# D2N2 LEP BOARD – AGENDA

**Tuesday, 24 November, 2020 (10.00am – 12 noon)**

By dial in via MS Teams (calendar invitation supplied)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Welcome and Introductions</td>
<td>Verbal</td>
</tr>
<tr>
<td>1.2</td>
<td>Declarations of Interest</td>
<td>Verbal</td>
</tr>
<tr>
<td>1.3</td>
<td>Minutes of meeting 23/9/20 and matters arising</td>
<td>Paper</td>
</tr>
</tbody>
</table>

## 2. Strategic discussion

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Approval of draft accounts (Appendix)</td>
<td>Sarah Wainwright</td>
</tr>
<tr>
<td>2.2</td>
<td>Chair’s Report, including:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Recovery and Growth Plan (Appendix1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) East Midlands Freeports update</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c) Advisory Boards update</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d) Partner engagement</td>
<td>Elizabeth Fagan, Chair</td>
</tr>
<tr>
<td>2.3</td>
<td>D2N2 Chief Executives Report, including:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Skills Update</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Business and Innovation Update</td>
<td></td>
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<td></td>
<td>c) ESIF Update</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d) Marketing and Comms Update</td>
<td>Sajee da Rose</td>
</tr>
<tr>
<td>2.4</td>
<td>Capital programme Performance Update including updated LAF (Appendix 1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prog for approval Glossop (Appendix 2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prog for approval Chesterfield College (Appendix 3)</td>
<td>Sajee da Rose</td>
</tr>
<tr>
<td>2.5</td>
<td>Midlands Engine Development Corporation Strategic Business Case update</td>
<td>Anthony May</td>
</tr>
</tbody>
</table>

## 3. Any other business |

### 5. Date of next meeting: Wednesday, 27 January, 2021 (10 am – 12 noon)
Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Wednesday, 23 September, 2020

By Teams Dial-In

Chair for this meeting Viv Russell
Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Graham Cartledge Business Representative
Cllr Kay Cutts, MBE Leader, Notts County Council
Michele Farmer VCS and Inclusion Representative
Cllr Barry Lewis Leader, Derbyshire County Council
Cllr David Mellen Leader, Nottingham City Council
Prof Shearer West H E Representative
Cllr Chris Poulter Derby City Council
Emma Rigler Business Representative
Cllr Simon Robinson Rushcliffe Borough Council,
Jayne Mayled Business Representative
Cllr Alex Dale Leader, NE Derbys DC
Andrew Cropley F E Representative
David Wright Area Lead D2N2, BEIS
James Brand Business Representative

Also in attendance

Joe Battye rep for Derbyshire County Council
Gill Callingham rep for N E Derbyshire DC
Anthony May CEO, Nottinghamshire County Council
Kath Marriott CEO, Rushcliffe Borough Council
Rachel North rep for Derby City Council
Scott Knowles CEO, East Midlands Chamber
Nicki Jenkins rep for Nottingham City Council

Philip Handley Accountant, HSKS Greenhalgh (auditors)
Peter Handford S 151 Officer, Derbyshire County Council
Sarah Wainwright Snr Accountant, Derbyshire County Council

Officer Support

Sajeeda Rose Chief Executive, D2N2
Tom Goshawk Head of Capital Programmes, D2N2
Frank Horsley Head of Business and Innovation, D2N2
Will Morlidge Head of Strategy and Policy, D2N2
Rachel Quinn Head of People and Skills, D2N2
Rob Harding Head of Marketing and Communications, D2N2
Dan Heffernan Careers Hub Lead, D2N2
Apologies

Apologies were received from Chair Elizabeth Fagan, Deputy/Interim Chair, David Williams and Board Member, Tim Freeman together with LEP Sponsor, Susan Caldwell.

1.1 Welcome and Introductions

In the absence of both Chair and Deputy, Viv Russell took the Chair for this meeting.

VR welcomed all attendees to the meeting and extended a particular welcome to new Board members at their first meeting. Each was given a couple of minutes to introduce themselves briefly to the group.

1.2 Declarations of interest

The Chair reminded all Members that Declarations of Interest should be stated to be recorded where an interest arose.

Andrew Cropley declared an interest in the West Nottinghamshire College project under item 2.4 and took no part in this discussion.

1.3 Minutes of last meeting and matters arising

The Minutes of the previous meeting held on 8 July, 2020 were confirmed as a true record, and all actions were confirmed as being completed.

2.1 Formal Appointment of Auditors

Sarah Wainwright introduced this item, reminding members that Companies House would require accounts for the first time this year for the incorporated LEP. Following a standard tendering process, HSKS Greenhalgh had been selected as the firm to undertake this work. She introduced Philip Handley, Director of Audit and Associated Services at HSKS Greenhalgh.

Mr Handley gave a short summary to members of the process and paperwork that would be required and indicated that full explanatory information would be circulated to all following this meeting, with a formal letter of engagement to be signed by the Chair if the appointment was approved.

Board APPROVED the appointment of HSKS Greenhalgh as auditors for D2N2 LEP.

Item 2.2 Interim Chair’s Report

VR introduced this report updating members on significant developments since the last meeting, including:

i) the Economic Recovery and Growth Plan;
ii) East Midlands Freeport update;
iii) Governance update;
iv) Advisory Boards update;
v) MPs roundtables update.

In David Williams’ absence, Sajeeda Rose was invited to speak briefly to each section.
i) **Economic Recovery and Growth Plan**

SR reminded Board of the background to the Economic Recovery and Growth Strategy (ERGS), namely that it was intended as a narrative complementing local plans with the aim of attracting long-term investment to the region. She handed to Will Morlidge who then took Members through a short summary slide presentation covering work to date.

WM reminded Board that this strategy built on the Local Industrial Strategy that had been endorsed by Board in March, 2020. The three guiding principles of productivity, clean growth and connectivity remained, but were being revised to take into account the impact of Covid 19 on employment, learning and socialising.

Board was advised of the timetable for next steps, with feedback including comments from this Board, the Covid19 Recovery Board and Leaders’ Board to be in by 9 October so that a revised draft could be presented to BEIS for informal comment by 16 October. From there, a final draft would be prepared for discussion by the Analytical Group on 27 October and Covid 19 Recovery Board on 2 November.

WM sought feedback on the general direction of progress of the draft and invited comments from Members on specific propositions in order to shape the final pitch to Government.

A general discussion took place, broadly reflecting support for the draft to date. Specific points arising from the conversation included:

- From Prof West, welcoming the direction of travel in relation to zero-carbon and digital, which linked to the work being undertaken by the University of Nottingham, and the role of innovation;
- From Cllr Mellen, a recommendation to strengthen the pitch for the visitor economy with specific reference to the investment made to the Nottingham Castle transformation project;
- From Graham Cartledge, a recommendation to focus on the opportunities presented by the sport and health sectors within D2N2;
- From Michele Farmer, in terms of productivity and inclusion a recommendation to ensure the region was demonstrated to be one with quality of life: a place both to live and work.

Board **ENDORSED** the draft ERGS and agreed the next steps as proposed.

ii) **East Midlands Freeport Update**

SR referred Members to notes within the circulated report and confirmed that the response from Government was now awaited. Given the present national situation, it was expected that there would probably be some flexibility with the initially envisaged 12-week consultation period ending mid-October. Additionally, formal policy framework information was still awaited in order to refine the final pitch proposal to Government. Work was therefore continuing with partners in anticipation of the formal competition launch to ensure consistency of data as well as alignment with the business case being prepared for the Development Corporation area.

iii) **Governance Update**

SR drew attention to detailed notes in the report. Following the implementation of a new governance structure for the LEP from January, 2019, a review had been carried out as agreed to ensure that the structure remained fit for purpose in delivering the objectives set by Board.
SR referred to tightening up the structure to ensure consistency between Advisory Boards over areas of work, together with the introduction of a dashboard to measure impact and performance across all Boards.

Board **APPROVED** the revised Terms of Reference for each advisory board and proposed reporting arrangements as outlined.

iv) **Advisory Boards Update**

VR drew Members’ attention to notes within the report and, as Chair of the newly-merged Business Growth and Innovation Board (BGIB), confirmed that the first meeting had been successfully attended with good updates in particular on the critical role being played by the Growth Hub as well as on international trade matters.

Prof Shearer West confirmed that she had attended her first meeting on handover from Prof Kathryn Mitchell and highlighted the themes that had been discussed including Covid 19 recovery, Skills for Growth and a 3-year action plan for increasing Digital Skills in D2N2.

For the Place Board, SR confirmed that external presentations at the recent meeting had prompted thought-provoking discussion around how places and spaces would operate in the future. The revised ToR had also been considered. Investment Marketing and Tourism, which had been included under Place were now felt to align more closely with BGIB going forward.

v) **MPs Roundtables Update**

SR referred to the ongoing strong relationship with the area’s MPs, citing collaborative work with them to secure the July meeting with Steve Barclay, Chief Secretary to the Treasury as an example. Further regular meetings were coming up in the next couple of weeks for both Conservative and Labour Group MPs.

Board **NOTED** the Interim Chair’s report.

2.3 **Chief Executive’s Report**

Sajeeda Rose presented her report updating Board on items including:

a) Skills Update, including presentation on Careers Hub activity;

b) Business and Innovation/Growth Hub Update;

c) ESIF Update;

d) Marketing and Communications Update.

and referred members to the notes under each item.

She invited Dan Heffernan, Careers Hub Lead for North Derbyshire to present to Board on recent work by the Careers Hub.

DH took the group through a slide presentation outlining Careers Hub activity and focusing specifically on the work undertaken in collaboration with 130 organisations, Chesterfield Borough Council and Destination Chesterfield to create the ‘My Future’ digital platform.

Board learned that this was a digital space available via desktop or mobile app for young people and parents to access careers and transition information including downloadable prospectuses, virtual workplace tours and workshops under one virtual roof. They were given
a short demonstration of how the site worked. The project had been recognised as nationally innovative by the Careers and Enterprise Company, with many other areas now looking to replicate the D2N2 model.

VR thanked Dan and thanks were also recorded to him and the team for this work. VR confirmed that Longcliffe would be happy to support the initiative.

Board **NOTED** the report.

### 2.4 Capital Programme Performance Update

The Chief Executive introduced a report providing an update on the performance of the D2N2 Capital Programme and detailing the latest updates of all programmes as presented to the Investment Boards on 4 August and 9 September, 2020.

She reminded Board that the LEP was on track to deliver its remaining £40m LGF funding this year, whilst £44m new funding would come from the Getting Building Fund. SR handed to Tom Goshawk to take Members through a summary of each scheme prior to seeking formal endorsement and approval of schemes confirmed by the Investment Board.

Cllr Cutts indicated that she would not endorse the paper at this meeting and wished her views to be formally recorded. She expressed particular disappointment that Nottinghamshire’s bid to the LEP for a 5G voucher scheme had not been successful and questioned the lack of digital provision in the schemes now presented for ratification. She expressed her reservations on the rationale for decisions reached and asked for a list of projects that had not succeeded.

SR acknowledged Cllr Cutts’ view, but confirmed that following independent assessment of all bids, the risks associated with the Nottinghamshire voucher scheme had been demonstrated to be significantly higher than other proposed projects. Additionally, it was understood that other sources of funding could be available to fund digital infrastructure that were more suitable than the Getting Building Fund.

A project list had been circulated with the previous Board but would be reissued for ease of reference.

TG talked the Board through summary slides including outcomes and numbers of jobs to be created by each project, namely:

**From the August Investment Board:**
- £425,000 for the Tollbar House project in Ilkeston
- £650,000 for the Revitalising the Heart of Chesterfield project

**From the September Investment Board:**
- £2.2m for the YMCA Community and Activity Village in Newark
- £160,000 for the Mushroom Farm project in Eastwood
- £850,000 for the Facility for OMICs research in metabolism project at the University of Derby
- £673,718 for the Automation and Robotics Centre project at West Notts College
- £800,000 for the Smarter Wireless Innovation Facility project at NTU’s Clifton campus.

Michele Farmer queried the need to develop new offices at Ilkeston at the current time. TG reported that there had previously been a low stock of suitable local buildings to be re-
purposed in this way, and the market assessment confirmed demand for new offices. The scheme would provide smaller units that hopefully in recovery would offer a new market to that area. This was endorsed by Cllr Lewis.

Cllr Cutts queried the investment into the YMCA Community and Activity Village in Newark, which she perceived to be centred largely around sport.

SR confirmed that the LEP’s support for the Newark scheme was based on learner support rather than sport. This landmark project for the YMCA had been designed with other partners including Newark and Sherwood District Council, Nottingham Trent University, Newark College and Public Health England.

Cllr Mellen welcomed the spread of projects now approved, recognising the need to plan for the medium- and longer-term. He particularly welcomed NTU’s Smarter Wireless innovation Facility project as a vehicle for further digital innovation.

Subject to recorded dissent by Cllr Cutts:

Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £425,000 of Local Growth Fund to the Tollbar House project in Ilkeston.

The Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £650,000 of Local Growth Fund to the Revitalising the Heart of Chesterfield project.

Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £2.2m of Local Growth Fund to the YMCA Community and Activity Village in Newark.

Board RATIFIED and CONFIRMED the decision of the Investment to invest £160,000 of Local Growth Fund to the Mushroom Farm Project in Eastwood.

Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £850,000 of Local Growth Fund to the Facility for OMICs Research in Metabolism project at the University of Derby

Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £673,618 of Local Growth Fund to the Automation and Robotics Centre project at West Nottinghamshire College

Board RATIFIED and CONFIRMED the decision of the Investment Board to invest £800,000 of Local Growth Fund to the Smarter Wireless Innovation Facility project at NTU’s Clifton Campus.

Board NOTED the progress of the capital programme and the new Getting Building Fund projects.

Board DELEGATED authority to the Investment Board to approve any projects that come to the October Investment Board to enable those projects to progress before the November Board meeting. Board Members would be provided with a written report on the outcome of the Investment Board.
**ACTIONS:** LEP to recirculate list of project bids to LGF (SR).

### 2.5 Midlands Engine Development Corporation Strategic Business Case Update

Board **RECEIVED** and **NOTED** a confidential report updating on the Midlands Engine Development Corporation Strategic Business Case.

### 3. Any other business

The date for the D2N2 Annual Meeting, likely to be at the end of November, would be announced shortly.

Via zoom chat, Cllr Poulter asked if the policy on no substitutes at Board remained and SR confirmed this to be the case.

### 4. Date of next meeting

Tuesday, 24 November, 2020 (10.00am – 12.00 pm) – joining details to follow.
1. INTRODUCTION

This report is to present the draft financial accounts for the period 29th March 2019 to 31st March 2020 for the D2N2 LEP to Board members. The D2N2 LEP became incorporated on the 29th March 2019 following the requirement to become a legal entity from April 2019 by Government.

2. RECOMMENDATION

Board are asked to discuss and consider the audited financial statements in appendix 1, along with other documentation required by the auditors and approve as appropriate.

Please note that the financial statements attached are draft, subject to the completion of the auditor’s work and finalisation of the necessary disclosure notes.

The financial statements in final form, along with the other documentation required by the auditor’s will be circulated in advance of the Board meeting.

3. SUMMARY OF REPORT

2019/20 is the first year of the requirement to file accounts with Companies House for the D2N2 LEP. The company was incorporated on the 29th March 2019 and is limited by guarantee of its members and does not have any share capital. HSKS Greenhalgh were appointed in September 2020 to complete the audited accounts and to ensure the deadline for returns to Companies House and HMRC were met.

The financial accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the requirements of the Companies Act 2006. Following on from this the accounts will be placed before the company at the Annual General Meeting on the 2nd December 2020.
D2N2 Local Enterprise Partnership

Strategic Report,

Report of the Directors and

Financial Statements

for the Period

29 March 2019 to 31 March 2020
## Contents of the Financial Statements
for the Period 29 March 2019 to 31 March 2020

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Information</td>
<td>1</td>
</tr>
<tr>
<td>Strategic Report</td>
<td>2</td>
</tr>
<tr>
<td>Report of the Directors</td>
<td>6</td>
</tr>
<tr>
<td>Report of the Independent Auditors</td>
<td>9</td>
</tr>
<tr>
<td>Income Statement</td>
<td>11</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>12</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td>13</td>
</tr>
<tr>
<td>Statement of Changes in Equity</td>
<td>14</td>
</tr>
<tr>
<td>Cash Flow Statement</td>
<td>15</td>
</tr>
<tr>
<td>Notes to the Cash Flow Statement</td>
<td>16</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>17</td>
</tr>
<tr>
<td>Detailed Income and Expenditure Account</td>
<td>24</td>
</tr>
</tbody>
</table>
D2N2 Local Enterprise Partnership

Company Information
for the Period 29 March 2019 to 31 March 2020

DIRECTORS:  Graham Stanley Cartledge CBE
              Cllr Kathrine Lilian Cutts MBE
              Elizabeth Fagan CBE
              Cllr Barry Lewis
              Katherine Jayne Mayled
              Cllr Christopher Paul Poulter
              Emma Louise Riger
              Cllr Simon James Robinson
              Vivian Geoffrey Russell
              Michele Louise Farmer
              David Henry Williams
              David Mellen
              James Alexander Brand
              Andrew Cropley
              Tim Clive Freeman
              Prof Shearer Carroll West
              Cllr Alexander Guy Dale

REGISTERED OFFICE:  8 Experian Way
                    No2 Business Park
                    Nottingham
                    Nottinghamshire
                    NG2 1EP

REGISTERED NUMBER:  11914012 (England and Wales)

AUDITORS:  HSKS Greenhalgh
            3rd Floor Butt Dyke House
            33 Park Row
            Nottingham
            Nottinghamshire
            NG1 6EE
D2N2 Local Enterprise Partnership

Strategic Report
for the Period 29 March 2019 to 31 March 2020

The Directors present their Strategic report for D2N2 Local Enterprise Partnership ("the Company") for the period ended 31 March 2020.

Introduction

Established in 2010, The Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) is one of the largest Local Enterprise Partnerships (LEPs) in England.

LEPs play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs. There are 38 LEPs currently operating within England and are all members of the LEP Network.

The D2N2 LEP receives funds from the Government to address regional and national priorities. Once secured, the funding is contracted to a wide range of delivery partners including local authorities, universities, colleges, the voluntary community sector and private training partners to deliver projects that drive economic prosperity across the region.

Following a review into the governance and transparency known as the Ney Review in October 2017 and the publication of Strengthened Local Enterprise Partnerships in July 2018, Government required all LEP's to adopt a legal entity by April 2019.

