projects in the programme which have not been formally approved by the Investment Board.

⁴ Total number of LGF projects does not include DfT retained schemes. Definition skills & transport.

⁵ Number of LGF Transport projects should not include DfT retained schemes.

	Value of completed Other projects (£m)	Value of Other projects in progress (£m)	Value of approved pipeline Other projects (£m)
Q2 19-20	£7.86m	£127.92m	£8.39m
Current position to date	£7.86m	£132.40m	£3.91m

Overview of activity undertaken from Q2 2019-20 (250 word limit)

We are continuing to work towards ensuring that we deliver the milestone targets on both expenditure and outputs for this financial year.

We have worked closely with all project applicants and are confident of achieving the expenditure targets and will have a further update once the quarter 3 submissions are received in January 2020.

Since the last return three projects have entered in to formal legal contracts.

Proactive management of the programme continues to take place, with all existing pipeline projects monitored against their agreed delivery milestones to ensure that they submit a Final Business case and deliver before the end of the programme.

We are currently over programmed against the total allocation and are therefore confident of delivering the full allocation by the end of 2021. However, to mitigate against any potential risks work is continuing with new pipeline projects to make sure that they are available to utilise any underspend.

Another project is prepared to be considered at the LEP Board on the 19th of December and if approved as per the recommendation a further £10.8m of spend from the Local Growth Fund will be committed.

LGF Output information as at Q2 submitted by 22 November 2019

Output	Forecast to end of programme	Actual to Q4 17-18	Actual to Q4 18-19	Actual to Q2 19-20	Current position to date
Jobs	29,000	1,668	3,711	3,835	3,835
Housing	10,800	717	1,191	1,237	1,237
New Learners	147,000*	344	556	906	906
Floorspace ⁶	N/A	18,930	20,930	20,930	20,930

*Target under review with BEIS Local Team

⁶ The amount of "new build" training/learning floorspace constructed. The amount of training/learning refurbished to improve building conditions and/or fitness for purpose.

Overview of activity undertaken from Q2 2019-20 (250 word limit)

At the end of Quarter 2 19/20, cumulatively 79% of jobs forecast have been created (3835/ 4834), 35% of homes (1237/ 3534) and 40% of learners (906/ 2279).

We have reviewed all projects that are behind their output targets and will be bringing a comprehensive report to the Investment Board at the end of January and agree a mitigation strategy on overall outputs.

There are two projects that are significantly behind which will play a key part in the LEP not achieving its original forecast for this year, these are the Newark Southern Link Road which is due to an ongoing gap in funding to finalise infrastructure and therefore not delivering to the profile of housing outputs as set out.

The second project which contributes is the Vision University Centre as they have requested a reprofile of the original outputs due to the historic issues within the College which are now being addressed.

Three further projects will be presented to the Investment Board for reprofiling which will have a minor impact on the overall outputs. The projects are the Vesuvius Works which has changed because businesses are opening post-Christmas and the Buxton Crescent and Nottingham Castle projects which have both delayed their opening closer to the predominant tourist season to ensure maximum impact from the openings.

Despite the underachievement of certain projects, across the programme 64% of projects are overachieving their outputs and a further 20% are on target with their delivery, so strong progress is being shown across the majority of projects.

Delivery other than LGF

Overview of other non-LGF delivery activity (250 word limit)

Careers and Enterprise Company- The Enterprise Advisor Network (EAN) impact is measured by the number of schools and colleges engaged, the degree of successful match with a pro-active Enterprise Advisor and progress against Gatsby Benchmarks 5 (Encounters with employers and employees) and 6 (Experience of workplaces). To date we are actively engaged with over 126 schools against a target of 127 by August 2020, those schools receiving support through the EAN model show much stronger achievement against Gatsby Benchmarks than those outside and have higher levels of interaction with local employers. Our engagement with schools and Enterprise Advisors has increased throughout the last year and following the successful North Derbyshire Careers Hub we are working more intensely with the 21 schools in that region to extend support across all Gatsby Benchmarks with closer business engagement.

Growth Hub - Since April 2019 the Growth Hub has engaged with over 1,700 businesses. Increasingly the focus is on providing support to improve productivity In September an Intermediary Network was created to increase engagement with a wider client base. The D2N2 Business Investment Fund (Growth Hub grants) has a strong pipeline of applications totalling over £1.5m in project value and over £400k in grant value. We are working with neighbouring Growth Hubs to deliver EU Exit Readiness support in early 2020 which will help to generate further engagement.

ESIF – All ERDF calls closed in September with enough applications to support the full £77m of ERDF programmes, preparations are being made to ensure strategic partners

maximise the potential funding opportunities in early 2020. Final ESF calls are open and closing early 2020, once again preparations are being made to enhance the chance of capturing potential reserve funding. 13 Rural companies have accessed EAFRD grants totalling £1.52m, reserve fund calls are open and D2N2 are working with rural businesses to ensure some of these funds are captured to the local area.

Government Branding

Has the LEP requested a Ministerial quote and/or engaged with a government Minister regarding the promotion of LGF during this financial year*? If yes, please provide evidence in the form of web links to promotional materials, press releases and/or coverage, photographs, or other marketing materials. The Cities and Local Growth Unit maintains a log of LEP requests for quotes, however, if the LEP has gone direct to the Minister, please provide evidence of this **(100 word limit)**

**excluding from 6 November until after the General Election*

The LEP has engaged with the CLGU team on four separate occasions within the last year for ministerial quotes. The following have been received:

<http://www.d2n2lep.org/News/two-elements-of-a61-corridor-scheme-secure-d2n2-funding>
<http://www.d2n2lep.org/News/new-assembly-rooms-project-secures-d2n2-funding>
<http://www.d2n2lep.org/News/topping-out-ceremony-held-for-d2n2-backed-nottingham-colleges-new-city-hub>
<http://www.d2n2lep.org/News/new-medical-technologies-centre-gets-major-funding-via-d2n2-lep>

Alongside the requests for ministerial quotes the LEP is also distributing Midlands Engine and D2N2 branded plaques which recognise the support of Local Growth Funding contributions towards the development of new projects. Plaques are now being distributed to completed projects and examples of this compliance are attached with this form.