The Company was incorporated on the 29 March 2019 and is limited by guarantee of its members and does not have any share capital. The Company operates as a not for profit entity and receives financial support from the four Upper Tier Authorities in addition to grants from Government.

Government also required each LEP to have a single Accountable Body and following a tendering process, Derbyshire County Council were selected as D2N2's single accountable body for 2019/20 and 2020/21.

Previous to this, there were 3 accountable bodies, Derbyshire County Council, Derby City Council and Nottingham City Council. Within 2019/20 funds were transferred from the other two local authorities, £425,655 from Derby City as Core Funding and £20,703,914.37 from Nottingham City Council as £16,396,098.75 as Growing Places Capital, £535,119.62 as Growing Places interest and £3,772,696 as Building Foundations for Growth grant.

2019/2020 has been another significant year for the D2N2 LEP with an increasing focus from government on the role LEPs play in setting the direction for economic growth through strong partnerships with the private and public sector, alongside an increasing emphasis on the importance of governance and transparency.

Governance

The D2N2 LEP has continued to strengthen our overall governance and remains committed to seeking opportunities for continuous improvement across all areas of our work.

The Board comprises six ex-Officio nominated representative of the Local Authorities alongside 12 co-opted Directors from the private sector. It has one representative each from higher and further education, and one representing inclusion and diversity.

They oversee the operation of the company in the delivery of activities to support economic growth, and the development of economic strategy focused themes: Place, Business Growth, Innovation and People and Skills. These strategic themes, each has an Advisory Board that reports to the main LEP board, advises on sector-specific strategies and opportunities for growth.

Our structures are continually reviewed to improve and optimise the delivery of our strategies and to ensure we meet all the requirements set out by government in their review of LEPs in 2018 (Strengthened Local Enterprise Partnerships). This year we have increased board membership and diversity; and expanded our management and officer capacity to support the development and delivery of our programmes.
The Local Assurance Framework sets out how the D2N2 LEP will continue the process of ensuring value for money, prioritisation, appraisal, business case development and risk management for its Growth Deal programme. It identifies the roles to be taken by the D2N2 LEP and its constituent Boards, by the Accountable Body and by the promoters of projects. It also sets out the process to be followed in selecting priorities for further Growth Deals or other funding programmes if appropriate.

The company's principal sources of income are Government grants (both capital and revenue) and grants from constituent local authorities.

**Economic Context**

D2N2 benefits from a highly functional economic geography that is advantageously located at the heart of the country. Our economy is the 4th largest outside London and the South East. It contributes £48.4bn in GVA to the UK economy; with 16% growth since 2012.

However, the growth has not benefited everyone; there are significant differences in the socio-economic conditions experienced across D2N2's communities and not all our people have the skills and qualifications to share in the benefits of growth. Consequently, our productivity rates continue to lag behind the national average.

The impact on the economy from Covid-19 is likely to have a significant impact on our region, and we will need to adapt and deliver new opportunities to recover and restore economic growth across the whole of D2N2.

**Strategy and Collaboration**

The D2N2 LEP work's with government and local stakeholders to provide regional leadership on several important economic, social and environmental agendas. We continue to identify barriers and solutions to growth and work with our partners to improve their business environment.

The D2N2 LEPs overall strategy was set out in our Strategic Economic Plan, Vision 2030, which sets out the vision, priorities and aspirations for the region to 2030 and how we will have a transformed high-value economy; which is prosperous, healthy and inclusive, and one of the most productive in Europe. An economy that is globally connected to promote the growth of a sustainable regional economy and committed to improving the quality of life for our communities.

We continue to actively work with partners across the Midlands Engine area to support the collective vision for supporting the growth of the Midlands economy. Together we are committed to capitalising on the many opportunities ahead, including the Midlands Engine Development Corporation. Nationally, we continue to work within the LEP network to influence national policy and investment decisions.

The D2N2 LEP has reaffirmed its growth and economic ambitions through the development of our Local Industrial Strategy (LIS), which is aligned to the UK's industrial strategy. It promotes the coordination of local economic policy and national funding streams and establishes new ways of working between national and local government and the public and private sectors. Our draft emerging LIS was shared with government in March 2020.

The draft LIS identified three guiding principles which support specific propositions, that embrace the challenges and opportunities of new technologies and global markets and addresses the issues impeding clean, productive and inclusive growth across the D2N2.

The LIS gives us a solid foundation on which to build our economic recovery. However, as we look ahead to a changing economic environment, we have decided to review and re-cast the Strategy to take account of the impact of Covid-19 on ways of working, learning and socialising.

The three key guiding principles are:

1. **Productivity**: Lead a bold new way of bringing together the education and skills, innovation and business support systems to support our people and businesses to thrive.
2. **Clean Growth**: Lead the most ambitious carbon turn-around in the country.

3. **Connectivity and Inclusion**: Deliver connectivity-led growth to and for all parts of the D2N2 region.

**Delivery**

Our Local Growth Fund programme continues to make excellent progress with £210.6m spent to date and an additional £287m of public and private funding secured.

During 2019/20, the D2N2 LEP received an allocation of £17.42m alongside the funding held by Derbyshire County Council from previous years through its freedom and flexibilities as Accountable Body, this gave a total of £46.4m available. A total of £46.4m was paid out to projects within 2019/20, those projects are as follows:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Grant £</th>
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<tbody>
<tr>
<td>A61 Corridor</td>
<td>1,263,800</td>
</tr>
<tr>
<td>Ashbourne Airfield</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Becketwell</td>
<td>2,695,000</td>
</tr>
<tr>
<td>Derby Cycling and Placemaking</td>
<td>94,330</td>
</tr>
<tr>
<td>Gedling Access Road</td>
<td>3,080,000</td>
</tr>
<tr>
<td>Harworth Access Road</td>
<td>(395,899)</td>
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<tr>
<td>LEP Management &amp; Feasibility Funds</td>
<td>187,099</td>
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<tr>
<td>N2 Town Centres</td>
<td>2,745,444</td>
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<tr>
<td>Nottingham Broadmarsh/Southern Gateway</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Nottingham City Hub</td>
<td>12,730,129</td>
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<tr>
<td>NTU MITF Centre</td>
<td>4,091,141</td>
</tr>
<tr>
<td>Our City Our River, Derby</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Riverside</td>
<td>754,840</td>
</tr>
<tr>
<td>Silk Mill World Heritage Site</td>
<td>650,000</td>
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<tr>
<td></td>
<td><strong>46,395,884</strong></td>
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In terms of outputs delivered to date, the table below summarises the current total position against the overall targets:

<table>
<thead>
<tr>
<th></th>
<th>Output Actuals to date</th>
<th>Targets to date</th>
<th>Overall Target</th>
</tr>
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<tbody>
<tr>
<td>Jobs</td>
<td>10,448</td>
<td>9,834</td>
<td>29,000</td>
</tr>
<tr>
<td>Homes</td>
<td>1,516</td>
<td>4,036</td>
<td>10,700</td>
</tr>
<tr>
<td>Learners</td>
<td>2,122</td>
<td>1,709</td>
<td>2,000</td>
</tr>
</tbody>
</table>

The D2N2 LEP has continued to work with the Enterprise Zone landowners to develop the sites further and attract inward investment through the next year. The D2N2 LEP has allocated funding towards two new developments on the Infinity Park site which are due to deliver business cases for final funding approvals within the next financial year. Income from Business Rate uplift is now being collected from the Infinity Park, Derby site.

The D2N2 LEP also have responsibility for delivering strategic advice on investments for the European Structural Investment Fund.

This year, the D2N2 Growth Hub has sought to increase the growth and competitiveness of businesses in the D2N2 area. The Hub has worked with over 2000 businesses. This included a core front line Growth service, primarily delivered by East Midlands Chamber, and enhanced local services provision, delivered by local authority partners.

However, long term economic growth can't happen without the right investment in skills and our people. The D2N2 LEP has continued to play an important leadership role in the skills system; developing skills analysis, engaging with the education and skills sector. This has included expanding the work of our Enterprise Coordinators, who this year have worked with over 120 schools to support career education.
The D2N2 LEP was also successful in securing funding for a Careers Hub for the North Derbyshire cluster of 21 schools. Launched in January 2020, this hub will build intensively on the progress we have made on careers-related activity.

As well as working with partners to develop programmes for growth, D2N2 LEP has supported a range of projects to benefit the region and wider Midlands economy, such as the Midlands Engine Development Corporation and proposals for Freeport.

The D2N2 LEP, like all other LEPs, was subject to an Annual Performance Review with Government in January 2020 for the 2019-20 financial year across three themes, governance, delivery and strategy. The D2N2 LEP was awarded good for governance, good for strategy and met the requirement for strategic impact.

On 1 July 2020 the Ministry of Housing, Communities and Local Government advised that the Government would be making £900m available to LEP’s through the new Getting Building Fund programme investing in local infrastructure projects to drive economic growth and confirmed that the D2N2 LEP will receive £44.4m to support capital projects which has to be committed and spent by the end of March 2022.

Risks and uncertainties
The main risks facing the D2N2 LEP are reliance on Government and European Funding to deliver objectives, and a considerable uncertain political environment both locally and nationally.

Uncertainties around the UK’s exit from the EU continue to fuel economic uncertainty. The LEP has worked hard to make the case for continued investment in infrastructure after European funding ends and the need for early confirmation as to the shape and operation of the proposed UK Shared Prosperity Fund.

In March 2020, the LEP took steps to help contain the outbreak of COVID-19 and supported measures to mitigate the impact of pandemic across our communities. The impact of COVID-19 will be under continuous review going forward.

ON BEHALF OF THE BOARD:

................................................................. Elizabeth Fagan CBE - Director    Date:   .............................................
D2N2 Local Enterprise Partnership

Report of the Directors
for the Period 29 March 2019 to 31 March 2020

The directors present their report with the financial statements of the company for the period 29 March 2019 to 31 March 2020.

INCORPORATION
The company was incorporated on 29 March 2019.

DIVIDENDS
No dividends will be distributed for the period ended 31 March 2020.

DIRECTORS
The directors who have held office during the period from 29 March 2019 to the date of this report are as follows:

Cllr Anthony Ashton - appointed 29 March 2019 - resigned 14 May 2019
Graham Stanley Cartledge CBE - appointed 29 March 2019
Cllr Kathrine Lilian Cutts MBE - appointed 29 March 2019
Elizabeth Fagan CBE - appointed 29 March 2019
Peter James Gadsby - appointed 29 March 2019 - resigned 9 July 2019
Paul Julian Harris - appointed 29 March 2019
Jane Samantha Howson - appointed 29 March 2019
Cllr Barry Lewis - appointed 29 March 2019
Katherine Jayne Mayled - appointed 29 March 2019
Prof Kathryn Mary Mitchell - appointed 29 March 2019
Cllr Christopher Paul Poulter - appointed 29 March 2019
Emma Louise Rigler - appointed 29 March 2019
Cllr Simon James Robinson - appointed 29 March 2019
Vivian Geoffrey Russell - appointed 29 March 2019
Karen Smart - appointed 29 March 2019
Dawn Patricia Ward CBE - appointed 29 March 2019
David Henry Williams - appointed 29 March 2019
Cllr Martin Edwin Thacker - appointed 17 June 2019
David Mellen - appointed 9 July 2019

James Alexander Brand, Andrew Copley, Cllr Alexander Guy Dale, Michele Louise Farmer, Tim Clive Freeman and Prof Shearer Carroll West were appointed as directors after 31 March 2020 but prior to the date of this report.

Paul Julian Harris, Jane Samantha Howson, Prof Kathryn Mary Mitchell, Karen Smart, Dawn Patricia Ward CBE and Cllr Martin Edward Thacker ceased to be directors after 31 March 2020 but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.
STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS
The D2N2 Board is committed to high standards of corporate governance and meets regularly. A number of matters are reserved for the Board's approval, including the overall strategy for the company, annual budgets and business plans, major items of expenditure on projects and funding requirements from key stakeholders.

The LEP Board has delegated responsibilities to the following sub-boards and committees, formally constituted with terms of reference:

**Investment Board**
The LEP Board has delegated its power to make financial decisions to the Investment Board. This includes decisions relating to the Local Growth Fund, Growing Places Fund, Enterprise Zone Business Rates and other appropriate LEP funding streams. The Board monitors the associated contracts of its investment decisions with a quarterly board update.

**Advisory Boards (Business Growth, Innovation, People and Skills and Place)**
The Advisory Boards support the D2N2 LEP Board in their mission to better push forward on objectives to boost the LEP area's economic growth. Each Advisory Board provides regular progress updates to the main D2N2 LEP Board and develops a work programme to drive forward their areas of responsibility.

**D2N2 Growth Hub Executive Board (Sub Board to the Business and Innovation Board)**
The Executive Board steers the activities of the Growth Hub, ensuring it is fit for purpose and fulfilling its remit. The D2N2 Growth Hub offers support to start-ups, growing businesses, and companies who are ready to scale up their operations.

**ESIF Committee**
The ESIF Committee role is to prepare the local strategy for the investment of the D2N2 area's notional allocation of European Structural and Investment Funds (ESIF) to ensure they are invested to maximum effect, and that delivery capability is in line with strategic priorities, and emerging risks are mitigated or referred to the LEP Board for resolution.

**Nominations and Remunerations Committee**
The Nominations Committee oversees the identification, recruitment and recommendation of the new directors to the Board, and oversees the effectiveness of the executive structure.

**Scrutiny and Audit Arrangements**
The D2N2 LEP utilises both Scrutiny and Audit committee arrangements within Derbyshire County Council; this will also be extended to the chairs of the scrutiny committees across D2N2 to take in the process. The D2N2 LEP's audit report is presented annually to the Investment Board.

The Scrutiny Committee will review the annual performance of the D2N2 LEP’s governance and its funding streams. The D2N2 LEP also makes an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested.

**Future developments**
In light of the Covid-19 pandemic, the D2N2 LEP will need to ensure we are working from a new baseline of economic performance and that we are able to address the new needs of the economy so that we can adapt, recover and grow.

We will continue to work with partners across the area to find innovative solutions to these problems as part of our approach to recovery and delivering sustainable economic growth to the region. It's important we also provide greater clarity on where the D2N2 LEP will take a leading role and those areas in which we will support our local partners.

**Qualifying third party indemnity provisions**
The Company has put in place qualifying third party indemnity provisions for all of the Directors and Officers of the Company.
D2N2 Local Enterprise Partnership

Report of the Directors
for the Period 29 March 2019 to 31 March 2020

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, HSKS Greenhalgh, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

................................................................. Elizabeth Fagan CBE - Director

Date: .....................................................
### D2N2 Local Enterprise Partnership

**Income Statement**

**for the Period 29 March 2019 to 31 March 2020**

<table>
<thead>
<tr>
<th>Notes</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRANT AND OPERATIONAL INCOME</strong></td>
<td>53,833,758</td>
</tr>
<tr>
<td>Grant expenditure</td>
<td>(52,708,226)</td>
</tr>
<tr>
<td><strong>GROSS SURPLUS</strong></td>
<td>1,125,532</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(1,195,789)</td>
</tr>
<tr>
<td></td>
<td>(70,257)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>26,636,928</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS</strong></td>
<td>26,566,671</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td>408,885</td>
</tr>
<tr>
<td><strong>SURPLUS BEFORE TAXATION</strong></td>
<td>26,975,556</td>
</tr>
<tr>
<td>Tax on surplus</td>
<td>(77,688)</td>
</tr>
<tr>
<td><strong>SURPLUS FOR THE FINANCIAL PERIOD</strong></td>
<td>26,897,868</td>
</tr>
</tbody>
</table>
D2N2 Local Enterprise Partnership

Other Comprehensive Income
for the Period 29 March 2019 to 31 March 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURPLUS FOR THE PERIOD</td>
<td>26,897,868</td>
</tr>
<tr>
<td>OTHER COMPREHENSIVE INCOME</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</td>
<td>26,897,868</td>
</tr>
</tbody>
</table>
D2N2 Local Enterprise Partnership (Registered number: 11914012)

Balance Sheet
31 March 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>27,561,437</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>696,478</td>
</tr>
<tr>
<td><strong>Total (CURRENT ASSETS)</strong></td>
<td><strong>28,257,915</strong></td>
</tr>
<tr>
<td>CREDITORS</td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>1,360,047</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td><strong>26,897,868</strong></td>
</tr>
<tr>
<td>TOTAL ASSETS LESS CURRENT LIABILITIES</td>
<td><strong>26,897,868</strong></td>
</tr>
<tr>
<td>RESERVES</td>
<td></td>
</tr>
<tr>
<td>Income and expenditure account</td>
<td>26,897,868</td>
</tr>
<tr>
<td><strong>Total (RESERVES)</strong></td>
<td><strong>26,897,868</strong></td>
</tr>
</tbody>
</table>

The financial statements were approved by the Board of Directors and authorised for issue on ............................................. and were signed on its behalf by:

-----------------------------------------------
Elizabeth Fagan CBE - Director
<table>
<thead>
<tr>
<th>Changes in equity</th>
<th>Retained earnings £</th>
<th>Total equity £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total comprehensive income</td>
<td>26,897,868</td>
<td>26,897,868</td>
</tr>
<tr>
<td>Balance at 31 March 2020</td>
<td>26,897,868</td>
<td>26,897,868</td>
</tr>
<tr>
<td>Notes</td>
<td>£</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>287,593</td>
<td></td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>287,593</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>408,885</td>
<td></td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>408,885</td>
<td></td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>696,478</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>696,478</td>
<td></td>
</tr>
</tbody>
</table>
D2N2 Local Enterprise Partnership

Notes to the Cash Flow Statement
for the Period 29 March 2019 to 31 March 2020

1. **RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus before taxation</td>
<td>26,975,556</td>
</tr>
<tr>
<td>Finance income</td>
<td>(408,885)</td>
</tr>
<tr>
<td>Increase in trade and other debtors</td>
<td>(27,561,437)</td>
</tr>
<tr>
<td>Increase in trade and other creditors</td>
<td>1,282,359</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>287,593</td>
</tr>
</tbody>
</table>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

<table>
<thead>
<tr>
<th>Description</th>
<th>31/3/20</th>
<th>29/3/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>696,478</td>
<td>-</td>
</tr>
</tbody>
</table>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

<table>
<thead>
<tr>
<th>Description</th>
<th>At 29/3/19</th>
<th>Cash flow</th>
<th>At 31/3/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash</strong></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>696,478</td>
<td>696,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>696,478</td>
<td>696,478</td>
</tr>
</tbody>
</table>
1. STATUTORY INFORMATION

D2N2 Local Enterprise Partnership is a private company, limited by guarantee, registered in England and Wales. The company’s registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates
In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Income is recognised on an accruals basis based on an estimate of the income due in the relevant period.

Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the assumption affects that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Grant and operational income
Government grants for projects are accounted for under the performance model as permitted by Financial Reporting Standard 102. Government grants are recognised only to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Other government funding is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Other income is recognised on an accruals basis.

Financial instruments
Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest method. Debt instruments are subsequently measured at amortised cost.

Financial assets that are a measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment an impairment loss is recognised immediately.

Financial assets are derecognised when:
- The contractual rights to the cash flows from the asset expire or are settled; or
- Substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or expires.
2. ACCOUNTING POLICIES - continued

Taxation
The company operates as a not-for-profit entity and does not carry on a trade for tax purposes. As a result the net surplus arising on these activities is non-trading and is exempt from corporation tax. The company is liable to corporation tax on bank interest and other investment income after deducting allowable expenses.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits
The company contributes to a defined pension scheme. Contributions payable to the scheme are amounts recharged to the company by the Chamber of Commerce who operate the scheme and are charged to profit or loss in the period to which they relate.

Interest income
Interest income is recognised in the income statement on a cash basis when received.

Grant expenditure
Grant expenditure is recognised when there is a legal or constructive obligation, it is probable that settlement is required and the amount can be measured reliably.

3. EMPLOYEES AND DIRECTORS

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>558,843</td>
</tr>
<tr>
<td>Social security costs</td>
<td>58,697</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>37,565</td>
</tr>
<tr>
<td></td>
<td>655,105</td>
</tr>
</tbody>
</table>

The average number of employees during the period was as follows:

- Directors: 17
- Delivery team: 11
- Careers team: 3

Total: 31
3. EMPLOYEES AND DIRECTORS - continued

The company does not directly employ any staff. Instead staff are employed by the Chamber of Commerce who recharge payroll costs to the company. Details included in these financial statements in respect of staff costs all relate to recharged values.

Staff paid in excess of £58,200 for the period, or the pro-rata equivalent for their period of employment are as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Salary and other benefits</th>
<th>Pension contributions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>96,714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head of People and Skills</td>
<td>61,095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head of Strategy and Growth (January - March)</td>
<td>14,386</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head of Business Growth and Innovation (February - March)</td>
<td>10,021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Directors' remuneration

4. OPERATING SURPLUS

The operating surplus is stated after charging:

- Auditors' remuneration
  - £4,500
- Auditors' remuneration for non audit work
  - £4,500

5. EXCEPTIONAL ITEMS

Exceptional items are funds previously held by the D2N2 LEP prior to incorporation that were transferred into this new company. Further details are given in note 9.

Exceptional items: £26,636,928

6. TAXATION

Analysis of the tax charge
The tax charge on the surplus for the period was as follows:

- Current tax: £77,688
- Tax on surplus: £77,688

7. DEBTORS

Amounts falling due within one year:
- Debtors: £480,260
- Growing Places Fund loans advanced: £3,164,246
- Cash held by Derbyshire County Council: £21,500,000

Total: £25,144,506
7. **DEBTORS - continued**

Amounts falling due after more than one year:
Growing Places Fund loans advanced

<table>
<thead>
<tr>
<th>Amounts falling due after more than one year:</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Places Fund loans advanced</td>
<td>2,416,931</td>
</tr>
</tbody>
</table>

Aggregate amounts

<table>
<thead>
<tr>
<th>Aggregate amounts</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27,561,437</td>
</tr>
</tbody>
</table>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

<table>
<thead>
<tr>
<th>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax</td>
<td>77,688</td>
</tr>
<tr>
<td>Creditors</td>
<td>1,271,559</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>10,800</td>
</tr>
</tbody>
</table>

9. **RESERVES**

Reserves represent cumulative surpluses or deficits, net of other adjustments as follows:

<table>
<thead>
<tr>
<th>Reserves</th>
<th>Transfers in period</th>
<th>Net income/(expenditure) in period</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Careers and Enterprise</td>
<td>127,044</td>
<td>(93,202)</td>
<td>33,842</td>
</tr>
<tr>
<td>Resource Funding</td>
<td>23,629</td>
<td>(23,516)</td>
<td>113</td>
</tr>
<tr>
<td>Energy Strategy</td>
<td>13,669</td>
<td>(382)</td>
<td>13,287</td>
</tr>
<tr>
<td>Enterprise Zones</td>
<td>-</td>
<td>220,509</td>
<td>220,509</td>
</tr>
<tr>
<td>Growing Places Fund</td>
<td>588,499</td>
<td>194,003</td>
<td>782,502</td>
</tr>
<tr>
<td>Growth Hub</td>
<td>-</td>
<td>(86,145)</td>
<td>(86,145)</td>
</tr>
<tr>
<td>HS2 Development Corporation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HS2 Growth Strategy</td>
<td>181,106</td>
<td>(39,701)</td>
<td>141,405</td>
</tr>
<tr>
<td>HS2 Toton Station</td>
<td>699,647</td>
<td>(469,176)</td>
<td>230,471</td>
</tr>
<tr>
<td>Key Management Account</td>
<td>-</td>
<td>(1,343)</td>
<td>(1,343)</td>
</tr>
<tr>
<td>Local Growth Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Skills Analysis Panel</td>
<td>75,000</td>
<td>(55,715)</td>
<td>19,285</td>
</tr>
<tr>
<td>TDE Programme</td>
<td>15,167</td>
<td>(15,167)</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total Revenue Projects | 1,723,761 | (369,835) | 1,353,926 |
| Core Funding | - | 712,734 | 712,734 |
| General Reserve | 564,499 | 97,736 | 662,235 |
| Capital Projects |
| Growing Places Fund | 24,348,668 | (179,695) | 24,168,973 |

| Total Capital Projects | 26,636,928 | 260,940 | 26,897,868 |
10. OTHER FINANCIAL COMMITMENTS

As at the balance sheet date the company had commitments to the following projects to be paid from the Local Growth Fund:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverside, Bakewell</td>
<td>£2,595,160</td>
</tr>
<tr>
<td>A61 Corridor - 21st Century Transport</td>
<td>£1,165,791</td>
</tr>
<tr>
<td>Gedling Access Road</td>
<td>£7,220,000</td>
</tr>
<tr>
<td>HS2 Strategic Sites</td>
<td>£2,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£13,380,951</strong></td>
</tr>
</tbody>
</table>
11. RELATED PARTY DISCLOSURES

D2N2 Local Enterprise Partnership is a strategic organisation which has a revenue budget that covers operating costs that is reflected in these accounts. The majority of the revenue is given by Government for this purpose via the accountable body.

The LEP also secures large amounts of capital funding from Government that is used to invest in transport schemes, infrastructure and to provide loans and grants to companies. The requirement of Government is to use accountable bodies to hold and manage these large amounts of public money. The LEP does not qualify as an accountable body and to date Derbyshire County Council have acted as this body on behalf of the LEP.

During the period the LEP received income from, made payments to and had amounts outstanding at the balance sheet date with partner councils as follows:

<table>
<thead>
<tr>
<th></th>
<th>Derby City Council £'000</th>
<th>Derbyshire County Council £'000</th>
<th>Nottingham City Council £'000</th>
<th>Nottinghams hire County Council £'000</th>
<th>High Peak Borough Council £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income recognised during period:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of funds from previous accountable body</td>
<td>(426)</td>
<td>-</td>
<td>(20,704)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Matching Fund</td>
<td>(63)</td>
<td>(63)</td>
<td>(63)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enterprise Zones</td>
<td>(259)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue projects</td>
<td>(83)</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repay of Growing Places Fund loans</td>
<td>(1,351)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on balances</td>
<td>-</td>
<td>(116)</td>
<td>(20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total income</td>
<td>(2,182)</td>
<td>(214)</td>
<td>(20,787)</td>
<td>(63)</td>
<td>(5)</td>
</tr>
<tr>
<td>Expenditure recognised during period:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>5,939</td>
<td>2,264</td>
<td>18,774</td>
<td>5,430</td>
<td>-</td>
</tr>
<tr>
<td>Revenue projects</td>
<td>51</td>
<td>15</td>
<td>46</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HS2</td>
<td>-</td>
<td>-</td>
<td>91</td>
<td>1,407</td>
<td>-</td>
</tr>
<tr>
<td>Service Level Agreement</td>
<td>-</td>
<td>107</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>5,990</td>
<td>3,856</td>
<td>18,911</td>
<td>6,837</td>
<td>-</td>
</tr>
</tbody>
</table>

Net (income)/expenditure  3,808 2,172 (1,876) 6,774 (5)

Amounts outstanding as at 31 March 2020:

<table>
<thead>
<tr>
<th></th>
<th>Derby City Council £'000</th>
<th>Derbyshire County Council £'000</th>
<th>Nottingham City Council £'000</th>
<th>Nottinghams hire County Council £'000</th>
<th>High Peak Borough Council £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from</td>
<td>330</td>
<td>142</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to</td>
<td>-</td>
<td>129</td>
<td>-</td>
<td>547</td>
<td>-</td>
</tr>
</tbody>
</table>

Amounts due from and to partner councils are included in debtors and creditors respectively.

During the period professional services of £29,850 were received from PHI Advisory which has one director in common with D2N2 Local Enterprise Partnership.
12. **ULTIMATE CONTROLLING PARTY**

There is no one ultimate controlling party.

13. **LIMITED BY GUARANTEE**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.
### D2N2 Local Enterprise Partnership
### Detailed Income and Expenditure Account
for the Period 29 March 2019 to 31 March 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant and operational income</strong></td>
<td>£</td>
</tr>
<tr>
<td>Grant project income</td>
<td>52,293,857</td>
</tr>
<tr>
<td>Operational income</td>
<td>1,539,901</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>53,833,758</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant expenditure</strong></td>
<td>£</td>
</tr>
<tr>
<td>Grant expenditure</td>
<td>52,708,226</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS SURPLUS</strong></td>
<td>£</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>£</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>26,636,928</td>
</tr>
<tr>
<td>Bank interest received</td>
<td>4,263</td>
</tr>
<tr>
<td>Interest received on deposits</td>
<td>116,400</td>
</tr>
<tr>
<td>Loan interest received</td>
<td>288,222</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,045,813</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure</strong></td>
<td>£</td>
</tr>
<tr>
<td>Rent and services</td>
<td>64,737</td>
</tr>
<tr>
<td>Wages</td>
<td>558,843</td>
</tr>
<tr>
<td>Social security</td>
<td>58,697</td>
</tr>
<tr>
<td>Pensions</td>
<td>37,565</td>
</tr>
<tr>
<td>Computer costs and website</td>
<td>13,149</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,502</td>
</tr>
<tr>
<td>Postage and stationery</td>
<td>4,722</td>
</tr>
<tr>
<td>Advertising</td>
<td>18,642</td>
</tr>
<tr>
<td>Room hire and catering</td>
<td>6,723</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>17,130</td>
</tr>
<tr>
<td>Recruitment</td>
<td>4,688</td>
</tr>
<tr>
<td>Training</td>
<td>2,941</td>
</tr>
<tr>
<td>LEP network</td>
<td>7,000</td>
</tr>
<tr>
<td>Irrecoverable VAT</td>
<td>35,591</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>174,164</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td>4,500</td>
</tr>
<tr>
<td>Auditors' remuneration for non audit work</td>
<td>4,500</td>
</tr>
<tr>
<td>Bad debts</td>
<td>179,695</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,195,789</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SURPLUS</strong></td>
<td>£</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,975,556</td>
</tr>
</tbody>
</table>
D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT

DATE: 24 November 2020
REPORT LEAD: 
AGENDA ITEM: 2.2

TITLE: Chair’s Report

1. INTRODUCTION

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

a. Recovery and Growth Plan
b. East Midlands Freeports Update
c. Advisory Boards Update
d. Partner engagement

2. RECOMMENDATION

Board is asked to NOTE the report and:

- endorse the draft Economic Recovery Growth Plan

3 RECOVERY AND GROWTH PLAN: ‘THE HEART OF THE UKS GREEN GROWTH’

The latest version of the D2N2 Recovery and Growth Strategy which merges and updates the Local Industrial Strategy and the Recovery Framework, is attached for approval.

At a national level the government is refreshing the Industrial Strategy in light of the significant changes to the economy since it was first published most notably the impact of Covid-19 and the transition from leaving the EU. Although the full extent and timescale of the review is unknown, we expect an increased focus on how the strategy will help to address the levelling up agenda and the legal commitments to the zero carbon and R&D investment target at a minimum.

The D2N2 Recovery and Growth Plan is well aligned to the emerging national agenda especially in the context of positioning our region at the centre of the UKs carbon turn around and improved productivity.

Since the strategy was presented at the September board meeting it has been shared with BEIS, the D2N2 Leaders, the two Local Resilience Fora, Nottingham and Derby’s recovery boards, our Recovery Board, Analytical Group, Advisory Boards, Rural Reference Group and with LAs’ economic development officers. Comments have been received from colleagues in LAs, businesses, universities, colleges and the Trades Unions.

Significant changes since the version discussed at September’s Board are:

- A clearer emphasis on low carbon running through the strategy
- A stronger geographical balance in the text
• Merging two of the low carbon objectives into one clearer proposition.
• More clarity on what will be delivered under each proposition
• An ask and offer based on fewer, punchier programmes rather than individual projects.

On advice from BEIS, the strategy lays the foundations for a D2N2 Investment Plan which we will develop as an extension of our capital pipeline. This will aim to develop an even more comprehensive prospectus of investable projects and programmes, with an increased emphasis on working with the private sector to lever in their support, investment and project ideas.

The development of the investment plan will be driven through each of the advisory boards on their respective elements of the overall strategy and lead to a more strategic approach to commissioning for the medium and longer term.

**Recommendation: Board Members are invited to consider and endorse the Economic and Recovery Plan**

**4. EAST MIDLANDS FREEPORT**

In October 2020 Government published its response to the Freeport consultation that closed in July 2020. The response re-confirmed strong commitment for the Freeport policy as part of the Government’s ambitions to levelling up the economy, delivering regeneration and jobs, boosting trade and creating hotbeds of innovation to drive productivity.

Parliamentary time has already been scheduled for 2021 to formalise Freeport Policy to ensure the delivery of the policy continues at pace. The final details of the Freeport Policy are due to be published in a Freeport Bidding Prospectus which is expected during November with a 3-month window for the bidding process.

Within the Consultation response the Government outlined a package of ambitious fiscal incentives associated with Freeport policy including a range of business tax incentives and discounts such as business rate discounts, enhanced capital allowances, employer National Insurance contributions and Customs relief. In addition, the consultation sets out high level proposals on planning and infrastructure alongside incentives to stimulate innovation within Freeports. We expect these all to be finalised within the Bidding prospectus.

In anticipation for the launch of the competition the regional Freeport Working group, with the input of professional consultancy support from Vivid Consultants, have continued to develop the proposed freeport based around East Midlands Airport as the primary port in conjunction with neighbouring sites for development at East Midlands Gateway and Ratcliffe-on-Soar Power-station. This includes preparing the strategic case for how the East Midlands meets the Government’s objectives of the Freeport policy and demonstrating the potential impact that could be delivered through the proposed sites within the East Midlands Freeport boundary.

However, there are still a number of areas of unknowns which will shape the final proposition for the East Midlands, including clarification on the tax incentives, and the expectations over the operating model for the freeport and its inter-relationship with individual landowners without which a final proposal cannot be agreed.
Therefore, once the formal policy confirms each of these issues, the working group partners - and in particular the landowners - will be in a better position to finalise the site selection and formal proposition.

6 ADVISORY BOARDS

Since we last met as a Board all the boards have met and below are highlights from each board. In addition I will invite each Advisory Board Chair to provide an update at the meeting.

The People and Skills Advisory Board met on 13 October, 2020 Chaired by Prof. Shearer West.

The meeting agreed Terms of Reference for the 3 newly created subgroups (Careers and Young People, Employment and Skills for Growth) which will collectively drive forward all action in the People and Skills Strategy.

The meeting agreed a 1-year skills and employment action plan to support Covid-19 recovery, the plan focuses heavily on:

- maximising use of the D2N2 employment triage service to respond to rising unemployment levels and support rapid redeployment and;
- Supporting young people by maximising use of Kickstart (incentivised 6-month paid work placement scheme) and other current government incentives to stimulate pathways into apprenticeships.

The next meeting (8 December, 2020) will complete the D2N2 People and Skills Strategy by finalising theme 3: Skills for Growth. This strategic theme addresses the challenge of mismatch between the skills of the D2N2 population with the needs of D2N2 employers and the persistent low skill profile of the area. The strategy will enhance the relevance of skills provision across D2N2 to better meet current and future skills needs of D2N2 core and growth sectors.

Delivery of this theme will include:

- Securing an Institute of Technology for D2N2 and building on this as the template for closer alignment between employers and skills provision in D2N2;
- Development of a skills capital pipeline based on analysis of future skills requirements by sector against existing local provision: and
- An underpinning higher skills plan to ensure delivery aligns with identified need.

The newly merged Business Growth & Innovation Advisory Board met for the first time on 10 September, 2020 and approved 5 key themes of focus following the governance review and subsequent proposals:

1. Enterprise (including the strategic development of core business support via Growth Hub);
2. Access to Finance;
3. Innovation & R&D;
4. Place Promotion and Inward Investment
5. International Trade.
The focus of the approved Terms of Reference set out a key principle of adding value to the business growth agenda through advocacy, co-ordination and commissioning with a focus on the needs of our core customer base of businesses and sectors. The BG&IAB will focus on the following:

- Spearheading engagement with our business base, economic stakeholders and key sectors
- Championing improving productivity, boosting innovation and exploiting trade and investment opportunities across D2N2
- Providing strategic oversight and direction of business support across D2N2 primarily through the Growth Hub

Progress has been made in establishing the appropriate partner groups to take forward the 5 key themes identified by the Advisory Board. We are agreeing key priorities to progress activity under each theme that demonstrate how it aligns to the high-level strategic priorities within Business Growth and Innovation in the Recovery and Growth strategy.

The Place Board met on 15 October, 2020 and in addition to reviewing the Recovery Plan in the context of Place, the board also discussed progress on the workstreams that were agreed as part of the revised terms of reference to ensure a more structured and focused approach to progressing the broad agenda under the remit of the Place Board.