Governance

This section enables the LEP to provide evidence around the theme of governance; and in particular for the category requirements explained in Annex F Performance Assessment Key Indicators.

April 2019 Compliance checks

Where applicable, if the LEP had compliance issues raised following the compliance check conducted by the Cities and Local Growth Unit in April 2019, please provide details. Please include a note of any mitigating circumstances and/or local context that the LEP may wish to raise. Please state what date the issue(s) was rectified? **(150 word limit)**

Following the compliance spot checks on the 22nd of May, the following issues were identified for D2N2 to resolve in order to be compliant:

- Clear description within the LAF of the Roles and Responsibilities of the chair.
- Succession planning of Board members to be in the LAF
- Registers of interest shown on the website for the Chief Executive
- The Articles of Association to be shown on the Governance page of the LEP website

Once received by the LEP the non-compliant elements of the Local Assurance Framework and the D2N2 Website were rectified by the 24th of May. The changes were formally approved as being compliant by the BEIS local team on the 29th of May which fits within the five-day period to correct any non-compliant elements.

Where applicable, if the LEP has compliance issues still outstanding from the April 2019 compliance check, please provide details including your plan of when the issue(s) will be rectified. **(150 word limit)**

No outstanding compliance issues exist from the April spot checks remain and a full sign off was received in May 2019.

LEP Board

How many permanent LEP Board members are there? If the LEP has exceeded the maximum board size limit of 20 (excluding co-opted members) as defined in the National Local Growth Assurance Framework (paragraph 128, page 33), can the LEP confirm its plans to ensure it reaches the Government's requirement by 1 April 2020? **(100 word limit)**

In light of the LEP review the Board agreed to change its size to 18 which means it is compliant with the requirements of the review.

There are currently 17 LEP Board members of the maximum size agreed. Following a long term private sector board member stepping down in July there is a vacancy on the board. Recruitment is currently underway to fill this space before the end of the financial year which means that D2N2 will continue to comply with the board size limit.

Gender diversity

Total number of female board members (excluding co-opted members)	Total number of male board members (excluding co-opted members)	Percentage female (requirement 33% by 1 April 2020 excluding co-opted members)
8	9	47%

Please explain the LEP's current position regarding female board representation.

Please complete the table above. Has the LEP achieved the Government's gender diversity requirement of 33% (excluding co-opted members)? If not, as detailed in the Mid-Year Review and in order for the Cities and Local Growth Unit to assess the LEP's position and likelihood

to reach 33%, is the LEP already at 26%? What plans are in place to achieve the 33% requirement by 1 April 2020? **(100 word limit)**

The LEP has overachieved on the gender diversity targets and has exceeded the 33% target as set out in the NAF. The LEP is currently operating at 47% Female representation on the LEP Board.

Private sector representation

Total number of private sector board members (excluding co-opted members)	Total number of board members (excluding co-opted members)	Percentage of private sector excluding co-opted members (requirement two thirds by 1 April 2020. N.B. 66% or above)
11	17	65%

Please explain the LEP's current position regarding private sector board representation.

Please complete the table above. Has the LEP achieved the Government's requirement of two thirds private sector representation (excluding co-opted members)? If not, can the LEP demonstrate its plans to ensure it reaches the requirement by 1 April 2020? **(100 word limit)**

The LEP currently has 17 board members in position with 11 of those representing the private sector. Within the last year a refresh of Board members has taken place with 4 new private sector members being fully inducted to The LEP Board.

The LEP has reached 65% private sector membership and is currently undertaking a recruitment process to replace a longstanding private sector board member that stepped down in July.

The final LEP Board will hold 18 members once the final private sector space is recruited by the 1st of April 2020 and therefore meet the 2/3rd private sector requirement.

Section 151/73 Officer Engagement

Has the Section 151/73 Officer attended at least one LEP Board during this financial year? Please provide web links to the relevant Board papers to evidence this. **(100 word limit)**

The Deputy Section 151 officer from the LEPs Accountable Body is due to attend the December LEP Board meeting and the Section 151 officer will be in attendance within this financial year at the January Board meeting to ensure ongoing compliance of the National Assurance Framework.

The Accountable Body Manager has been in attendance at all LEP board meetings on behalf of the S151 Officer.

Scrutiny arrangements

Please provide details of the LEP's scrutiny arrangements in line with the guidance set out in the National Local Growth Assurance Framework. Are scrutiny arrangements easily explained so that a member of the public can understand what they are and locate them with ease? Can the LEP demonstrate their scrutiny arrangements that go over and above the guidance? **(150 word limit)**

The LEP and Accountable Body have created a new scrutiny working group which is made up of members from D2N2's Local Authority Scrutiny committees. All Local Authorities were officially invited to send representatives to the scrutiny group.

The first meeting of the group took place on the 4th of December, which focused on Delivery of the Local Growth Fund Programme in light of the previous APR outcome. All scrutiny arrangements are visible to the public in the Governance section of the LEP website.

Alongside the formal arrangements, the LEP has committed to provide information and present at any of the local authority scrutiny committees on the role and work of the LEP. Recently the LEP Chief Executive has attended a number of local authority scrutiny committees of our Local Authorities, therefore going beyond the requirements of the National Assurance Framework.