In addition to the existing Towns Fund and Energy Strategy groups, the Place Board approved the terms of reference and remit for the:

**Housing Delivery Group**

- Aims to merge with Homes England’s regional working group
- Ensuring increased pace in the refurbishment of old housing stock
- Enabling green housing and lower carbon emissions
- Increasing supply and demand of modern methods of construction

**Transport and Infrastructure Group**

- Build on and extends the remit of our existing meeting with the four-transport authorities
- Identifying and unblocking regional barriers to growth.
- Specific focus on decarbonisation and sustainable transport
- Identifying and securing more capital funding
- Identifying and recommending to the Place Board the big infrastructure priorities in the area
- Supporting the roll-out of high-speed digital connectivity in conjunction with the People and Skills Advisory Board

The existing Enterprise Zone Executive Group will be refreshed in order to help project leads within Derby and Nottingham to work on strategic issues, to attract inward investment and to ensure our EZs are benefitting from high quality business and skills support.

We are contributing to the revision of the Midlands Connect strategy, and had an update from Parv Gandham from Midlands Connect who outlined its key features:

- Midlands Connect is one of 7 Sub-national Transport Bodies (STB) in England and the official STB for the Midlands. Its aim is to work across the borders within the region, at strategic level, to address pan-regional connectivity.
- Levelling up has become central to their strategy refresh, and they are keen to hear views on how transport can contribute to levelling up.
- Midlands Connect is exploring barriers to achieving net zero carbon by 2050 and how the transport system can contribute.

On 11 November, 2020 Michele Farmer, the Board champion for inclusion and diversity led an event for voluntary sector LEP partners focused on progressing the recently adopted D2N2 inclusion strategy and improving VCSE involvement in future scoping and delivery of capital and
programme activity. The meeting explored a range of opportunities to improve community impact and local outcomes of D2N2 strategies and involved all inclusion representatives to ensure these ideas are fed back into their respective advisory boards. Key points from the session included:

- Longer pipelines into capital programme development to enable more local organisations to be involved and add value;
- Need for more meaningful outputs for capital programmes to improve local outcomes e.g. instead of total housing numbers, focus on additional social and/or affordable homes as part of delivery. *(This is being reflected in the revised Local Assurance Framework).*
- Support for focus on addressing the digital divide – from both equipment access and skills perspectives.

**BOARD RECRUITMENT**

We undertook an open call for new board applicants to recruit a replacement for the vacant private sector board position as a result of Karen Smart’s departure from East Midlands Airport.

We have had a number of applications which are being reviewed by the D2N2 Nominations and Renumeration committee and an update on the outcome of the selection process will be confirmed to the Board by the end of November.

**PARTNER ENGAGEMENT**

As part of our ongoing engagement with partners I have had a number of meetings with key stakeholders and partners to promote the activities we undertake and ensure greater collaboration on our priorities for D2N2.

In addition to a series of individual meetings, I also convened a meeting with the DN2N2 Leaders on 30 September, 2020 and the region’s MPs during October where we shared our emerging recovery plan and discussed key topics such as the ambition for an East Midlands Freeport and the importance of HS2 for the region.

On 20 October, 2020 I co-chaired along with Tim Pile, Chair of Greater Birmingham and Solihull LEP a meeting of Midlands Businesses with Nadim Zahawi the Secretary of State for the Department of Business Energy and Industrial Strategy. The purpose of the meeting was to hear from businesses across the Midlands on their plans to support the national agenda for a green recovery. We were able to demonstrate the region’s institutional strengths and business specialisms within the low carbon and green sectors and convey the potential and ambition within the Midlands to contribute to the UKs green growth and recovery.

I continue to work in collaboration with my fellow LEP chairs on shared issues at the national level on the LEP Network and regionally – both at the pan Midlands and East Midlands levels. Most recently the Midlands Chairs came together with Sir John Peace, Chair of the Midlands Engine to jointly agree common areas of interest and collaboration between the pan regional and local LEP levels.

Elizabeth Fagan
Chair
24 November 2020
The Heart of the UK’s Green Recovery and Growth
CONTENTS
Foreword 4
Our vision 6
The impact of Covid-19 8
About the D2N2 region 10
A partnership that delivers change 14
Our strategy 16
Guiding principle 1: Productivity 18
Guiding principle 2: Low carbon growth 22
Guiding principle 1: Connectivity and inclusion 26
Our ask of Government 30
Conclusion and final statements 35
The world around us is changing faster than we thought possible. New patterns of growth are altering the landscape of the global economy at a staggering pace. As our economy retools and moves towards a carbon-free tomorrow, we plan to lead the most ambitious carbon economy turn-around in the country.

If the UK is to build back better, it’s essential that our region and the Midlands build back better, bigger and faster. Better to create a fairer, greener and more resilient economy. Bigger to improve the infrastructure and connectivity of our places. And faster so that we are the pioneers and global leaders in clean growth.

Our strategy is rooted in evidence. We have looked at our data and spoken to our people, including political leaders, businesses, and skills and education institutions. We have ensured their needs and aspirations are embedded in our plan.

D2N2 is home to 2.2 million residents and benefits from the largest working age population of all 38 LEPs in England. By focusing initiatives on unleashing the huge potential of our people and driving a step-change in our economy, we can unlock more equitable and inclusive growth across all parts of our region. We want everybody who lives and works here to participate fully in our exciting future.

This is a once-in-a-generation opportunity for the region. Our ambition is to add a further £8bn to our GVA by 2030 to reduce our productivity gap while delivering our ambitious carbon turnaround.

Capitalising on opportunities presented by HS2 at Toton and Chesterfield, the redevelopment of the Ratcliffe-on-Soar Power Station into a zero carbon innovation centre, the strengthening advanced manufacturing clusters around Infinity Park and Pride Park in Derby, the thriving digital, creative and bioscience industries in the core city of Nottingham, and our proposition for an East Midlands Freeport Enterprise Zone, to name a few.

Just as we helped bring the world the steam engine so we can develop technologies which will help to decarbonise the world.

From Gigafactory’s for electric vehicles to decarbonising heavy industry. From designing new, green financial products to designing low carbon buildings, the opportunities of this new industrial revolution are endless.

Our collaborative approach sits at the heart of this work. There has never been a more important time for us to come together with one voice behind an ambitious vision and plan to rebuild and grow our economy. With Government’s support, we will deliver outstanding outcomes in the short, medium and long term, not just for D2N2 but for the UK economy.

I have no doubt that we will succeed.

Because history shows we have done it before.

Elizabeth Fagan CBE Chair, D2N2 Local Enterprise Partnership

"If the UK is to build back better, it’s essential that our region and the Midlands build back better, bigger and faster."
Our vision.

VISIONARY MINDS REBUILDING FOR GREENER GROWTH

OUR USP

We are the birthplace of the first industrial revolution and the original national park. Today, we are the advanced manufacturing capital of the UK. We have more manufacturing jobs than any other LEP, the second highest manufacturing GVA (£8.1bn) and the largest cluster of transport manufacturing and R&D in the country.

The combination of these assets and our heritage makes D2N2 uniquely placed to lead the move to a low carbon economy that powers the jobs and businesses of the future. Through a skills revolution linked to automation, innovation and digitalisation, we will continue to build on our manufacturing strength and innovation excellence to build a modern and agile economy.

Nowhere in the UK is better placed to lead green recovery rooted in our unique combination of natural assets and the conversion of our cluster of fossil fuel sites into green hubs of innovation.

As a LEP, our role is to add value to the work of our local and national partners. We will identify and lead the delivery of projects and programmes that are best delivered at LEP level, while continuing to support those led by our colleagues at local authority or Midlands Engine level. We will continue to support our local, regional and national partners when they are delivering projects and programmes that are best delivered at those scales.

OUR APPROACH

Whilst our past growth has been driven by carbon-intensive industries, we have the opportunity, with our infrastructure and ingenuity, to lead the most ambitious carbon turn-around in the country:

We will drive a once-in-a-generation opportunity for the region taking advantage of the long-term opportunities presented by the HS2 East Midlands station at Toton and Chesterfield; working with the East Midlands Development Corporation on the redevelopment of the Ratcliffe-on-Soar Power Station in Rushcliffe; the strengthening of the advanced manufacturing and food technology clusters around Infinity Park and Pride Park in Derby; the thriving digital, the thriving creative and bioscience industries in the core City of Nottingham; and our proposition for an East Midlands Freeport Enterprise, to name a few.

This ambitious green revolution will act as the catalyst for a more productive and inclusive economy from which everyone living in, working in or visiting D2N2 can benefit. With investment in skills, mobility and digital infrastructure, we can ensure a, more productive and better-connected workforce, more able to participate in and benefit from this change. Our cities, towns and villages will have something for everyone.

Our strategy will be followed by the development of a D2N2 investment plan, which will develop a programme of fully costed projects across all nine of our propositions, offering compelling investment opportunities for the short, medium and longer term.
The immediate impacts of Covid-19 on our economy are clear. Levels of unemployment have risen dramatically more than doubling in some of our rural areas¹, with severe impacts on key employment sectors such as retail, hospitality, leisure and catering. They will rise still further when the benefits of furlough begin to wind down.

We face many geographically specific impacts, such as the impacts from international travel restrictions on the globally-significant high-tech manufacturing cluster centred around Rolls Royce in Derby. In response to the Covid-19 crisis, we are ensuring that we tailor our support and funding first to addressing the immediate impact of the pandemic and then to drive medium-term stability and green growth. Since the start of the crisis, we have:

- Secured over £44m of government investment in projects that will provide the stimulus for recovery, supporting over 4,800 jobs, 3,300 homes and 800 learners.
- Supported over 2,800 businesses with advice on Covid-19 through our Growth Hub and delivering further targeted assistance through the COVID-19 business resilience and restart programmes.
- Put in place a brokerage system to help match newly redundant workers with local employment opportunities.
- Worked with businesses to develop new and innovative online resources to inspire young people about future work opportunities.

The impact of Covid-19 has made it clear that we need to reconsider both which sectors are in need of immediate support to survive and which we can support to deliver future growth. By boosting productivity in our emerging and existing priority sectors², D2N2 could inject an extra £9bn into the economy and support UK Plc to get back on track for growth.

Tourism has endured an unparalleled crisis. International tourism has been affected by inbound market travel restrictions and is unlikely to recover in the near future, while domestic tourism has been affected by social distancing and measures to control the spread of the virus. We must adapt, reset the way we do business, through increased digitalisation and upskilling.

We have seen a dramatic increase in remote working exploiting digital technology, hardware and infrastructure. While large parts of the region benefit from good fibre-based infrastructure thanks to the efforts led by our county and city councils and our private sector partners, we are falling short on the full end to end fibre that enables gigabit internet speeds. We also know that large numbers of people have lacked the hardware or infrastructure to take advantage of these opportunities. We will develop digital and infrastructure strategies to ensure that we get the balance right between investment in new skills, innovation and infrastructure to deliver a more productive and better-connected workforce to ensure the benefits can be consolidated and exploited.

Some pre-existing inequalities are being made worse: for example, women are over-represented in many of the sectors most affected by lockdown measures, threatening the improvements we have seen in rebalancing gender inequalities in the workforce³. Nor do we have an understanding of societal impacts, such as how changing patterns of behaviour will affect mental health in the long term, and these are issues on which we will need to work with our partners in health, care and academia to shape our future interventions.

Our cities, towns and villages are diverse and brimming with potential. With investment in skills, mobility and digital infrastructure, our ambitious green revolution will act as the catalyst for a more productive and inclusive economy from which everyone living in, working in or visiting our cities, towns and villages can benefit.


¹ D2N2 unemployment tracker
³ University of Derby/D2N2: Employment Risk: Analysis of impact on local occupations and skills (online summary)
D2N2 region.

D2N2 covers a large and diverse area; encompassing the outstanding natural assets of Sherwood Forest and the Peak District, the UK’s original National Park, the growing vibrant cities of Nottingham and Derby and historic market towns such as Buxton, Mansfield, Chesterfield, Newark-on-Trent and Worksop, serving culturally and environmentally rich rural hinterlands.

Despite stretching from the High Peak near Manchester to the Derbyshire Dales bordering Sheffield, and down to the gently undulating Trent Valley, D2N2 benefits from a highly functional economic geography that is advantageously located at the heart of the country.

Renowned as the birthplace of the Industrial Revolution along the Derwent Valley, the D2N2 economy is the 4th largest outside London and the South East. It contributes £48.4bn in GVA to the UK economy; 8.3% growth since 2012. Our ambition is to add a further £9bn to our GVA by 2030 to reduce the productivity gap.

As the largest economy in the East Midlands, the only region outside London to see the value of its exports rise in the first quarter of 2020, D2N2 will make the most of the historic opportunities for trade and investment arising from leaving the EU, and the opportunities for re-shoring highlighted by the supply chain impacts of Covid-19.

“D2N2 benefits from a highly functional economic geography that is advantageously located at the heart of the country.”

### OUTSTANDING STRENGTHS

Manufacturing generates £7.2bn in GVA, ranking 3rd outside London and the South East. 92% of D2N2 workers live in the D2N2 area and 87% of D2N2 residents work in D2N2 travel to work areas. 9 million people live within 20 miles of D2N2 and 80% of the country’s population are within 4 hours drive. We attract around 3 million visitors and £475m in visitor spending per year, 70% above the Midlands average.

We are world leaders in transport equipment manufacturing based on strong innovation and manufacturing expertise clustered around Derby. We are home to globally significant aerospace, automotive and rail manufacturers such as Toyota, Rolls Royce, Bombardier, and their significant local supply chains.

The planned East Midlands HS2 station at Toton, between Nottingham and Derby and Staveley depot near Chesterfield. Third largest life sciences cluster in the UK anchored by Boots, MediCity and BioCity in Nottingham.

Digital tech cluster focused around Nottingham’s ‘Creative Quarter’ (36% growth between 2012 and 2018).

Our strong science and innovation ecosystem is underpinned by D2N2’s three universities, (Nottingham, Nottingham Trent and Derby), six science parks and fifteen innovation centres/incubators. Research strengths supporting our green recovery include Bio- and Environmental Sciences, Renewable Energy and Sustainability.
Outside our two major cities, D2N2’s districts and boroughs generate almost two-thirds of our GVA and over a third of its employment takes place in predominantly rural local authority areas. D2N2’s dispersed network of towns and adjacent rural economies house key manufacturing sites, major employers and thriving small businesses.

Some of the region’s largest food manufacturers are based in the D2N2 area and use some of the raw materials produced by a progressive and diverse agricultural and horticultural sector. Nottingham University’s Sutton Bonington campus hosts world-leading facilities for biosciences and veterinary medicine.

In rural High Peak, well connected to Buxton, the Health and Safety Executive run a laboratory researching new methods in industrial safety, while the emerging digital and creative cluster around Glossop exemplifies the diversity of rural districts. Factories leading the experiment in modern methods of construction and modular housing can be found in Ilkeston, Worksop and South Derbyshire. In Rushcliffe, the historic Stanford Hall Estate has been transformed into an award-winning military centre of excellence for rehabilitation, with ambitious plans to create a national rehabilitation centre for civilians. These networks of towns, villages and wider rural areas are home to much of D2N2’s workforce too.

Leisure and cultural tourism are a hugely important economic contributor to D2N2, and it is vitally important to look at how we can develop an integrated vision of how the region’s tourism sector can build back better, greener and more digitally. The region is the perfect test bed for a ‘Tourism Action Zone’ the concept highlighted as a driver of sustainable tourism growth in the 2019 Tourism Sector Deal.

However, there are significant differences in the socio-economic conditions experienced across D2N2’s communities, including a polarised productivity problem and a legacy of carbon-intensive industries. The disproportionate impact of Covid-19 lockdown measures on some places and groups such as women and younger workers may exacerbate these existing issues. Our cities have strong concentrations in sectors that have been particularly affected by Covid-19 and are working hard to identify opportunities to diversify. They will have a key role in driving new economic opportunities to ensure D2N2 is better able to compete with other sub-regional economies such as Manchester City Region, Sheffield City Region and the West Midlands Combined Authority area.

“This our cities have strong concentrations in sectors that have been particularly affected by Covid-19 and are working hard to identify opportunities to diversify.”

Levelling up the socio-economic inequalities linked to low educational attainment and workforce skill levels.

54,000 jobs are at high risk of automation with a further 413,000 likely to experience various forms of automation.

13 out of 17 local authority areas within the D2N2 region are identified as ‘social mobility coldspots’.

28% higher emissions per capita than the UK average due to concentration of energy-intensive industries.

Poor inter- and intra-regional rail connectivity, with many slow lines lacking electrification, and many rural areas are bypassed altogether.

High proportion of low skilled and low earning jobs, and long-term unemployment, made worse in some places by Covid-19 due to the high concentration of sectors experiencing lockdowns, for instance retail and hospitality in the Peak District.

The disproportionate adverse impact of Covid-19 on some places, sectors and demographic groups, including the digital exclusion experienced by some of our residents that Covid-19 has highlighted.

The impact of climate change on our natural assets and society.

Our labour productivity gap is persisting, with GVA per hour worked 14% below the UK average. This gap has widened over the past 5 years.

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A partnership that delivers change.

We will build on our past successes and pursue a step-change in the inclusivity, productivity and sustainability outcomes of its future growth. The ambitious projects we are already delivering demonstrate our determination to invest where the evidence tells us we can have the greatest impact on productivity.

DELIVERING OUR SKILLS NEEDS
D2N2 LEP has invested over £40m of Local Growth Funds to ensure that skills needs are met in the area and new learning opportunities are available to a new and existing workforce.

1. MANSFIELD AUTOMATION AND ROBOTICS TRAINING CENTRE
D2N2 LEP has invested £693k towards the development of a new Automation and Robotics Skills. The new facility will deliver a proactive response to development of skills which will support employers to raise the number of higher skilled roles within their future workforce in the areas of Engineering, Manufacturing and Distribution. The project will support skills delivery to over 1,100 learners and safeguard jobs for years to come in Nottinghamshire.

2. CHESTERFIELD CENTRE FOR HIGHER LEVEL SKILLS
In 2015 D2N2 invested £3.4m of LGF to the redevelopment of the historic St Helena's campus facility in Chesterfield, Derbyshire. The project worked in partnership with the University of Derby to develop new Higher Level learning opportunities in an area where there was previously a dearth of this opportunity. The new centre since opening has focused heavily on the teaching of Nursing and Health courses, delivering qualifications to over 900 learners to date.

PROMOTING INNOVATION IN KEY SECTORS

3. UNIVERSITY OF DERBY RAIL RESEARCH AND INNOVATION CENTRE
In June 2019, a £1.4m Rail Research and Innovation Centre (RRIC) was opened at the University of Derby, enabled by a grant from D2N2’s Local Growth Fund. Building on Derby’s strength in the rail industry, the facility will support around 80 supply chain businesses, 15 new collaborative research projects and guide 20 companies through innovation funding applications by 2022, as well as enhancing the skills of 80 or more rail sector employees.

4. BIOCITY
BioCity in Nottingham was founded in September 2003 and houses over 60 companies and 500 people. The success of the initiative, which boasts a 91% start-up survival rate, has been helped by the support of Nottingham’s universities, on-site patenting experts and partners from legal and financial service firms. In 2017, a striking £30m ‘Discovery Centre’ extension opened, enabled by a £6.5m investment from D2N2 via the Local Growth Fund.

5. MEDICAL TECHNOLOGIES INNOVATION FACILITY (MITF)
Nottingham Trent University’s MITF has received £9.7m from D2N2. It will improve patient care by speeding up medical product development and getting innovations to market as quickly as possible – critical for business survival, growth and profitability.

6. ADVANCED MANUFACTURING CENTRE
D2N2 LEP has invested £5m towards the Advanced Manufacturing Building on the University of Nottingham’s Jubilee Campus. This investment has created new facilities for research and teaching in Advanced Manufacturing. The facility aims to create a skilled workforce for D2N2 through the provision of new highly skilled graduates and innovation through high quality Research and Development with local businesses.

PROMOTING OUR HISTORIC AND NATURAL ASSETS

7. BUXTON CRESCENT
D2N2 LEP has invested £2m into the redevelopment of one of D2N2’s most historic and magnificent buildings, Buxton Crescent in Derbyshire. The Grade I listed Buxton Crescent has undergone a £70m redevelopment and restoration to create an 80-bedroom, luxury hotel and spa business, as well as six retail units on the ground floor which opened its doors in October 2020. The restoration has created 350 jobs through the construction phase, with 140 jobs expected permanently. With a £4.5m boost to the local economy in D2N2, the D2N2 LEP has part funded £500k towards the development of the new Sherwood Visitor Centre. The centre will open to the public in 2018 and looks to attract over 350,000 visitors per annum to the area, building on the natural asset of the Sherwood Forest and attracting visitor numbers to further enhance the visitor economy in D2N2.

8. SHERWOOD VISITOR CENTRE
In partnership with various bodies including the RSPB and Nottinghamshire County Council, the D2N2 LEP has part funded £500k towards the development of the new Sherwood Visitor Centre. The centre opened to the public in 2018 and looks to attract over 350,000 visitors per annum to the area, building on the natural asset of the Sherwood Forest and attracting visitor numbers to further enhance the visitor economy in D2N2.

9. DERBY SILK MILL
D2N2 is investing £3.7 million of Local Growth Funding into the redevelopment of the Derby Silk Mill, turning it into the Museum of Making. Work began in February 2018 with the museum due to welcome its first visitors in 2021. The Silk Mill, in Derby city centre, is widely regarded as the site of the world’s first factory and is part of the Derwent Valley Mills World Heritage Site. The Museum of Making will create a ‘southern gateway’ to the Derwent Valley, which its hoped will bring more than 140,000 visitors to the area per year, adding over £4 million to the city’s economy, and creating nearly 150 jobs in the wider Derby area.

10. NOTTINGHAM CASTLE
D2N2 LEP has invested £7 million towards the £30m redevelopment of the historic site at the heart of the Robin Hood legend and the starting point for the English Civil War, Nottingham Castle. The programme of works includes the construction of the new Visitor Centre and the redeveloping Ducal Palace, the Grounds, and the sprawling cave systems hidden within the Castle Rock. The project will also fund the remodelling of the Castle building to create a new Robin and the Rebels themed visitor attraction and is due to re-open in early 2021.
Our strategy.

GUIDING PRINCIPLES

Our strategy is designed to drive improvement across three guiding principles, which are supported by a proposition and underpinned by more specific priorities and objectives:

1. PRODUCTIVITY
   - PROPOSITION
     Lead a bold new way of bringing together the education and skills, innovation and business support systems to support our people and businesses to thrive.
   - PRIORITY
     1. Employment and skills.
     2. Business Growth.
     3. Innovation.

2. CLEAN GROWTH
   - PROPOSITION
     Lead the most ambitious carbon turn-around in the country.
   - PRIORITY
     4. Enabling key low carbon development sites.
     5. Decarbonising growth.
     6. Low carbon leadership.

3. CONNECTIVITY AND INCLUSION
   - PROPOSITION
     Deliver connectivity-led growth to and for all parts of the D2N2 region.
   - PRIORITY
     7. Inclusion.
     8. Integrated infrastructure.
     9. Place shaping.

Our strategy is guided and monitored by the partners represented on our governance groups. The LEP has recently revised its governance structures to take into account our response to the Covid-19 pandemic and streamlined our advisory boards to achieve efficiencies in delivery.
**GUIDING PRINCIPLE #1: Productivity**

We will lead a bold new way of bringing together the education and skills, innovation and business support systems to support our people and businesses to thrive.

The transformation of manufacturing industries by digital technologies, the impact of Covid-19 on how we work, learn and socialise, and our changing workforce demographics require our businesses to be increasingly flexible and adaptable. We must be well-prepared to attract longer-term business investment and maximise our opportunities from globalisation and the new free trade environment post-EU exit. We need to better understand the challenges posed by the climate emergency and support our businesses and wider society in their response.

Improving the capacity and capability of our businesses will be an essential part in addressing our productivity and competitiveness. This means supporting both the growth of our productive and high-value firms, who have the potential to improve our GVA, and levelling-up those that lag to do more. Our world-class advanced manufacturing sector has a role to play in sharing their expertise with other sectors, and our re-focused Business Growth and Innovation Advisory Board will work with our partners to rebuild the region’s innovation and knowledge transfer infrastructure.

Skills are a key route to productivity, but for too many years large parts of the region have experienced low educational attainment, and there are significant disparities in attainment within the area. These filter through to a skills profile amongst our workforce, where, although the picture is improving, we have a significantly lower percentage of people with high level qualifications than the national average.

Our Skills Advisory Panel is leading the skills and employment response to Covid-19 that closely aligns to our economic strengths and sectors. We will mitigate the impact on businesses, support existing and new businesses to source the talent they need to flourish. We will enable D2N2 residents to enter and progress along flexible skills pathways at all levels and career points: skilling, upskilling and reskilling.

In the longer term, we will ensure our population is better skilled for and throughout life. For example, the Centre for Cities indicates that more than 30% of roles in Mansfield and Ashfield are threatened by automation. We must increase the flexibility, responsiveness and alignment of our skills and education system with the needs of our businesses. We will deliver the traineeships, apprenticeships, degree apprenticeships that our businesses need. We will improve social mobility and access to opportunity alongside access to skilled and productive labour as part of our commitment to levelling up within the D2N2 region and between D2N2 and the rest of the country.

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**Priority 1: Employment and skills: Ensure that the D2N2 region is recognised for the most joined-up and responsive skills ecosystem linked to and driven by employer need and accessible to all residents.**

**LEAD: PEOPLE AND SKILLS ADVISORY BOARD**

<table>
<thead>
<tr>
<th>WHAT WE WILL DO</th>
<th>HOW?</th>
<th>HOW WILL THE REGION BENEFIT?</th>
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<tbody>
<tr>
<td><strong>Support future growth of our key growth sectors including advanced manufacturing, low carbon energy and MedTech by ensuring they have the supply of talented workers that they need.</strong></td>
<td>• Use our convening power to forge stronger links across the region between education and skills providers and businesses to minimise mismatches between provision and need most are minimised.</td>
<td>Fewer skills-related recruitment issues for our businesses that can hold back growth.</td>
</tr>
<tr>
<td><strong>Empower our residents to access opportunities for training and work especially those traditionally facing barriers into employment.</strong></td>
<td>• Supporting the skills support programmes already lead by DWP and our local authorities by providing coordination and, where possible, levering in funding.</td>
<td>A more highly trained workforce that can help show up levels of productivity, reduce the call on welfare budgets and underpin better health outcomes.</td>
</tr>
<tr>
<td><strong>Ensure our young people fully understand the learning and employment options in our area to improve them to choose fulfilling education and careers options here.</strong></td>
<td>• Rolling out our leading Careers Hub model to all parts of the region to ensure our schools and colleges are national leaders in careers inspiration</td>
<td>Our schools and colleges exceed their targets against the Gatsby Benchmarks and CEIAG ratings on integrated D2N2 as a beacon of best practice on careers inspiration and its impact on academic results. Young people enter the workforce and progress for work, resulting in higher lifetime earnings and fewer young people becoming NEET. We retain more graduates and employers need, and our young people deserve.</td>
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<tr>
<td><strong>Support places and residents to deal with the impact of Covid-19 and of long-term industrial changes such as automation by ensuring opportunities to re-train are available.</strong></td>
<td>• Putting in place a brokerage service to mitigate the immediate impact of Covid-19 to support affected workers and the self-employed to move between businesses and sectors</td>
<td>Unemployment rates are minimised and businesses requiring newer skills such as digital and low carbon engineering experience fewer skills shortages.</td>
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<tr>
<td><strong>Help those who fall out of or are unable to access the workforce due to Covid-19 are given the support they need to kickstart their careers.</strong></td>
<td>• Supporting the employment support programmes already lead by DWP and our local authorities by providing coordination and, where possible, levering in funding.</td>
<td>Long-term unemployment is minimised, including amongst younger people and people for whom health issues, disability or location have presented a barrier to work.</td>
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<tr>
<td><strong>Ensure our education and skills providers are set up to succeed.</strong></td>
<td>• Lobby government to secure a fairer settlement for our FE sector</td>
<td>Our FE Sector is more appropriately funded and able to provide the full range of courses and services that our employers need, and our young people deserve.</td>
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**Priority 2: Business Growth: D2N2 will be the most attractive region for businesses to start up, invest and grow.**

**LEAD: BUSINESS GROWTH AND INNOVATION ADVISORY BOARD**

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<tbody>
<tr>
<td>Ensure existing business support programmes</td>
<td>• Adapt to support short-term survival and medium-term stability</td>
<td>We will experience higher levels of business start-up and survival.</td>
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<tr>
<td>• Offer diversification support to vulnerable sectors</td>
<td>• Growth Hub survey to track the impact of Covid-19 on businesses, including sole traders</td>
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<tr>
<td>• Interim revised Growth Hub services addressing C19 impacts</td>
<td>• Growth Hub continues to evolve to support changing business needs</td>
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<tr>
<td>• Evaluation of Growth Hub to ensure a sustainable model for business support is maintained post-ERDF</td>
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<tr>
<td>• Evaluation of the potential impact of automation on places and sectors ensuring our services are tailored accordingly</td>
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<tr>
<td>Ensure businesses have adequate and flexible access to finance</td>
<td>• Support businesses to “investment ready” partners to simplify and promote the advantages of longer-term institutional business investment options</td>
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<tr>
<td>• Work with supply-side partners to simplify and promote the advantages of longer-term institutional business investment options</td>
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<tr>
<td>Provide targeted grant support to promote growth</td>
<td>• Growth Hub funding to help mitigate the impact of Covid-19 is invested effectively to support business survival and growth</td>
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<tr>
<td>• Comprehensive advice available through the Growth Hub and business support partners on adjustments needed for the potential benefits from Brexit</td>
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<tr>
<td>• D2N2 Business Investment Programme is fully led</td>
<td>• Maximise businesses accessing key investment programmes such as the Midlands Engine Investment Fund and Invest to Grow</td>
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<td>• Identify groups, sector and places accessing our support less than their peers and implement measures to ensure our services are inclusive</td>
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<tr>
<td>Ensure our services are equally able to support:</td>
<td>• Local recovery plans and priority sector growth and recovery plans are developed</td>
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<tr>
<td>• Towns and town centres</td>
<td>• Rural proofing our business support offer to ensure that businesses in rural Derbyshire and Nottinghamshire are given equal access to support</td>
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<tr>
<td>• Growth corridors</td>
<td>• Ensuring our services are designed to support all of our residents</td>
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<tr>
<td>• Groups under-represented in the workforce</td>
<td>• Piloting with the University of Nottingham new services and networking opportunities for women in enterprise, as a first step in developing more enterprise networks for other groups</td>
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<tr>
<td>Co-ordinate place promotion activity to encourage area accessing the maximum support possible to deliver increased volumes of trade, inward investment and tourism.</td>
<td>• Lead the development of an Innovative Freight Enterprise Zone centred around East Midlands Airport and the surrounding area of Nottinghamshire including at Ratcliffe-on-Soar</td>
<td>Increased volumes of trade and increased numbers of businesses exporting.</td>
</tr>
<tr>
<td>• Enhanced international trade business support available to take advantage of the new emerging trade deals in new markets</td>
<td>• Delivery of key account management service to support and maintain existing and attract new Foreign Direct Investments</td>
<td>Increased volumes of inward investment and tourism.</td>
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</tbody>
</table>

**Priority 3: Innovation: Build on our existing regional innovation assets such as our world class anchor institutions, key and emerging growth sectors and manufacturing excellence that drive our competitive advantages, leading the biggest percentage increase in R&D investment in the country.**

**LEAD: BUSINESS GROWTH AND INNOVATION ADVISORY BOARD**

<table>
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<tbody>
<tr>
<td>D2N2 LEP adopts a strategic commissioning role to help our innovators to focus on gaps in the market to reduce unnecessary overlap and duplication and maximise diffusion of new ideas and products</td>
<td>• Knowledge sharing network on best practice on tackling Covid-19 and availability of PPE</td>
<td></td>
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<tr>
<td>• Encouraging businesses to increase levels of innovation capital spending</td>
<td>• Businesses continue to invest in R&amp;D during the recession and seek to increase R&amp;D investment and adoption of new technologies in the longer term to build resilience and meet the grand challenges of the Fourth Industrial Revolution</td>
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<tr>
<td>• A pipeline of R&amp;D opportunities is in place to deliver a place-based approach</td>
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<tr>
<td>• Work with our universities and agri-tech businesses to ensure the sector can constantly innovate and adapt to emerging science and technology</td>
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<tr>
<td>A refreshed regional innovation partnership embeds a more pervasive, open culture of innovation, including commissioning knowledge from universities and government supporting SMEs to improve their products, processes and capabilities, supporting our major corporations to undertake increased levels of R&amp;D activity locally</td>
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<tr>
<td>• Lobbying Government and national agencies to increase R&amp;D investment to support levelling up and co-design new funding programmes to enhance the innovation eco-system in D2N2</td>
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<tr>
<td>• A pipeline of R&amp;D opportunities is in place to deliver a place-based approach</td>
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<tr>
<td>• Encouraging businesses to increase levels of innovation capital spending</td>
<td>• Increased levels of investment in R&amp;D by businesses.</td>
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</tr>
<tr>
<td>• Increased Government investment in R&amp;D is secured.</td>
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</tbody>
</table>

**What we will do:**
- Support businesses to “invest in R&D”.
- Enable businesses to better exploit the opportunities from inward investment, trade and re-shoring.
- Ensure businesses have adequate and flexible access to finance.
- Support businesses to “investment ready”.
- Work with supply-side partners to simplify and promote the advantages of longer-term institutional business investment options.
- Provide targeted grant support to promote growth.

**How:**
- Growth Hub survey to track the impact of Covid-19 on businesses, including sole traders.
- Interim revised Growth Hub services addressing C19 impacts.
- Growth Hub continues to evolve to support changing business needs.
- Evaluation of Growth Hub to ensure a sustainable model for business support is maintained post-ERDF.
- Evaluation of the potential impact of automation on places and sectors ensuring our services are tailored accordingly.

**How will the region benefit:**
- We will experience higher levels of business start-up and survival.
- Increased levels of inward investment in key growth sectors and places.
- Businesses feedback will demonstrate that there is increased satisfaction with the region’s business support offers.
- Increased levels of business growth and job creation.
- Businesses are equally able to support:
  - towns and town centres
  - rural areas
  - growth corridors
  - groups under-represented in the workforce, including women and people with disabilities.
- Increased levels on employment in groups under-represented in the workforce.
- Increased earning across the region and reduced levels of economic inequalities.
- Increased volumes of trade and increased numbers of businesses exporting.
- Increased volumes of inward investment and tourism.

**Lead: Business Growth and Innovation Advisory Board**
GUIDING PRINCIPLE #2:

Low carbon growth

We will lead the most ambitious carbon turn-around in the country.

The legacy of the industrial revolution has served us well in the past, but we must now align to our social, environmental and economic goals. Our region has business, academic and natural assets that could play a significant role in combating climate change. We rapidly need to change the course of our carbon-driven economy.

Replacing our coal-fired electricity generation provides an unprecedented opportunity to spearhead a new, ambitious zero-carbon energy zone at Ratcliffe-on-Soar that can be a showcase to the rest of the country and innovation cluster on the scale of Randstad in the Netherlands or Aerotropolis in Australia. Innovating in the construction and housing supply chains based in D2N2 and aggregating demand for low carbon buildings will be a catalyst to drive a cleaner, more productive and inclusive economy across our area.

In terms of the ambition of our local authorities, Nottingham City and its neighbour Broxtowe are amongst the most ambitious in the country, planning to make their areas carbon-neutral by 2028 and 2027 respectively. All the local authorities across Nottingham and Nottinghamshire have committed to working together through the planning system to promote the highest possible standards for developments, while in Derbyshire we have been particularly successful in attracting funding for community-level energy projects from BEIS such as the re-purposing of the historic water wheel at Cromford Mill to produce low carbon energy for the World Heritage Site. We have the expertise, the creativity and the political backing to make our move to zero carbon a reality.

In the private sector, our world class transport manufacturing businesses such as Rolls Royce, Toyota and Bombardier are leading projects to reduce the carbon footprint of their businesses and supply chains and to future proof their operations through adopting green technologies. Our private sector expertise in low carbon energy stretches much further, including businesses such as: Uniper, who are working with D2N2 and other partners to redevelop their Ratcliffe-on-Soar power station to be the centre for the UK’s zero carbon energy generation from 2025; Worcester-Bosch, who are producing low-carbon alternatives to traditional gas boilers; and Porterbrook, who have just test-run the UK’s first hydrogen powered train. We are also well placed to lead the fusion agenda with the expertise of the Nuclear Advanced Manufacturing and Research Centre in Derby, and Rolls Royce’s outstanding expertise in nuclear.