Strategic Impact

Strategic impact overview

Please provide an overview of the LEP's approach to strategic impact. This is not intended to be a detailed account; it is intended to give the LEP an opportunity to highlight its overall approach to strategic impact, in preparation for the APR meeting where this can be discussed in more detail.

Can you explain your vision and ambition for the LEP and how that translates into a clear framework of strategic priorities and programmes? **(250 word limit)**

We are currently working on developing our Local Industrial Strategy which will set our long term strategic ambition for D2N2. The emerging vision is to create a more productive, inclusive and carbon free future for all our people, businesses and places.

This will build on the refreshed Strategic Economic Plan (SEP) 'Vision 2030' which was published in March 2019, which sets out a refreshed plan on how we move the D2N2 economy to the next level.

Our vision is that, by 2030, D2N2 will have a transformed high-value economy; which is prosperous, healthy and inclusive, and one of the most productive in Europe. The new revised SEP aims to deliver the following ambitious targets:

- Be in the top quarter of productive local economies in Europe.
- Increase the value of our economy to £70billion, with £9bn added by the actions of this Plan.
- Enjoy prosperity levels in the top quarter of all LEP areas.
- Raise real wages and narrow inequality by a rise in median weekly earnings and narrow wage disparities within D2N2.
- Maintain a high and stable employment rate with a workforce of some one million people.
- Reduce the gap in economic activity levels between places in the D2N2 area.
- Eliminate the gap in workforce qualifications between the UK and D2N2.

The Local Industrial Strategy is intended to be the economic blueprint for the D2N2 area until 2030, forming the basis for future investment decisions by the LEP and its partners.

The Plan is built on a strong evidence base and analysis of the D2N2 economy and is being built with strong partnership engagement to ensure that there is a strong shared commitment to the vision.

Can the LEP provide evidence of convening local partners and the wider community in delivering local growth? **250 word limit)**

The LEP has developed a new governance model which has strengthened its role in convening local partners to come together to develop a much stronger and more collaborative model for engagement.

We have established 4 new advisory boards each chaired by a private sector board member and with wide and diverse membership to reflect the different partners and interests from across the region. The focus of the 4 boards are to shape and inform emerging policy and in particular the local industrial strategy which will in turn help to inform future investment priorities for D2N2.

In addition, the LEP has also brought together different partners in shaping the Local Industrial Strategy, including a number of group sessions with businesses jointly convened with the CBI and the Chamber. We also led a workshop on clean growth with energy users, producers and policy makers to identify how we translate our ambition for a cleaner growth future.

Another example where we have proactively convened local partners is a joint session with Homes England and all the local authorities within the region to explore barriers for accelerating housing delivery as a key component of economic growth.

Improvement Plans

Following last year's APR process, did the LEP have an improvement plan? If so, please attach and please explain briefly the status of the plan in terms of achieving the agreed milestones and progress on actions. **(150 word limit)**

Given the challenges on performance highlighted in the last APR, the LEP agreed an improvement plan with BEIS which set out clear milestones towards improving future delivery. Significant progress has been made against achieving the milestones within the improvement plan and it was agreed that the improvement plan would be concluded following the November meeting. The document had a predominant focus around the delivery of spend within the year and to date D2N2 have overachieved on the targets set and continue to forecast that the future targets will be met. With the exception of the output targets all the milestones from this report have been met and good progress can be demonstrated against the plan and its targets.

The LEP has agreed mutually with the Cities and Local Growth Unit that the Improvement Plan shall now be concluded and the APR process will succeed this document.

Additional Evidence

In this section the LEP has the opportunity to raise any additional areas for discussion, or particular challenges or concerns that it would like to discuss further in the APR meeting. **(200 word limit)**

We would welcome the opportunity to discuss the following areas:

- As we've previously requested we would like to re-negotiate our learner targets of 147,000 which we don't believe are realistic given that these are in fact greater than the total national outputs for learners across all LEPs. We believe there was an error when this was set and would like to formally request a review of this target to bring into line with a more realistic target.
- Future funding clarity. We recognise the changing national picture but as soon as there is some clarity, we would welcome an early discussion on both core funding for LEPs as this currently runs out at the end of March 2020, as well as funding for local economic growth to replace existing LGF and ESIF funding.

Signed:



Name: Sajeeda Rose

Position: Chief Executive

Date: 16/12/2019

PART B: LEP UPDATED POSITION AS AT 1 MARCH 2020

To be returned to the Cities and Local Growth Unit by 1 March 2020

Following their Annual Performance Review meeting, if LEPs have an updated position on the governance category requirements in relation to board size and representation, they must submit details to the Cities and Local Growth Unit by 1 March in order for this evidence to be considered at National Moderation. This is the final opportunity to submit information that will be taken into account when determining the final mark for governance.

Please also provide a nil return as appropriate.

LEP Board

Does the LEP have an updated position on the size of its permanent board? **Nil return or any further evidence (200 words maximum)**

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Gender diversity

Total number of female board members (excluding co-opted members)	Total number of male board members (excluding co-opted members)	Percentage female (requirement 33% by 1 April 2020 (excluding co-opted members)

Does the LEP have an updated position on its female board representation? Please complete the table above. **Nil return or any further evidence (200 words maximum)**

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Private sector representation

Total number of private sector board members (excluding co-opted members)	Total number of board members (excluding co-opted members)	Percentage of private sector, excluding co-opted members (requirement two thirds by 1 April 2020. N.B. 66% or above)

Does the LEP have an updated position on its private sector board representation? Please complete the table above. **Nil return or any further evidence (200 words maximum)**

Annex B: 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 Annual Performance Review Preparation. This should be sent to localgrowthassurance@communities.gov.uk copying the Cities and Local Growth Unit Area Lead by **16 December 2019. (max 500 words)**

In April 2019, Derbyshire County Council became the Single Accountable Body for the D2N2 LEP, taking responsibility for all fund management and compliance with governance requirements. As part of this we have provided the Investment Board with budget updates for all funds, ensured projects are fully compliant with the Local Assurance Framework (LAF) at every meeting and presented the 18/19 Annual Accounts to the meeting on the 30th May 2019.

The LAF and Terms of Reference of the Investment Board have been reviewed in order to meet the requirements in the National Assurance Framework. These were approved at the Investment Board on the 21st March 2019. I am satisfied that the LEP is fully compliant with the National and Local Assurance Frameworks and that it continues to strengthen its performance management and its governance. Significant changes have been made in terms of governance with the creation of the four advisory boards which work alongside the Investment Board and main LEP Board.

All requirements of the LEP Review have been achieved, including the creation of a company by guarantee, removing the overlap areas and the creation of a Scrutiny panel for the work of the LEP.

Derbyshire County Council's Internal Audit have conducted their annual audit and a number of areas of good practice were identified, including regular reporting of overall and individual project position to the Investment Board and clear grant letters which set out the conditions of the grant funding. Ten recommendations were raised, of which two were considered 'high priority'. The first is to ensure that the funding projections for 19/20 and 20/21 continue to be closely monitored and adhered to wherever possible, to avoid repetition of the disparity between projected funding amounts and the actual funding awarded during previous years. Safeguards are in place to try and mitigate this inherent risk. The second is to ensure output targets continue to be closely monitored and reported upon to the Infrastructure and Investment Board with increased pressure on individual projects as required. For those projects falling significantly behind in achieving agreed output targets, delivery schedules may need to be realigned and presented to the Board for approval.

As set out in Annex A, in this financial year the challenge is output delivery, which will continue to be closely monitored, I will continue to work with the LEP to oversee and monitor projects to ensure we identify risks and mitigate through corrective action where appropriate. In terms of spend I believe we are making good progress towards reducing the underspend within this financial year.

Signed:

P. Hardford

Name:

PETER HARDFORD

Position:

SECTION 151 OFFICER - DERBYSHIRE COUNTY COUNCIL

Date:

13.12.19

Annex C: Governance Assurance Statement

The LEP Chair and Chief Executive should here provide a brief formal assurance statement on the status of governance and transparency. This should include any overview and scrutiny function undertaken by the Accountable Body. This should be sent to localgrowthassurance@communities.gov.uk copying the Cities and Local Growth Unit Area Lead by **16 December 2019**. This statement should also be published on the LEP's website by **28 February 2020** and confirmation sent to localgrowthassurance@communities.gov.uk (**max 500 words**)

D2N2 is fully committed to a strong culture of accountable governance and has embedded the highest levels of transparency and accountability in all aspects of its governance and decision making. We have made significant changes over the last year to strengthen our overall governance and remain committed to seeking opportunities for continuous improvement across all areas of our work.

We have implemented all the recommendations of the LEP review and fully embedded best practice guidance on transparency and accountability in line with Nolan principles across all areas of our board and advisory boards.

Over the last year we have established a new stronger model of governance that clearly sets out roles and responsibilities of the different boards and their members. All boards have clear terms of reference which are publicly available.

As part of this we have refreshed our private sector board membership through an open recruitment exercise to ensure that the board structure reflects the interests of the region and is in line with the guidance of the National Assurance Framework in terms of both private sector board representation and gender diversity.

As a result the LEP is ahead of the gender balance target, and is on track to recruit a new private sector board member to replace a long term private sector board member who recently stood down to achieve the 2/3rd private sector majority board.

All new board members are fully inducted in terms of their roles and responsibilities. We have clear policies for code of conduct and declarations of interests for all our board and investment board members.

In order to ensure that we have the most transparent and robust assurance process for our decision making we have implemented a new process for all funding decisions with the LEP Board now ratifying any decisions made by the D2N2 Investment Board, which is also now chaired by the D2N2 Chair. With this two-stage process in place the LEP is now ensuring that there is a more robust challenge over decisions and much stronger private sector engagement in decision making.

Within the new governance model we have established four new advisory boards each chaired by a Private Sector Board member which report directly to the board. The membership of the boards ensure the LEPs commitment to collaboration with all areas of the D2N2 economy and engagement with a breadth of external

stakeholders to lead on strategic development and thought leadership for the region.

The recruitment to both the main and advisory boards was undertaken in an open and transparent manner to encourage a wide and diverse membership. The advisory boards also contribute towards future succession planning for the main board.

We now have a single accountable body in place who oversees the governance of the LEP, as part of this they have supported the LEP to put in place an independent scrutiny committee with elected representatives from across the region.

Signed:



Name: Elizabeth Fagan

Position: Chair

Date: 16/12/19

Signed:



Name: Sajeeda Rose

Position: Chief Executive

Date: 16/12/19

**D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT**

DATE:	31 st January 2020
REPORT LEAD:	Sajeeda Rose
AGENDA ITEM:	2.3.

TITLE:	Performance Review and Update
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1 Introduction

This paper provides an update on the performance of the D2N2 Capital Programme including the Local Growth Fund, Growing Places Fund and Enterprise Zones. The paper details the latest updates of all programmes as presented to 7th January Investment Board.

2 Recommendation

- The LEP Board are recommended to ratify and confirm the decision of the Investment Board to grant £1m of Local Growth Funding to the Ashbourne Airfield Project.
- The LEP Board are also recommended to confirm that five new projects be accepted on to the LEPs Capital Programme for funding before March 2021.