Our academic assets include the University of Nottingham’s Energy Technologies Research Institute, the University of Derby which runs D2N2’s DE-Carbonise project to help small and medium-sized enterprise to reduce their carbon footprint of their businesses and supply chains and to future proof their operations through adopting green technologies. Our private sector expertise in low carbon energy stretches much further, including businesses such as: Uniper, who are working with D2N2 and other partners to redevelop their Ratcliffe-on-Soar power station to be the centre for the UK’s zero carbon energy generation from 2025; Worcester-Bosch, who are producing low-carbon alternatives to traditional gas boilers; and Porterbrook, who have just test-run the UK’s first hydrogen powered train. We are also well placed to lead the fusion agenda with the expertise of the Nuclear Advanced Manufacturing and Research Centre in Derby, and Rolls Royce’s outstanding expertise in nuclear.

Our academic assets include the University of Nottingham’s Energy Technologies Research Institute, the University of Derby which runs D2N2’s DE-Carbonise project to help small and medium-sized enterprise to reduce their carbon emissions and Nottingham Trent University, a key partner in the ground-breaking REACT-First carbon recycling project. As a LEP we have already supported low carbon projects as varied as investing over £11m in the DREeM social housing retrofit programme, allocating £6.7m for improved cycling access across the region and awarding £0.5m for the creation of sustainable business units at Sherwood Energy Park. This strategy makes it clear that our recovery will be green. It will herald an even faster shift to renewables use and production, and the investments in skills, innovation and infrastructure that will be needed to sustain the change.

We are also blessed with numerous sites, which, depending on the exact specifications you require, could be ideal for STEP. These range from the existing power station at Ratcliffe-on-Soar. Ratcliffe has both a railhead and mainline railway station, is within a mile of the M1, has existing water abstraction licences and grid connections and already works closely on low carbon issues with neighbouring East Midlands Airport and HS2, whose proposed East Midlands station is less than 3 miles away. We will continue to work closely with the Midlands Engine Development Corporation which will have a central role to play in bringing forward these developments. We also have former power station sites at Cottam and High Marnham in northern Nottinghamshire which will be prime locations for further low carbon energy generation developments.

The lessons we are learning from the Covid-19 outbreak demonstrate that many aspects of working, learning and socialising can be undertaken in a lower-carbon way. We will work to ensure the lessons learnt are embedded into our strategy, commissioning and funding.

Priority 4: Low Carbon Leadership: Ensuring that by 2030 D2N2 is the region with the largest turnaround in carbon in the UK.

**LEAD: LEP BOARD**

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<td>Where local carbon reduction targets have been set, invested in capital, skills and innovation projects that help our LAs achieve their ambitions, and at the level of the Peak District and National Park hit the 2050 target.</td>
<td>• Our transport systems have shifted to low and zero carbon options</td>
<td>Greater percentage of our energy is from low carbon sources and levels of low carbon Lower transport emissions leading to lower carbon footprint and its associated adverse health impacts.</td>
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<td>• Our local authorities and other public-sector bodies will have built tackling climate change, reducing energy use and promoting renewable energy generation into their normal ways of working</td>
<td>• We will deliver opportunities not just for zero-carbon growth but also for mitigating carbon development, including the opportunity to develop new Garden Villages such as the planned village in Baslowe, Nottinghamshire.</td>
<td>Generation within the region are increased.</td>
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Priority 5: Enabling key low carbon development sites: Establishing Ratcliffe-on-Soar as the UK’s centre of next generation zero carbon power, innovation and skills - and building on this unique asset with wider investment in the complementary energy sites and businesses around our region.

LEAD: PLACE BOARD

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| Repurpose Ratcliffe-on-Soar is as an exemplar national research centre for integrated Zero-Carbon Futures in Nottinghamshire. | • A complementary and linked network of hubs is created making the best use of other key sites such as the power stations in Bassetlaw, North Nottinghamshire and former Coalite site in North East Derbyshire.  
• Work with partners to develop a compelling pitch to Government to deliver the best possible business case for crucial low-carbon investments such as funding for a low carbon gigafactory, the UKAEA's testbed for fusion power and a centre for minewater heat technologies in the D2N2 area. | D2N2 is positioned as the UK's leading region for low carbon growth, attracting increased public and private investment in low carbon technologies and infrastructure across the region. |

Priority 6: Decarbonising growth: Establishing a nationally recognised low carbon construction and housing supply chain, and using our natural assets including Sherwood Forest and the Peak District National Park to support carbon capture and storage and promoting green growth.

LEAD: PLACE BOARD

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| Our construction and housing supply chains have been significantly decarbonised. | • Testbed locations for innovative housing including at with test beds at locations including Mansfield and Toton/Chetwynd Barracks will be progressed in partnership with the Development Corporation, HS2, the Coal Authority and Homes England  
• Develop a programme of support to incentivise deep decarbonisation in the cement and lime industry  
• Secure funding to enable the ambitious retrofitting scheme based on the pioneering work of our local authorities is rolled out across D2N2, and renew the feasibility of a programme to support retrofitting non-traditional built properties to reduce Carbon footprint | A lower level and percentage of industrial and domestic carbon emissions, driven by adoption of low carbon generation and greater energy efficiency, leading to increased business efficiency, reductions in domestic fuel poverty and related health impacts. |
| Assist D2N2 agriculture to lead the industry ambition to become net zero by 2040. | • Develop a programme of support to the food agriculture sectors and other rural landowners to become part of the net zero solution and promote food security  
| | | Increased skill and wage levels in the sector. |
| The capacity of our natural assets to contribute to both tackling climate change and supporting economic growth is increased. | • Support the implementation of the Peak District National Park Authority’s low carbon transport plan  
• Help to shape and drive the work of the emerging Trent Valley Partnership to drive up investment in green infrastructure | Increased sequestration of carbon in our rural areas. |
GUIDING PRINCIPLE #3:

Connectivity and inclusion

Deliver connectivity-led growth to all parts of D2N2.

We are one of the most accessible areas in England. However, our connectivity does not always reflect this, and unless growth locations in D2N2 are connected, physically and digitally, inclusive growth won’t happen at all. With the right interventions.

In our Strategic Economic Plan Vision 2030 we committed to improving our understanding of inclusion and include it in all planning, implementation and monitoring activity. While we have now adopted an inclusion framework that requires all of our programmes to demonstrate their contribution to promoting inclusion and improving social mobility, we still have considerable challenges to overcome. These include too many places and people experiencing long-term unemployment, poor education, poor health outcomes and low aspirations, and we know that many of these places are also vulnerable to the impact of Covid-19 and the lockdown measures associated with it. We must support the levelling up of these areas and are keen to work with government to help develop a funding formula for the UK Shared Prosperity Fund and other funding that gives due weight to issues of levelling up. We are one of the most accessible areas in England. However, our connectivity does not always reflect this, and unless growth locations in D2N2 are connected, physically and digitally, inclusive growth won’t happen at all. With the right interventions.

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Across D2N2, our local authorities are working tirelessly to combat the threat of Covid-19, but they are also looking to the future. They are leading the work to re-imagine what our village, town and city centres will become. We will support this unique opportunity to consider what the social and economic roles of our places could be and to invest in innovative re-imaging, such as developing a clearer and consistent offer on green and cultural tourism to the region. We will harness the incredible analytical powers of our universities and big businesses to use big data in a way that has never been possible during any previous economic crisis to support out thinking: a digital revolution from the place that gave the world the industrial revolution.

And from the home of the original national park, will also lead a green revival, harnessing the power of our diverse landscapes to promote better health, clean growth and biodiversity. The Peak District is not just our prize tourism asset, it can also play a crucial role in carbon sequestration. The unique 5G trial in Sherwood Forest is supporting tourism and the wider economy while enhancing care for the environment. Along the Trent Valley, ambitious plans are underway to promote opportunities for climate change adaptation, enhancing natural capital and nature recovery to deliver health and wellbeing benefits through using the beauty of the river for local people and visitors.

Because considerations of Place transcend geographic boundaries, it is vital that we continue to work in collaboration with our Midlands Engine partners (Leicestershire, Lincolnshire and Staffordshire), major neighbouring city regions such as Sheffield City Region, Leeds City Region and Greater Manchester, and even parts of the Humber and Cheshire & Warrington LEP areas. Our labour and leisure markets are often highly integrated and co-dependent. We remain committed to working with our neighbours and beyond in achieving our aims with better connectivity and strong cross-boundary collaboration to ensure the outcomes of the LIS are maximised for the region and beyond.

Strong cross-boundary collaboration to ensure the outcomes of the LIS are maximised for the region and beyond.

“We must support the levelling up of areas, and would be delighted to work with government to help develop a funding formula for the UK Shared Prosperity Fund and other funding that gives due weight to issues of levelling up.”
**Priority 7: Inclusion: Support inclusive growth across the whole region; ensure D2N2’s programmes are designed with inclusion in mind and with a focus on improving social mobility and health and wellbeing.**

**LEAD: PEOPLE AND SKILLS ADVISORY BOARD**

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<td>Improve social mobility by delivering programmes focused on tackling issues such as low employment, poor education and low aspirations.</td>
<td>• All programmes are tested against D2N2’s inclusion framework to ensure we are not inadvertently excluding any groups. • Areas vulnerable to long term challenges such as climate change and automation are supported to achieve high employment rates. • Our strongly performing sectors continue to prosper, but are more open to supporting traditionally excluded populations. • Our decisions always take account of the D2N2 Inclusion Framework.</td>
<td>Higher levels of employment in groups currently experiencing exclusion from the labour market. Fewer of our local authorities will be identified as social mobility coldspots.</td>
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<tr>
<td>Increase digital inclusion through universal digital upskilling, supporting the uptake of digital skills and employment opportunities and community access to digital equipment and connectivity.</td>
<td>• People disadvantaged in the labour market are supported to achieve higher digital competencies. • Young people and adults in poverty are not additionally disadvantaged by lack of access to digital equipment, skills and connectivity.</td>
<td>Our significant gaps in digital skills and vacancies in digital roles are reduced. All young people leave school with the 5 core digital competencies17 and understand how they apply in the workplace.</td>
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**Priority 8: Integrated infrastructure: Promote an integrated systems approach to mobility and health and wellbeing.**

**LEAD: PLACE BOARD**

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<td>Deliver connectivity-led inclusive growth that supports reducing the carbon footprint of journeys and enables remote workers to access work and services, increasing confidence in remote working.</td>
<td>• Fund innovation and investment to enable our transport systems have shifted to low and zero carbon options, including through initiatives such as Smart Towns. • Support HS2 by being an umbrella group for residents.</td>
<td>Lower transport emissions leading to lower carbon footprint and its associated health impacts. Higher levels of employment in digital roles in our rural areas and areas of economic deprivation. Delivery of the HS2’s sites at Toton/ Cheltenham and Staveley.</td>
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<tr>
<td>Connect people and economic growth in both rural and urban settings to reduce unnecessary travel and, when we do travel to other places, quicker, more reliable movement of people and goods, leading to reduced emissions and higher air quality.</td>
<td>• Our investments in transport infrastructure connect rural areas, towns and suburbs into areas of economic opportunity; and low carbon journeys within and between them are available and affordable. • Work closely with Midlands Connect to ensure D2N2’s key transport corridors including the M1, A5, A6, A41, A50, A60, A611, Midland Mainline and East Coast Mainline benefit from national and midlands-wide investment.</td>
<td>Reduced average journey times on the region’s rail network. A greater percentage of journeys being made by public transport, with associated benefits towards congestion and air quality.</td>
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<td>Enable future-proofed digital connectivity for businesses and residents across D2N2.</td>
<td>• Develop a comprehensive digital strategy for D2N2 covering basic, workplace and advanced digital skills, digital infrastructure and innovation including wireless and broadband connectivity. • Building on the 5G Connected Sherwood Forest and the 5G enabled Digital Tourist Centre in Worksop for the benefit of the wider D2N2 area.</td>
<td>Average connectivity speeds across the region are increased to where it is without decent broadband or wireless connectivity.</td>
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**Priority 9: Place: Everything in the first 8 priorities happens in Place. We will support the recovery and growth of our cities, towns and economic corridors to improve quality of life and economic prosperity in the wider region.**

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<td>Targeting capital investment on sectors in which the D2N2 area has a competitive advantage including offsite construction and low carbon energy production.</td>
<td>• Our Place Board commissions and manages a pipeline of capital developments on key sites and for key sectors, ensuring that all avenues for government funding are investigated and that energy projects are included. • Our enterprise zones in Derby, North Derbyshire and Nottingham are supported to deliver the maximum return on our investments. • Support the complementary growth of our cities, investing in their respective sectoral strengths, and make the most of their investment opportunities, such as the Nottingham Science Park and Broadmarsh shopping centre and the Enterprise Zone at Derby’s Infinity Park.</td>
<td>Our Local Authorities are better able to deliver the commitments in their local recovery and growth strategies. D2N2 experiences above average job and GVA growth in our key sectors.</td>
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<td>Use our economic and skills investments in our cities, towns, rural areas and growth corridors to promote improvements in quality of life for residents, workers and visitors.</td>
<td>• Support the transformation of Nottingham and Derby, and our towns centres to adapt to challenges including the shock to the high street from Covid-19, climate change, EU exit and automation. • Ensure that opportunities for growth in rural areas, including from changed ways of working brought about by Covid-19 are seized. • Ensuring that we share the expertise developed in our Towns Fund and Future High Streets Fund areas with other towns in the region.</td>
<td>Increased levels of public and private sector investment is levered into key development sites in our cities. Increased levels of business start-up and turnover in our towns and rural areas.</td>
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<td>Support a robust recovery in our visitor economy and drive future growth with a focus on a green tourism offer.</td>
<td>• Develop and promote plans for a pilot Tourism Action Zone • Aligns plans across the region to create a year-round offer of experiences, orienting the season and build business resilience • Develop a green travel and tourism strategy that includes access to electric and low carbon vehicles and active travel solutions • Support the work of the emerging Trent Valley Partnership to enable clean growth alongside enhancing natural capital and creating health and wellbeing opportunities • Support the delivery of a coordinated but geographically distinct culture and heritage offer.</td>
<td>Increased growth of our visitor economy delivering jobs and creating health and wellbeing opportunities.</td>
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17 https://www.gov.uk/government/publications/essential-digital-skills-framework. The competencies are communicating, handling information and content, transacting, problem solving and being safe and legal online.
Ask of Government

To achieve the step-change in support we are aiming for, we want to strike a deal with government for support in the form of funding and increased flexibilities for a range of programmes and projects including the indicative list below. Our ask is set out as a series of priorities for funding. Our Advisory Boards would have a key role in commissioning and shaping the individual projects in support of these programmes to ensure they achieve the strategic objectives in this plan.

In particular we need urgent clarity and access to the UKSPF which the Government has indicated will offer at least the same level of funding for the region as under European Structural Funds.

Moreover, in the light of the government’s commitment to level up our region and because of the disproportionate impact of Covid 19 on many of our places, sectors and demographic groups, we seek an urgent discussion with HMT Treasury over an updated approach to programme funding to deliver the objectives in this plan. This must address longstanding underfunding and emerging post-Covid needs.

In return, the D2N2 area will be able to build back not just better but faster and greener. In turn that will enable a greener recovery, as we can bring forward projects that will increase the pace and volume of our reduction in carbon emissions.

Our ask is set out as a series of priorities for funding. Our Advisory Boards would have a key role in recommending and scoping the individual projects in support of these programmes.

PROGRAMME 1: INCLUSIVE EDUCATION AND EMPLOYMENT SUPPORT IN SUPPORT OF PROPOSITIONS 1 AND 7

Our ask
Funding linked to our levelling-up and growth ambitions which will enable our People and Skills Advisory Board to develop and oversee:

- Employment programme for those disproportionately excluded from the labour market and an parallel programme to promote and embed inclusive recruitment practices.
- A digital re-skilling programme to reduce digital exclusion in disadvantaged areas and amongst disadvantaged groups and address key skills gaps across many sectors.
- Increase availability of publicly funded connectivity and access to equipment alongside skills development for those experiencing financial hardship.
- An up- and re-skilling programme for sectors impacted by Covid 19 and key growth sectors.
- An FE Capital settlement that ensures our region receives an increased share of funding to enable our FE sector to respond effectively to our historic skills issues.
- A careers guidance guarantee backed by the roll out of Careers Hubs to all parts of D2N2.
- A programme to retain graduates and place them in business identified as most likely to benefit and grow as a result.
- A programme to better understand workforce health in the light of Covid-19 and to promote inclusive and healthy workplaces.

Policy
- We seek the flexibility for all unspent Apprenticeship Levy across D2N2 to be pooled by our upper-tier LAs to enable them to deliver comprehensive, locally tailored skills, apprenticeship and T Level support services.
- Award D2N2 an Institute of Technology as the template for closer alignment between employers and skills provision in D2N2.

We will deliver
- Enhanced reach of existing skills, employment and redundancy support services such as Kickstart to ensure all services reach all places and all vulnerable groups.
- Best in class careers support to our young people to ensure that our future workforce is aligned to the needs of employers.

Measured by
- Increased apprenticeship take up in key sectors.
- Reduced NEET levels.
- Increase in the Gatsby Benchmarks for careers inspiration across the region.
- Reduced unemployment amongst vulnerable groups.
- Increased social mobility in our social mobility coldspots.
- Fewer skills shortages reported by employers, particularly in digital skills.
- Increased participation and support for disadvantaged groups.
PROGRAMME 2: BUSINESS GROWTH AND INNOVATION IN SUPPORT OF PROPOSITIONS 2 AND 3

Our ask
Funding linked to our levelling-up and growth ambitions which will enable our Business Growth and Innovation Advisory Board to develop and oversee:

- Revenue programme for business investment and finance (including recyclable loans, equity, grants) targeted at:
  - business with significant growth potential in key sectors, with dedicated strands for rural businesses and a venture capital and equity fund for gazelles;
  - start-ups and accelerated scale up for businesses and social enterprises.
- Capex programme to support:
  - innovation and scaling in key local and regional sectors eg Creative, FinTech in Nottingham, FoodTech in Derby.
- Digital Platform to encourage and support innovative and entrepreneurial activities:
  - develop institutional capacities to further encourage and support innovation and entrepreneurial ecosystems.
  - promote pathways with defined ecosystems to scale enterprise capacities.

Policy
- Award a Freeport Enterprise Zone focused on East Midlands Airport.
- Allocate a gigafactory focused on low carbon advanced manufacturing to the D2N2 region.
- Allocate at least one Tourism Action Zone to the D2N2 region.

We will
- Deliver, in partnership with the Development Corporations, the landowners and other key partners, a unique, globally-connected free-trade, innovation and low carbon energy cluster based around East Midlands Airport, HS2 East.
- Work with our businesses and our partners to revitalise our tourism sector, more strongly focused than ever on promoting green and low carbon tourism.