3 Local Growth Fund (LGF)

3.1 Performance Update

Given the increased focus on performance on the back of the annual performance review we agreed and set milestones with government to track performance of the programme and ensure that we deliver the targets for 2019/20. The targets include the use of underspend from previous years.

We are confident that we are making good progress in achieving the targets set and will continue to monitor and track performance through the Investment Board.

All projects that are not approved to Final Business Case stage yet continue to be closely monitored through to full delivery.

The Financial Milestones agreed for this year are:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total 2019/20
Milestone target	£8M	£10M	£10M	£12M	£40M
Actual spend achieved to date	£6.9M	£13.8M	£13.1M		£33.8M
Forecast spend	£8.4M	£15.8M	£10M	£18M	£46M

We continue to monitor spend with projects on an ongoing basis and will be working with promoters to ensure that full financial delivery takes place in this year. Based on our current forecasts we are on track to spend the £46m which will meet the target set by Government and utilise the underspend which has been carried forward in to this financial year.

The output targets to be achieved by the 31/12/19 are:

	Target by 31/12/19	Achieved by 31/12/19	Full Year Forecast 19/20
Jobs created	300	298	1,396
Learners	500	388	480

One of the milestones we have not met is in relation to delivery against output targets. Whilst overall we have made strong progress on outputs delivered to date, we recognise that this is a current challenge within our programme and represents a key risk to our ongoing performance. Therefore, we are working with individual projects that are not performing against their output targets to review progress and are taking a full report to the Investment Board meeting on the 30th of January 2020.

D2N2 will continue to monitor the projected spend and outputs of projects quarterly against actuals to ensure that the LEP reaches its end of year targets and will highlight any risks to achieving the performance targets to both the Investment Board and main Board.

A programme overview with a RAG rating on progress and performance is included as Appendix A to this paper, with a specific highlight on the two high risk projects within the programme.

One project was approved at the 7th January Investment Board:

- **Ashbourne Airfield** – £1m towards the creation of a new roundabout and link road off the A52 near Ashbourne which allows the development of new commercial floorspace and housing development on the Ashbourne Airfield site. The project will work to enable much needed employment and housing stock in the Derbyshire Dales district where there are currently constraints to available space.

The Board are asked to ratify the recommendation from the Investment Board to approve the project.

3.2 Local Growth Fund (LGF) Pipeline

With the LGF programme coming to the end of its duration in March 2021, D2N2 undertook a process for establishing a pipeline of future schemes which could both deliver in the short term before March 2021 should any of the existing schemes become undeliverable, and those that could deliver in the medium term between 2021 and 2025 should any further funds be available.

All projects were independently scored and verified by Thomas Lister on behalf of D2N2 LEP, and were scored based on their expression of Interest. The main criteria that both the short term and medium term projects were scored against is:

- Strategic Fit and Outputs
- Project Programme and Deliverability
- Market Evidence and Planning status
- Financial risk and options appraisal

Projects were scored out of a total of 81, with a minimum threshold of 61 and above for a project to be considered as being deliverable. For the Short term projects a greater weighting was applied on deliverability before March 2021 when the Local Growth Fund comes to an end.

In light of the need to commit and spend its full allocation of Local Growth funding from Government before the end of March 2021 and avoid losing any funds to the region, the LEP presented five projects to the Investment Board that scored above 61 to be formally adopted on to the Capital Programme to mitigate any risks of underspend.

At the time of writing the programme is overcommitted, however there are 2 projects highlighted within the high risk report that could fall out of the programme due ongoing difficulties in relation to land assembly and planning consent. A further update on both of these projects is expected at the Investment Board at its meeting on the 30th of January 2020.

The following 5 projects were presented to the Investment Board.

Project Name	Project Applicant	Project Location	Total Project Cost	D2N2 LGF Contribution	Project score out of 81
Heathcoat Immersive Incubator	Nottingham City Council	Nottingham	£160,000	£270,000	63
Smarter Connected Campus	NTU	Clifton	£1,600,000	£800,000	62
Nursing & Allied Health Provision in Mansfield – NTU	NTU	Mansfield	£1,492,000	£746,000	70
Tollbar House, Ilkeston	Erewash Borough Council	Ilkeston	£850,000	£425,000	63
Revitalising the Heart of Chesterfield	Chesterfield Borough Council	Chesterfield	£5,500,000	£650,000	66
Total LGF				£2,891,000	

Further details of each of the projects are attached to the report in Annex C.

The Board are asked to endorse the recommendation of the Investment Board to approve the projects on to the pipeline and invite the projects to submit full business cases for consideration.

4 Growing Places Fund (GPF)

4.1 GPF overview

To date, 8 loans have been approved totally £11,093,000 from rounds 1 and 2. There is now 1 loan from round 3 which is being reviewed and going through a due diligence process. 3 loans have now been settled, Derby Magistrates Court, Marble Hall and Castleward.

A summary of the overall funding position is set out below:

D2N2 Capital Allocation		£24,348,668
Loans allocated		
Boots NEZ	-£5,000,000	
Prometheus	-£240,000	
Derby Magistrates Court	-£515,000	
Castleward	-£850,000	
DSF Pipeline	-£2,150,000	
LIME House	-£180,000	
Medicity	-£600,000	
Marble Hall	-£1,500,000	
Total		-£11,035,000
Funds Unallocated		£13,313,668
Funds Returned (principal)	(£3,015,650)	
Subtotal		£16,329,318
Projects under review		
J26	£2,000,000	
Total available		£14,329,318
Interest Available		£817,290

4.2 GPF Review

Blue Sky Corporate Finance have been commissioned to undertake a review of the existing finance available through the Growing Places Fund and present new potential products to the LEP which would be alternatives to utilise the remainder of this funding. Blue Sky have consulted with various stakeholders across the area including lead council officers, place marketing organisations, business membership organisations and key local businesses to inform the emerging options.

Following the conclusion of this process a set of options and final outcomes will be delivered to the Investment Board to decide future steps for the fund.

5 Enterprise Zones

5.1 Enterprise Zone Review

D2N2 has commissioned Cushman and Wakefield (C&W) to undertake a review of the Enterprise Zones to date as well as a forward looking perspective of potential growth in the sites. C&W presented the findings of the report to the Place Board on the 9th of January. Follow up meetings will now take place to develop the findings of the report and the Place Board will continue to develop this work.

5.2 Enterprise Zones Sites Update

- **Boots EZ** – Work has begun on the NTU MTIF Centre which was part funded by the Local Growth Fund. The project will create new floorspace for Medical Technology companies to grow and develop and is expected to be completed in Q3 2020. The Ground breaking ceremony for the project took place on the 16th of January with the LEP Chair in attendance.
- **Nottingham Science Park** – Work is continuing to progress on the Elizabeth Garrett Anderson building as funded through the Building Foundations for Growth Fund. The building is expected to open in 2020.
- **Infinity Park Derby** – Derby City Council and developer partners are working with various live enquiries who have an interest in developing on the site. D2N2 and Derby City are working together to facilitate new developments where possible and a workshop with local stakeholders has taken place on the 21st of January.
- **Beeston Business Park** – The site is continuing to progress with new units being developed and a new occupier is moving to the site creating over 100 new jobs. New units are developing well and are expected to reach formal completion in 2020.

Appendix A High Risk Projects

Two projects remain on the high risk register as part of the programme overview, these projects are:

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
<p>A61 Corridor:</p> <ul style="list-style-type: none"> - Clowne North - The Avenue - Chesterfield Station Masterplan <p>Derbyshire County Council</p>	<p>Delays in the submission of the project's business case have led to multiple phases not delivering against projected spend.</p> <p>Clowne North – Issues remain around Section 106 contributions that place the project at high risk.</p> <p>The Avenue – Despite full design being in place, issues remain around land assembly for the project and these need to be resolved before the project can be removed from the High risk.</p>	<p>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.</p> <p>The project is being monitored against the milestones provided for each of the elements.</p>	£15.64M	<p>The Investment Board will continue to monitor the progress of the delivery of various elements for the project.</p> <p>The Investment Board approved two further projects at the September meeting.</p> <p>Further updates are to be delivered to the 30th of January about the status of The Avenue and Clowne North</p>
<p>Newark Southern Link Road</p> <p>Newark and Sherwood District Council</p>	<p>This has been put at high risk due to output targets being missed and uncertainty over match funding contributions for the completion of the road.</p>	<p>The applicant made a submission to the Housing Infrastructure Fund which was not successful. The applicant is now working with Homes and Highways England alongside D2N2 to look for potential solutions to the issue. The project is undergoing a financial review of the viability of the project and Homes England are assessing the ask to the site.</p>	£7M	<p>The LEP continue to meet with the project promoter alongside other partners. A full update on the project is expected at the 31st of January meeting.</p>
<p>New Assembly Rooms</p> <p>Derby City Council</p>	<p>This project has been placed on the high risk register due to a significant change in the projects delivery mechanism and the promoter's decision</p>	<p>D2N2 will work to review the project and its future progress with the scheme promoter. After discussions the LEP will work to progress any mitigations and continue to</p>	£4.48m	<p>The IB are to discuss the project further in the agenda item later in the meeting</p>

Project	Why is this high risk?	Mitigation	LGF Investment	Action for IB
	to postpone construction works on the site until further notice.	work with Derby City Council where possible on this project.		

Appendix B - Programme Overview

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Chesterfield Centre for Higher Level Skills	University of Derby		3.48	Approved					Project Open - Outputs being monitored
Vision University Centre	West Notts College		2.61	Approved					High Risk - Project is not delivering against anticipated output targets. An output review will be provided to the Investment Board
Bioscience Expansion	Nottingham City Council		6.50	Approved					Project Open - Outputs being monitored
The Spot	Derby City Council		0.71	Approved					Project Open - Outputs being monitored
Medicity	Medicity		0.74	Approved					Project Open - Outputs being monitored
Ada Lovelace House	Ashfield District		0.14	Approved					Project Open - Outputs being monitored
Bulwell Market	Nottingham City Council		0.10	Approved					Project Open - Outputs being monitored
Dakeyne Street	Nottingham City Council		0.18	Approved					Project Open - Outputs being monitored
Sutton Indoor Market	Ashfield District		0.38	Approved					Project Open - Outputs being monitored
Sherwood Energy Village	Coalfields Regeneration Trust		0.50	Approved					Project Open - Outputs being monitored
Harworth Access Road	Nottinghamshire County		1.10	Approved					Project Open - Outputs being monitored
Seymour Link	Derbyshire County Council		2.52	Approved					Project Open - Outputs being monitored
Cycle City Ambition package in Nottingham	Nottingham City Council		6.10	Approved					Project Open - Outputs being monitored
A57/A60 Junction Worksop	Nottinghamshire County		1.83	Approved					Project Open - Outputs being monitored
Institute for Advanced Manufacturing	University of Nottingham		5.00	Approved					Project Open - Outputs being monitored
Sherwood Visitor Centre	RSPB		0.50	Approved					Project Open - Outputs being monitored
Southern Growth Corridor	Nottingham City Council		6.12	Approved					Project Open - Outputs being monitored
Rail Research and Innovation Centre	University of Derby		0.90	Approved					Project Open - Outputs being monitored
Derby College Technology Hub	Derby College		1.30	Approved					Project Open - Outputs being monitored
Infinity Park	Derby City Council		12.995	Approved					Project Approved - In Construction. Output review due to January Investment board
Nottingham Broadmarsh/Southern Gateway	Nottingham City Council	10.00	25.30	Approved					Project Approved - In Construction
Newark Southern Link Road	Newark and Sherwood District		7.00	Approved					High Risk - Project is not delivering against anticipated output targets and funding remains to be determined for the conclusion of the road. See the above high risk table for further details.
Derby Cycling and Placemaking	Derby City Council	0.09	1.65	Approved					Project Open - Outputs being monitored
Our City Our River, Derby	Derby City Council	2.5	12.00	Approved					Medium Risk - The project is not delivering against outputs as profiled. Output review due to January Investment board
Derbyshire Broadband	Derbyshire County Council		2.19	Approved					Project Open - Outputs being monitored