Measured by
- New jobs and businesses created, with a specific target on rural areas.
- GVA uplifts.
- Increased commercialisation of our R&D.
- Increased inward investment and more businesses exporting.
- Accelerated recovery across those most impacted by Covid-19 and a longer-term increase in green tourism.
- Reduction in total carbon emissions by our businesses.

PROGRAMME 3: D2N2 LOW CARBON GROWTH FUND IN SUPPORT OF PROPOSITIONS 4, 5 AND 6

Our ask
Funding:
- Government to fully fund the East Midlands Development Corporation’s request for £230m to capitalise the developments at East Midlands Airport, HS2 East Midlands and Ratcliffe-on-Soar (including ZERO and potential conversion of the site to low carbon energy production and the development of skills and training facilities on the site).

A development fund to:
- Develop the business cases for other major low carbon growth sites including High Marnham and Cottam power stations, the former Coalite works and the Avenue site to deliver low carbon jobs and homes on those and other sites.
- To establish a national centre of excellence on Modern Method of Construction.

Funding to:
- Accelerate our LA’s social housing retrofit programmes to support decarbonisation.
- Support the deployment of the immense opportunities offered from mine waste heat given our regions mining legacy.
- Ensure rapid deployment of energy efficiency and renewables production across the public estate.
- Funding to pilot adoption of new technologies to decarbonise and reduce the air quality impacts of the construction and primary extraction sectors (including cement and lime which are large emitters within the region).
- Amplify the success of the Rural Communities Energy Fund by investing in a D2N2 RCEF to take advantage of our incredible opportunities around community level schemes.
- Support an increase in skills provisions across the region to take advantage of these new technologies.

Policy
- Government to work with us and the MEG LEPs to embed low carbon and natural capital approaches into a revised Green Book approach which gives due weight to the impact of our investments on tackling the climate emergency.
- Government support to our LA’s ambitious proposals to have common supplementary planning policies requiring higher than national environmental standards in all new capital developments across D2N2, and to ensure all public funding is predicated on meeting those high standards.

We will
- Demonstrate how low carbon impacts can be effectively measured and monetised.
- Showcase the work of ZERO and our other low carbon assets to the wider UK and global economy.
- Deliver new skilled jobs in futureproofed construction specialisms.
- Work with our schools, FE and HE to inspire our young people to be a national exemplar in promoting the opportunities for work and study in low carbon sectors.

Measured by
- Increased productivity in the construction sector.
- Increase the % of MMC housing in D2N2.
- Reduction in emissions from construction and extraction.
- Increased % of renewables being generated in and used by D2N2.
- Increased number and skill levels of jobs in low carbon roles across sectors.
- Reduced household bills, fuel poverty and related ill health.
Conclusion and final statements

D2N2 is excited to leave behind its carbon intensive past and spearhead a clean, inclusive recovery. Our strategy seeks to:

- Recover from the impacts of Covid-19 and redress our productivity lag, to become one of the most productive areas by:
  - Supporting the retraining and re-skilling of our people to reduce the impact of unemployment on our workforce.
  - Addressing the high proportion of low-skilled and low-earning jobs in D2N2, by upskilling more of our population more quickly.
  - Ensuring that our businesses have the access to co-ordinated support and funding that meets their needs for growth and drives long term investment.
  - Providing the skills and space required for businesses to scale and develop.
  - Continuing to invest in and champion the benefits of innovation, research and development in supporting recovery and growth.

- Supporting our businesses and people prepare and prosper post-EU exit by opening up new markets for our most competitive businesses and showcasing our world leading sectors to attract investment.

- Reduce our reliance on carbon-intensive industries, and drive economic growth through growth in clean and green industries, by:
  - Utilising the closure of our carbon-emitting power stations as an opportunity to spearhead new zero-carbon energy systems and related business clusters.
  - Decarbonising our housing chains, transport systems and all our key sectors.
  - Nurturing the growth of low and zero-carbon focused businesses.
  - Using the impact of Covid-19 on other sectors to lead a reskilling programme to enable the growth of our low-carbon sectors.

- Reduce the concentration of social-mobility coldspots across D2N2, and become a better connected, more inclusive place to live, by:
  - Transforming intra- and inter-regional connectivity, to ensure greater access to opportunities wherever you live in D2N2.
  - Learning from Covid-19 about the changing ways we are using digital technology to work, learn and socialise and to enable the potential growth benefits of these changes.
  - Supporting our businesses in reaching the potential of traditionally excluded populations.
  - Capitalising on the opportunities bought about by HS2 at Toton and Chesterfield and the wider area.

We will also review the impact of Covid-19 on our economy and our response to it in order to ensure we are better prepared to respond to any future crises.

D2N2 is ready to be the low-carbon, high-powered spark in the engine that drives UK recovery and growth.
1. INTRODUCTION

1.1 This report updates Board on the following:

- Skills Update
- Business and Innovation Update
- ESIF Update
- Marketing and Communications Update

2. RECOMMENDATIONS

2.1 Board is invited to

a. NOTE the report

3. SKILLS UPDATE

Contractual Delivery

Substantial progress on the development of a single ‘front door’ to careers activity for schools and employers in D2N2 has been made. Working with partners, we have negotiated a shared platform which will include up to 4 My Future-style virtual careers fairs (as demonstrated to the September board meeting) to showcase a wide range of employers and sectors across D2N2.

The build is anticipated to commence before the end of the calendar year. The platform will accelerate D2N2’s ability to engage employers with schools and provide much improved access to current labour market intelligence.

Digital Skills

D2N2 was one of only 3 LEP areas in England to be invited to submit a bid to the Department for Education to deliver 12-week digital ‘bootcamp’ pilots to address the gap in Digital Skills amongst working age adults. If successful, the bid will lever c.£1m into D2N2 and enable at least 350 adults to progress into higher digital roles through focused digital skills training. Employers have been directly involved in the project development and the model is expected to actively fill existing digital skills gaps. The pilot is also being used to test models of closer employer and provider relationships in the development of skills provision.

All the colleges in D2N2 have committed to work together to produce a standard universal digital skills module for use across all post 16 education settings. The module will also be adapted by partners for roll out into all D2N2 secondary schools; supporting delivery of the universal digital upskilling priority action. The Prince’s Trust, Uniper Academy and University of Derby are also involved in the delivery.
Skills Advisory Panel

The University of Derby have been appointed to support delivery of the 2020/2021 D2N2 Local Skills Report.

The report will assess the strength of the D2N2 people and skills analytical activity in informing the development of the skills strategy, which is a key requirement of our agreement with DFE in relation to the Skills Advisory Panel element of the People and Skills Board.

The report will highlight gaps in our evidence base, mismatch or alignment between evidence and the resulting strategy and recommend improvement and impact measurements where appropriate.

The draft Local Skills Report will be brought to Board for comment and input before finalisation.

Kickstart in D2N2

The Kickstart scheme forms part of the Government's ‘Plan for Jobs’ and provides 6 month paid work placements for the young unemployed. D2N2 is now working with DWP and all gateway intermediary organisations in the area to assess levels of take-up in D2N2 and its success in securing longer term outcomes such as jobs, apprenticeships or return to higher learning, with a view to sustaining impactful activity.

4. BUSINESS AND INNOVATION UPDATE

4.1 GROWTH HUB

D2N2 Growth Hub continues to operate a vital service in supporting businesses across the region specifically in relation to the impact of Covid-19 and preparation for EU transition.

SME Engagement

The level of enquiries received by the D2N2 Growth Hub Enquiry Team remain high at between 200 and 300 per week. Over the summer months the emphasis of enquiries was on future planning and SMEs seeking support to pursue new opportunities as business confidence slowly recovered. However, since the “second wave” rise in Covid-19 infections from September the majority of enquiries are from businesses seeking help to tackle the immediate impacts of the pandemic.

Encouragingly, we continue to take multiple calls from new start-ups on a weekly basis suggesting that many people who have been made redundant are starting new businesses. Growth Hub partners are looking to review how we can respond to the potential increase in start up during 2021.

Although ineligible for ERDF support, it is hoped further Government funding will provide the opportunity for focused activity in this area.

The D2N2 Business Investment Fund continues to attract a consistent flow of new applications and the target of awarding two grants per week is on track. It is pleasing to see there is plenty of demand from SMEs who are clearly investing to ‘step-change’ or pivot their business at this time.
Uplift Funding

The D2N2 Growth Hub is utilising the uplift funding announced in the Spring to bolster support to local SMEs. Specifically, we have recruited a second BAME Adviser who will focus on Derby City and we have extended the support available via the East Midlands Business Resilience Programme, which majors on preparing for EU Transition and building future resilience more generally. In the coming months we will utilise the funding for a CRM review to improve our data capturing process and delivery of additional training to our Adviser team.

Covid-19 Recovery Grant

Funded from the ESIF national reserve, an allocation of £984,000 (including a £289,000 ringfenced for visitor economy businesses) was awarded to D2N2 for delivery of a Covid Recovery Grant Scheme in D2N2.

This will allow us to support between 450 and 500 businesses with a grant of up to £2,000 to help them recover from the impacts of Covid-19. We invited around 800 eligible businesses to apply in October and as of 11 November, 2020 we have 430 who have created an account on our application portal. The first grants are expected to be paid by the end of November.

EU Transition Support

The Growth Hub is supporting companies to consider the implications of EU Transition through our Business Resilience Programme, delivered in partnership with GLLEP and LLEP.

A series of ten webinars began in early October and will run until January. We are promoting these to our SMEs and attendance is improving after a slow start. The Chamber are also running a ‘Readiness for Change’ programme with Derbyshire County Council which we also refer SMEs to.

Growth Hubs have recently been allocated additional funding by BEIS to appoint a dedicated interim Adviser specifically to support SMEs on EU Transition, we are awaiting the details of this allocation at the time of writing.

Peer Network Programme

We have secured BEIS funding (up to £345,000) to deliver the national Peer Network Programme in D2N2. This will include up to 23 cohorts of around a dozen SMEs who will engage in action learning and peer support, facilitated by sector/theme experts. The Peer Network programme will provide a useful pilot for developing further peer-to-peer business support in the future and developing a new approach to supporting “enterprising communities” at local and sectoral levels across D2N2.

4.2 Investment & Trade

The impact of Covid-19 on business confidence and future investment plans has been marked and this is compounded by increasing uncertainty around EU transition and eventual exit in January 2021.

D2N2 is working closely with Department of International Trade and local partners across three key areas: investment promotion, investor development and export promotion.

Work has commenced with our Investment Promotion Agencies and lead local authorities on developing a programme of activity to develop a D2N2 inward investment proposition that builds upon local promotional activity, shapes up what the future looks like beyond the “Invest in D2N2” ERDF project and provides pro-active support to key investment priorities notably East Midlands Freeport.
We have now launched the **D2N2 Investor Development Service** funded by the DIT Midlands Engine Key Account Management (KAM) programme to actively engage with target Foreign Direct Investors (FDIs) to provide tailored help and advice to support business expansion, job creation and retention during the current challenges. The service brings together investment expertise with local knowledge and works closely with local authorities in a “one team” approach. Maintaining existing export markets within the EU and opening up new global markets for our most competitive sectors is the focus for D2N2 trade promotion efforts following transition.

Working closely with DIT, a LEP dedicated **International Trade Advisor** is now in post and work has commenced through a LEP led dedicated partner theme group to deliver tailored export support and events across the D2N2 area including the launch of the new ERDF Internationalisation Fund (funded through ERDF).

An outcome of this workstream will be a D2N2 export strategy to be published by March, 2021.

5. **ESIF SUMMARY UPDATE**

As we come towards the end of the commissioning stage of the ESIF programme, particularly in relation to ERDF and EAFRD funding most of the programme is now fully commissioned, and any remaining funding is part of the national reserve fund managed centrally rather than by the local ESIF committees. Below is an update on the areas of the programme we continue to support in terms of strategic development and procurement:

5.1 **Nottingham Sustainable Urban Development (SUD)**

The final call for applications for the Nottingham SUD programme closed on 10 March 2020. The amount of ERDF available was £8.5m across Priority Areas 2, 3 and 4.

The Nottingham SUD committee has agreed to bring forward the following proposals to full application with start dates for the projects proposed for early 2021.

- The Enterprise Innovation Hub – Nottingham College
- Incubation Extension - NBV Enterprise Solutions
- Calverton Enterprise Units - Gedling Borough Council
- Offices at Chapel Lane, Bingham – Rushcliffe Borough Council
- Sustainability in Enterprise - Nottingham Trent University
- Accelerating Reduction in Carbon - Nottingham City Council

5.2 **ESF**

**D2N2 open calls**

DWP and the D2N2 TA service continue to work with bidding organisations to finalise applications and bring to the ESIF subcommittee for approval.

DWP assessors and the D2N2 TA service are now working with applicants on the remaining 2 calls made at D2N2 level

- IP 2.1 STEM Skills in D2N2
- IP 2.1 Leadership and Management Training for SME’s
- IP 1.1 Healthy Work
Match issues

LEP officers have been informed that the only applicant to the IP 1.4 Active Inclusion call – multiple and complex needs has withdrawn their application. The main reason cited for their withdrawal was that CV19 had impacted upon the delivery partnerships ability to meet the planned levels of match which would impact upon their capacity to meet forecast outputs.

LEP officers are working with the LEP Network and DWP to explore flexibilities around the current intervention rate requirement of 50% for current and future applications to alleviate the effects of the CV19 pandemic on delivery partnerships.

ESF Reserve Fund

Following the initial impact of the COVID-19 crisis, DWP paused all Call Proposals from LEPs to the ESF Reserve Fund. DWP are now seeking Call Proposals which specifically respond to the local impacts of COVID-19 and address the priorities contained in the LEP Recovery Plan. The intention is to bring forward programmes which respond directly to the employment and skills impacts of COVID-19 which complement existing ESF provision.

Call proposals will contain an analysis of the economic and people impacts of COVID-19 and the support needs this has created. Projects will be commissioned using existing Priority Axis / Investment Priority and Category of Region criteria. The latter means that all applicants to the Reserve Fund calls will need to bring 50% of eligible match.

The D2N2 People and Skills Board have approved the local calls to be made under the national ESF Reserve fund (see below) and LEP officers are now working with the DWP Reserve Fund Board to agree the local call schedule

- IP 1.1 Covid 19 unemployment programme - £2m of ESF
- IP 1.2 – Covid 19 Youth programme - £2m of ESF
- IP 2.1 and 2.2 The D2N2 Apprenticeship and Jobs Hub - £2m of ESF
- IP2.1 Skills for Productivity and Growth in D2N2 - £2m of ESF

6. MARKETING AND COMMUNICATIONS

SUMMARY

Our social media reach has increased month-on-month throughout 2020 and is at our highest ever recorded levels. Our focus continues to be to provide timely communications to build confidence in us and our impact.

We also have seen a significant spike in our media reach in October as a result of news coverage of Buxton Crescent, Broadmarsh, Nottingham City Hub and the proposed East Midlands Freeport.

Luke Stott has left his role as our digital and comms lead to take a position at the Midlands Engine. I would like to place on record my thanks to Luke. Our digital platforms are in a much better place thanks to his insight, hard work and dedication. We are currently recruiting for his replacement.

KEY UPDATES

Marketing and Communications Strategy

We continue to develop our marketing and communications strategy to deliver a clear voice to unlock the region’s full potential on a local, national and international level.
The draft plan builds on the framework developed with Jayne Mayled and shared with the board in July. The framework has three core pillars:

- Brand
- Content
- Enablers

Informed by research, our metrics and mapping exercises, the plan presents a comprehensive view of the tactics and outcomes the marketing team needs to focus on to support D2N2’s aims and objectives.

The intention is for the plan to be further refined, including prioritisation to sharpen its focus. Some areas, for example, messaging continue to be reviewed as strategic themes emerge from our work on the Economic Recovery and Growth Strategy. An action plan to deliver the strategy will be brought back to the Board in January, 2021.

D2N2 AGM

The D2N2 AGM has been confirmed for 2 December, 2020 (10 –11.30 am) – Board Members will have received a save the date previously and we hope that you will be able to join us at the virtual event.

The meeting will include a summary of our projects and achievements over the last year. We will also launch the economic recovery plan outlining the propositions to ensure our region is the heart of the UK’s recovery and growth.

Alongside two keynote speakers, we will be hosting a panel discussion with our Advisory Board Chairs answering questions put to them by our audience on the recovery plan and specifically topics including business, skills, and place. To date, we have had 161 people register to attend.

Finally, given that this will be our first annual meeting since we were incorporated as a company limited by guarantee, it will be our first public meeting to confirm the company’s formal audited accounts which are being presented today for the Board’s approval.

Sajeeda Rose
24 November, 2020
D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT

DATE: 24 November 2020
REPORT LEAD: Sajeeda Rose
AGENDA ITEM: 2.4

TITLE: Capital Programme Performance Update

1 Introduction

This paper provides an update on the performance of the D2N2 Capital Programme and details the latest updates of all programmes as presented to the 12 October and 4 November Investment Board Meetings.

2 Recommendation

- The Board is recommended to note the approvals for the Turbine Innovation Centre project (£572,000) and the Lindhurst Development project (£3,000,000) which were both previously agreed following written procedures.

- The Board is recommended to ratify and confirm the decision of the Investment Board to invest £2,000,000 of Getting Building Fund to the Glossop Municipal Buildings Project.

- The Board is recommended to ratify and confirm the decision of the Investment Board to invest £500,000 of Getting Building Fund to the Centre of Excellence – Modern Construction and Digital Technologies Project.

- The Board is recommended to note the progress of the D2N2 Capital Programme.

- The Board is recommended to adopt the updated version of the Local Assurance Framework (Appendix 1 to this report).

3 Local Growth Fund (LGF)

3.1 Performance Update

Coming into the last year of the Local Growth Fund programme the LEP has £40,086,356 of its £250.7m Local Growth Fund budget left to spend before the March 2021 deadline. Of the £40m allocated within this year, D2N2 have recorded £16,617,586 of actual spend in the first two financial quarters of the year. With this level of recorded spend from the first two financial quarters the LEP is tracking ahead of profiled spend to date by £2.6m and will aim to continue to be ahead of forecast in the coming months. LEP Officers are working closely with project sponsors for all projects that are ‘live’ and still ‘awaiting approval’ to monitor the ability to spend by the deadline, based on spend to date and forecast spend we are confident this figure can be met.
At this moment in time based on the current assessment of the programme and if all the projects are approved as set out, we believe we will be on track to deliver the full programme target by the end of this financial year. We have also over profiled by £1.8M to provide a buffer against any underspends.