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Nottinghamshire Broadband	Nottinghamshire County		2.63	Approved					Project Open - Outputs being monitored
D2N2 Sustainable Travel programme	D2N2 Wide		5.80	Approved					Project Open - Outputs being monitored
Enterprise zone sustainable transport package	Nottingham City Council		6.00	Approved					Project Open - Outputs being monitored
A52 Wyvern	Derby City Council		6.72	Approved					Project Approved - In Construction. Output review due to January Investment board
Coalite	Derbyshire County Council		5.80	Approved					Project Approved - In Construction (Outputs recently reprofiled following external circumstances)
A46 Corridor – Phase 1/2	Rushcliffe Borough		3.00	Approved					Project Open - Outputs being monitored
A46 Corridor – Phase 3	Rushcliffe Borough		0.75	To be approved					The project is continuing to progress through to FBC delivery however this has been delayed slightly.
Midland Mainline	D2N2 Wide		5.00	Approved					Project Open - Outputs being monitored
Buxton Crescent	Derbyshire County Council		2.00	Approved					Project Approved - In Construction
Silk Mill World Heritage Site	Derby City Council	0.63	3.70	Approved					Project Approved - In Construction
Nottingham City Hub	Nottingham College	12.73	30.00	Approved					Project Approved - In Construction
N2 Town Centres	Nottinghamshire County	2.75	7.63	Approved					Medium Risk - a number of business cases within the programme are still to be formally approved which will affect the spend and output profile for the year.
Nottingham Castle	Nottingham City Council		5.00	Approved					Project Approved - In Construction
Vesuvius	Dooba Developments Ltd		4.49	Approved					Project Approved - In Construction
Riverside Business Park	Litton Properties Ltd	2.04	3.35	Approved					Project Approved - In Construction
NTU MTIF Centre	Nottingham Trent University	3.86	9.70	Approved					Projects 1st phase approved, second phase Sept 19 approval
Gedling Access	Nottinghamshire County	1.80	10.80	OBC approved					Project is awaiting approval at the November meeting, slight delay due to outstanding secretary of state approval.
Becketwell	Derby City Council	1.08	8.12	OBC approved - pre comp agreement					The project has seen delays to the delivery of the Final Business Case, new milestones for the project are included later in the paper.
A61 Corridor- Standard Gauge/21 st Century Transport	Derbyshire County Council	1.64	4.69	Approved					Project Approved – In Construction
A61 – The Avenue	Derbyshire County Council	0.35	3.68	OBC					High Risk – Further details in Appendix A
A61 – Chesterfield Station Masterplan	Derbyshire County Council		3.81	OBC					The project is progressing towards the delivery of a Final Business Case for the March 2020 meeting.
A61 – Clowne North	Derbyshire County Council	1.37	3.42	To be approved					High Risk – Further details in Appendix A

Project Name	Project Sponsor	2019/20 Funding	LGF Award (£m)	Approval Status	LGF Expenditure to be achieved in 2019/20 FY	LGF Expenditure being achieved before March 2021	Scheme Delivery not in line with project plan	Output Delivery not in line with agreed profile	Other Comments
Ashbourne Airfield	Derbyshire County Council	1.00	1.00	Awaiting FBC					The project has delivered its Final Business case and was approved at the January meeting. Spend will continue to be monitored until the end of the Financial Year.
Castleward	Derby City Council		1.51	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP, this is anticipated in May 2020.
Woodville-Swadlincote Regeneration route	Derbyshire County Council	1.60	6.40	Awaiting FBC					Amber Risk - The project is at risk of not being able to deliver the business case in time to achieve the full spend of its LGF allocation.
HS2 Strategic Sites	Chesterfield Borough	1.00	2.40	Awaiting FBC					Amber Risk - The project is yet to deliver the final business case to the LEP.
Derby New Assembly Rooms	Derby City Council		4.48	Approved					Significant Changes have taken place to the project and the promoter has temporarily postponed the construction to the project, a review of the project will take place in partnership with the promoter.

	Achieved / On Track
	Medium Risk / Manageable Risk
	High Risk / Behind Schedule

APPENDIX C – NEW PIPELINE PROJECTS

Heathcoat Immersive Incubator

Project Name	Heathcoat Immersive Incubator	Project Score	63
Project Applicant	Nottingham City Council	Project Location	Nottingham
Start Date	July 2020	End Date	November 2020
LGF Amount	£160,000	Total Project Cost	£270,000
Outputs	9 Jobs Created 30 Business Assisted		
Project Description			
<p>The project will provide an Immersive Technology hub and incubator on the Nottingham Science Park. This will be established through the repurposing of three existing units in the Heathcote Building to deliver Nottingham's Immersive Technology Incubator (NXRI). The conversion and refurbishment of the three units will provide an open plan area for collaborative flexible work space, alongside a fully equipped Virtual Reality lab and theatre.</p> <p>Once the building is complete the NRXI will be managed by the Council in collaboration with the University of Nottingham and Digital Catapult and will provide:</p> <ul style="list-style-type: none"> • A specialist Immersive Cluster Manager to provide advice, business support, networking to local businesses and to act as an ambassador for the sector, marketing and promoting the centre to businesses, users and local stakeholders. The Cluster Manager will be supported by a receptionist/admin role. • An accelerator programme for midlands based entrepreneurs with high growth potential, supported by Angel or Venture Capital Investors. 			

NTU Smarter Connected Campus

Project Name	Smarter Connected Campus	Project Score	62
Project Applicant	NTU	Project Location	Clifton
Start Date	September 2020	End Date	November 2020
LGF Amount	£800,000	Total Project Cost	£1,600,000
Outputs	45 Jobs Created 90 Businesses Assisted		
Project Description			
<p>This is an innovative project that through the introduction of innovative technology will create a Smart and sustainable campus that will become a 'living laboratory' for businesses, academics, policy makers in the D2N2 area and beyond to explore how to create Smart Places, such as Smart Cities for the future.</p> <p>The Smart Campus would merge state-of-the-art digital technology with data collection and analysis to create an environment that is connected, sustainable, responsive and inspirational to its users.</p> <p>There are two major elements to this project:</p> <ul style="list-style-type: none"> • The installation of a secondary optical fibre network on the Clifton campus that could be used securely by SMEs for testing applications, devices and systems on 			

a plug-and-play basis

- Installation of a 5G mimic system on the Clifton campus that mimics 5G that could be used securely by SMEs for mobile application and device development and testing, including with drones and driverless vehicles.

The NTU vision for a Smart Campus marries an aspiration to develop a world class teaching facility with the opportunity to create a test bed for ambitious local businesses to learn about and be an integral part of future opportunities that will come about through advances in the Internet of Things, mobile networks (e.g. 5G), location-based services, AI and Big Data.

Nursing and Allied Health provision in Mansfield

Project Name	Nursing & Allied Health Provision in Mansfield – NTU	Project Score	70
Project Applicant	Nottingham Trent University	Project Location	Mansfield
Start Date	May 2020	End Date	November 2020
LGF Amount	£746,000	Total Project Cost	£1,492,000
Outputs	316 Learners Created		
Project Description			
<p>NTU are seeking capital funding to establish a pioneering facility for the Mansfield area to meet the demands of local health organisations. They are seeking to establish nursing & allied health provision in partnership with Sherwood Forest Hospitals Foundation Trust (SFHFT) with courses commencing in September 2020. NTU is in discussion with VWNC to run the whole of the Higher Education provision at the campus. The conversion of the Visual Arts centre is a strand of this initiative.</p> <p>Provision within the area would enable the Trust to provide placement activity to those students more likely to stay with them when they qualify and could provide further opportunities to stimulate the Trust to grow their own future workforce across nursing and other health related professions. Courses would be delivered on-site at VWNC with the refurbishment of the Visual Arts Centre. NTU would be responsible for the project, working closely with all stakeholders, to meet the demand identified by senior health colleagues.</p>			

Tollbar House

Project Name	Tollbar House, Ilkeston	Project Score	63
Project Applicant	Erewash Borough Council	Project Location	Ilkeston
Start Date	May 2020	End Date	January 2021
LGF Amount	£425,000	Total Project Cost	£850,000
Outputs	90 Jobs Created 1,106m ² Floorspace renewed		
Project Description			

The proposal for Toll Bar House is to update and refurbish this art deco landmark building to make it suitable for modern, high value office requirements. The project will include upgrading the heating and lighting systems, fitting more energy efficient windows, insulation and water systems. It has now been decided that for the purposes of market stimulation the facility should be made suitable for letting to the private sector.

This project is needed now as the current NHS occupant has indicated that it plans to move to centralised premises as a consequence of a recent merger. The building is now unlettable in its current condition as a survey has indicated an EPC rating of only G. A rating of E or higher is required for marketing purposes. Given the estimated costs of upgrade and refurbishment EBC would likely mothball the property without this project, thereby losing an opportunity to support the growing private sector.

Revitalising the Heart of Chesterfield

Project Name	Revitalising the Heart of Chesterfield	Project Score	66
Project Applicant	Chesterfield BC	Project Location	Chesterfield
Start Date	April 2020	End Date	April 2021
LGF Amount	£650,000	Total Project Cost	£5,500,000
Outputs	65 Jobs Created 110 Jobs Safeguarded		
Project Description			
<p>Chesterfield town centre functions as a sub-regional service centre (the 7th largest retail destination in the East Midlands) and is recognised as a key economic asset in the D2N2 area. In common with other town centres, Chesterfield faces a number of challenges which have the potential to undermine its long term sustainability if appropriate action isn't taken in response.</p> <p>In response to these issues, the Council is taking action to broaden the appeal of the town centre, making it a location for destination trips that combine a range of retail, catering and leisure activities.</p> <p>The project comprises two scheme elements: the reconfiguration of the outdoor market to make it a more attractive proposition for both traders and shoppers (scheme 1); and the delivery of enhanced public realm in the town's Northern Quarter, providing improved pedestrian links to the main retail core (scheme 2).</p>			

The Investment Board reviewed the projects at the meeting and agreed that the projects should be adopted on to the Capital Programme. The LEP Board are recommended to agree that the five new projects are formally adopted on to the D2N2 LGF Capital Programme. LEP officers will continue to work with the scheme promoters through to Final Business Case delivery and will agree milestones with projects to ensure that they follow through with Final Business Case delivery which will ensure spend is achieved before March 2021.