3.2 Q2 Output returns

In return for £250m of Local Growth Fund contributions, D2N2 are contracted to deliver outputs to contribute to the national economy as a result of the interventions it invests in the economy.

Over its three tranches of funding, the LEP are committed to deliver 29,000 jobs, 10,800 homes and 2,000 learners over the projects lifetime which runs up to 2035.

As of Quarter 2 2020/21 the LEP has delivered the following outputs to date

<table>
<thead>
<tr>
<th></th>
<th>Jobs</th>
<th>Homes</th>
<th>Learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Target to Q2 2020/21</td>
<td>10,352</td>
<td>4,086</td>
<td>2,222</td>
</tr>
<tr>
<td>Actual to Date (Up to and including Quarter 2 2020/21)</td>
<td>10,864</td>
<td>1,593</td>
<td>2,331</td>
</tr>
<tr>
<td>Percentage</td>
<td>105%</td>
<td>39%</td>
<td>105%</td>
</tr>
</tbody>
</table>

Overall the LEP is delivering well against job and learner targets as set by Government. However, the housing delivery numbers still remain low. This is largely down to the delay in delivery of the Newark Southern Link Road due to unresolved funding issue. D2N2 continue to work with partners to find a solution to the issue.

3.3 Mid-Year Review

On 21 September, 2020 the D2N2 LEP team and Accountable Body had the Mid-year review of its performance with colleagues from the BEIS Local team to discuss the progress of the LEP and its capital programme. The review incorporated discussions around Strategy, Governance and Delivery to date within this financial year and serves as a check on how well the LEP is performing before the Annual Performance Review which is anticipated to take place in January, 2021.

Overall, the BEIS Local team were pleased with the performance of the LEP and its Capital Programmes so far within this year and could see that good progress that has been made in particular on the performance of LGF. The discussions also included future planning and forecasting with regards to the Getting Building Fund which will begin to deliver projects in this financial year.

Whilst progress has been good to date the government are still expecting that the LEP will fully utilise its allocation of LGF by 31 March, 2021 deadline and are keen to see that Getting Building Fund projects are approved and delivered in anticipation of the 31 March, 2022 end date.
3.4 Projects for Approval

In July 2020, D2N2 was allocated £44.4 million from the Government’s Getting Building Fund towards the delivery of a range of projects across the region to stimulate economic activity and aid recovery from the impacts of Covid-19 on the region. The funding is subject to each of the 10 projects agreed by government submitting a business case that is fully compliant with the D2N2 Local Assurance Framework (LAF).

In order to support D2N2 and the accountable body, independent expertise has been procured from Thomas Lister Ltd and Amion consultants to assess each of the projects against the requirements of the local assurance framework.

In line with the agreed delegation of D2N2 project decisions, once the business case is assessed to be satisfactory it is presented to the D2N2 Investment Board for consideration and once approved it is then recommended to the D2N2 board for final approval.

Therefore, the following projects are now being put before the D2N2 Board for final approval based on their full compliance with the LAF and recommendations of the D2N2 Investment Board.

Full details of the project business cases were previously shared with the board for all projects and are re-attached again for the Glossop Municipal Buildings and Chesterfield College Centre of Excellence (Appendices 2 and 3)

3.4.1 Turbine Innovation Centre and Lindhurst Development Mansfield– Projects for Approval

At the 12 October, 2020 meeting of the Investment Board, Nottinghamshire County Council presented two projects for approval of Getting Building Fund allocations. The Lindhurst Development project was presented to deliver a new mixed use housing and employment site for £3,000,000 of GBF contribution and the Turbine Innovation Centre project will deliver redeveloped workspace to provide new learning and job opportunities in innovative field for a contribution of £572,000. Following the meeting on 12 October, both projects were circulated to the LEP Board Members for final ratification of the Investment Board decision. Following the window for responses, no board members sought to decline either funding ask and therefore the decision was ratified and funding can now be released to the projects.

The Board is recommended to note the release of £592,000 of funding to the Turbine Innovation Centre and £3,000,000 of funding to the Lindhurst Development project following the conclusion of written procedures to all Board members.

3.4.2 Glossop Municipal Buildings – Project for Approval

High Peak Borough Council presented a project to the November Investment Board requesting £2m of Getting Building Funding towards the renovation of various underused public buildings in Glossop Town Centre to deliver new commercial floorspace.

The scheme will involve the refurbishment of existing space along with the addition of a mezzanine floor to the Market Hall within the building in order to provide small micro office space for entrepreneurs and SMEs. In addition, the previous uses of the Market
Hall are to be replaced, with a variety of food and drink businesses, along with general and specialist retail. The facility will be open seven days a week and will include an indoor courtyard with central seating and flexible space to accommodate events and fairs.

The Town Hall arcade will be refurbished to provide flexibility for a range of retail/leisure uses, whilst the upper floors of the Town Hall will be refurbished to accommodate a larger event space to compliment the food court operation along with some further flexible workspace.

The total project cost is £5.482m with the match funding contributions coming from High Peak Borough Council who will look to secure a £1 million contribution from a private sector investor, should this contribution not be found the council have agreed to underwrite it. Works mobilised on site in September 2020 and the building will be complete by July 2022 following the completion of phase 2.

The project will deliver 105 new jobs, safeguard 56 new jobs and assist 20 businesses.

The full report for the project was circulated to all LEP Board Members for reference on 27 October, 2020.

Following an independent assessment and testing of the projects Final Business Case, The Board is recommended to approve the release of £2m of Getting Building Funding to the High Peak Borough Council for the Glossop Municipal Buildings project.

3.4.3 Centre of Excellence – Modern Construction and Digital Technologies – Project for Approval

Chesterfield College presented a project to the November Investment Board requesting £500,000 of Getting Building Funding towards the renovation of existing learning floorspace and the purchasing of new specialist capital equipment.

The proposals for this scheme are for Chesterfield College to develop a centre of excellence for modern construction techniques and digital technology, to provide a higher level of skills within the industry to meet employer demand.

Key areas of skills development will include.

- Building Information Modelling (BIM)
- Modern construction techniques
- Augmented/Virtual Reality (AR/VR)

The development at BIM and modern construction techniques will provide progression routes for level 2 students and apprentices to progress to level 3. In addition, opportunities will be provided for the existing workforce to upskill to higher levels to move up the skills escalator into more productive, better paid jobs, future proofing skills and to meet the growing demand of new technologies and methods by employers.

The college already has an advanced manufacturing and building technologies facility and have established partnerships and collaboration with high profile companies and local businesses within the construction sector. It is through this collaboration that a range of gaps in the provision of courses and education at the college and within the workforce have been identified. New and refined courses are proposed to be provided within the new Centre of Excellence.

The project will deliver 3 new FTE Jobs and 560 new learners.
The full report for the project was circulated to all LEP Board Members for reference on 27 October.

**Following an independent assessment and testing of the projects Final Business Case, The Board is recommended to approve the release of £500,000 of Local Growth Funding to Chesterfield College for the Centre of Excellence – Modern Construction and Digital Technologies Project.**

4.0 Local Assurance Framework Update

The Local Assurance Framework is a document which sets out how the LEP will undertake its role in relation to good governance and delivery of public funds.

It sets out the roles and responsibilities of D2N2 and its constituent boards as well as the Accountable Body and LEP partners.

The document demonstrates how it complies with the National Assurance Framework which is produced as a national guide for all Local Enterprise Partnerships to use to provide a framework to govern the use of public money and decision making processes.

The document covers topics such as ensuring value for money, project development and prioritisation as well as governance procedures and Terms of Reference.

The LEP looks to refresh the Local Assurance Framework each time the National Assurance Framework has been updated which is usually on an annual basis. This year the National Assurance Framework has not been updated formally by Government and therefore D2N2 has taken the decision to update the document to ensure that all guidance is up to date to reflect internal governance changes.

The main changes that can be seen in this document in comparison with Version 7 which was last approved by the D2N2 Board at its meeting on 19 March, 2019 are:

- Addition of a reference to Board Renumerations policy and publishing of senior LEP Staff Salaries over £58,200 as in line with the Accountable Body’s Staff Pay policy.
- Addition of specific references to sustainability and inclusion from page 17 onwards
- Changes to the approval process of projects including revision of the Outline Business Case to the Draft Business Case
- A general reordering of information which is more applicable to sit under a different heading than in previous versions of the document.
- The Final Business Case Checklist now includes a need for projects to include all sustainability and inclusion outcomes as part of their FBC submission to be compliant with the Local Assurance Framework.
- Inclusion of a new set of Terms of Reference for the Nominations and Renumerations committee which will oversee Board Director and Senior LEP Executive appointments as well as any staff restructuring processes.
- Addition of the Terms of Reference for all of the D2N2 Advisory Boards including People and Skills Advisory Board, Business and Innovation Board and the Place Board.
- Incorporation of the D2N2 Inclusion Framework as agreed at the July, 2020 Investment Board which sets out the actions D2N2 will take to actively promote inclusion across its activities.

**Recommendation:** The Board are recommended to approve the newest version of the Local Assurance Framework which is appended to this paper and adopt that as the LEPs working document.
D2N2 LEP
Local Assurance Framework
Updated November 2020
# Table of Contents

Introduction ................................................................................................................................. 3

LEP Governance .......................................................................................................................... 4

  D2N2’s Structure and Board ................................................................................................. 5

  Scheme of Delegation ............................................................................................................. 8

LEP Policies and Procedures ....................................................................................................... 9

  Diversity Statement ................................................................................................................. 9

  Board Remuneration and LEP officer salaries ....................................................................... 9

  Complaints Policy and Whistleblowing Policy ....................................................................... 9

  Conflicts of Interest and Code of Conduct ........................................................................... 9

  Publications of reports and information .............................................................................. 10

LEP accountability and transparent decision making ............................................................... 12

  The Accountable Body ........................................................................................................... 12

  Section 151 officer .................................................................................................................. 14

  Contracts .................................................................................................................................. 14

  Government Branding ............................................................................................................ 15

  Engagement with Stakeholders ............................................................................................. 16

  Inclusion and Sustainability ................................................................................................... 17

Project Selection and Approvals Process .................................................................................. 18

  Pipeline Development ............................................................................................................. 18

  The Approval Process ............................................................................................................ 18

  Value for Money ..................................................................................................................... 22

  Part Delivery of the Project and Pre compliance Funding .................................................... 22

Risk ............................................................................................................................................. 23

  Monitoring and Evaluation .................................................................................................... 24

  Scrutiny and Audit Arrangements ......................................................................................... 25

Appendix 1 – LEP Board Terms of Reference .......................................................................... 27

Appendix 2 – Investment Board Terms of Reference .............................................................. 31

Appendix 3 – Nominations and Renumerations Committee ..................................................... 35

Appendix 4 – People and Skills Board Terms of Reference .................................................... 38

Appendix 5 – Business Growth and Innovation Board Terms of Reference .......................... 44

Appendix 6 – Place Board Terms of Reference ....................................................................... 48

Appendix 7 – D2N2 Inclusion Framework ............................................................................... 51
**Introduction**

Local Enterprise Partnerships (LEPs) are locally owned partnerships between the public and private sectors.

D2N2 is the LEP for Derby, Derbyshire, Nottingham, and Nottinghamshire and is one of the largest LEPs in England, covering a population of over 2.2 million people with an economic output of over £46.6 billion.

D2N2's vision is a more prosperous, better-connected, and increasingly resilient and competitive economy; its ambition is to be one of the most respected LEPs, known for its professionalism and effectiveness. Its purpose is to support and encourage economic growth across the D2N2 area.

The Local Industrial Strategy (LIS) and Emerging Recovery and Growth Strategy (ERGS) present the LEPs strategy and delivery priorities for boosting the local economy and provides the basis for determining the key funding priorities to which available resources should be directed. The D2N2 Strategic Economic Plan is available online at; www.d2n2lep/sep. We will shortly release our Economic Recovery and Growth Strategy which will provide strategic guidance into the interventions that the LEP choose to support through their funding programmes. Alongside this, the Local Industrial Strategy is available at d2n2lep.org/local-industrial-strategy/.

This Local Assurance Framework (LAF) sets out how D2N2 will effectively undertake its role in relation to good governance and delivery of public funds it is responsible for. It identifies the roles to be taken by D2N2 and its constituent Boards, by the Accountable Body and by the promoters of projects. This includes the process of ensuring value for money, prioritisation, appraisal, business case development and risk management.

It also sets out the process to be followed in selecting priorities for the Local Growth Fund and other funding programmes.

D2N2 is fully committed to ensuring the highest standards of governance, accountability and transparency across all aspects of its activities and will review the LAF annually and make any changes in line with changes made to the National Assurance Framework (NAF) to ensure consistency and full compliance.

The Accountable Body for D2N2 is Derbyshire County Council which has responsibility for ensuring this LAF is in place, meets the standards set out by Government and that all funding decisions are made in accordance with it. The Section 151 officer at Derbyshire County Council ultimately provides assurance of proper use of Government Funds and Governance Procedures within the LEPs activities.

D2N2 will notify the Ministry of Housing, Communities and Local Government (MHCLG) of any significant changes made to the LAF.
LEP Governance

D2N2 have clear systems, rules and practices and processes in place to ensure that decisions are made on a transparent basis, by the appropriate persons or groups and based on appropriate skills and capability.

Members of the LEP Board and other subgroups will work within the agreed governance structures and will always demonstrate the highest standards of conduct. Any third party involved with the LEP or who is providing a service to the LEP will be made aware they are expected to act within the governance system and that their conduct is expected to be consistent with the standards applicable to members of the LEP.

The Nolan Principles of Public Life underpin the LAF and all board and sub-board members are expected to adhere to them, these are:

- **Selflessness**: Holders of public office should act solely in the public interest.

- **Integrity**: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

- **Objectivity**: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

- **Openness**: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

- **Honesty**: Holders of public office should be truthful

- **Leadership**: Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
D2N2’s Structure and Board

D2N2 became a company limited by guarantee on the 1st of April 2019.

The LEP Board is responsible for determining economic strategy for the region and setting the priorities for funding. It acts as the ultimate decision making body for the LEP and is comprised of public and private members who work collaboratively to ensure that decisions are made in the interests of promoting inclusive growth, prosperity and improved productivity in the local area and beyond. As the ultimate decision-making body, even when the LEP Board puts in place a scheme of delegation, the LEP Board remain responsible and accountable for the delegated decision.

The LEP Board has 18 members, 6 from the public sector (Local Authorities) and the remaining 12 from the private sector. The LEP is expected to have a minimum of at least two thirds private sector membership at any time in accordance with the NAF, and a gender balance that ensures a one-third female representation increasing to half by 2021.

The LEP Board has the option to increase this to a maximum of 20 members and to co-opt an additional 5 board members with specialist knowledge on a one-year basis unless there are exceptional circumstances.

The Chair of the D2N2 LEP is appointed using an open invitation exercise which is published through LEP channels outlining the role description and person specification. Following the open advert, a Nominations and Renumerations Committee will shortlist the potential applicants and an interview process by the Nominations and Renumerations Committee will be held to select the Chair of the Board. The Terms of Reference of the Nominations and Renumerations Committee are included in Appendix 3.

The Deputy Chair of the LEP is selected by the incumbent Chair at that point in time, any decision made by the Chair must be formally ratified by the rest of the Board.

The remaining memberships are decided in the following way.

- **Public.** All four leaders of the Upper Tier Authorities are invited to be Board Members. The remaining 2 members are appointed by the respective economic prosperity committees of the District/Borough Councils every two years with one from Derbyshire and one from Nottinghamshire.

- **Private:**
  - 1 Higher Education (HE) Member. The three Universities from the area share the board position on a rotating membership basis which changes every two years.
  - 1 Further Education (FE) member which is decided on a bi-annual basis where the new representative is nominated by the Further Education providers in the area.
  - 1 Voluntary and Community Sector representative who is openly recruited with input from the sector on a bi-annual basis.
  - 9 Remaining private sector representatives. Private sector members of the Board are appointed through an open selection process including a Small and Medium Enterprise (SME) Representative. Each vacancy is openly advertised on the D2N2 website and wider channels with clear job descriptions and person specifications for
the role. The Nominations and Renumerations committee appointed by the LEP Board is then responsible for shortlisting and selecting the potential candidates led by the LEP Chair. Each term is for an initial 3 years with the option to be extended for a further term subject to the approval of the chair.

D2N2 remains committed to diversity on its Board based on all protected characteristics and will encourage engagement and representation from across all communities from across the region. The Board will have a nominated Diversity champion that will be publicised on the LEP website.

The LEP keeps a register of appointments for all its Private Sector board members which indicates when their current tenure expires. Board members are notified with six months of their term left and given the option to reapply for a one term extension. Should the board member choose not to reapply the position is advertised through the process described above.

Part of the Nominations and Renumerations committee’s responsibility is to plan for future appointments, including succession planning, to ensure that the Board Membership reflects the D2N2 area including age, gender, ethnicity, public and private sector, geography, and skills.

The process for the resignation of board members is covered in the Articles for Association which are published on the website.

Each Board member is given an induction pack including the Code of Conduct policy and Declarations of Interest Policy, with a formal induction process undertaken within the first quarter of the appointment of new board members. The LEP continues to review this process and works to keep it in line with the LEP Network.

Additional governance information such as Terms of Reference and membership lists for all of the LEP’s Advisory Boards and supporting groups are also published, alongside information on future board meeting dates and schedules of when information is made available on the website. The appointments process for each individual board/group will be included in its respective Terms of Reference.

In addition to the main board, D2N2 also has in place a formal governance structure of advisory boards that lead on key issues identified within the LEPs strategic vision and to serve to bring together partners across the region to collaborate in the context of the LEPs convening role.
The governance structure of the LEP is as follows:

Terms of reference for all Advisory Boards are included within the appendices of this document.

The LEP manages all its Capital and funding programmes through discussions at an officer level through the Advisory Boards as listed above. Any financial decisions are decided by the Investment Board and LEP Board.

The Investment Board is responsible for overseeing all investment decisions on behalf of the LEP Board and will take a first review of all financial decisions and will provide a recommendation for ratification to the LEP Board. This includes decisions relating to the Local Growth Fund, Getting Building Fund, Growing Places Fund, Enterprise Zone Business Rates Recycling and other appropriate LEP funding streams. In circumstances where an accelerated funding outcome is needed, D2N2 Officers can request a decision by the LEP Board through written procedures following a recommendation for approval from the Investment Board, with the approval of the Chair. The Investment Board will continue to monitor the associated contracts of its investment decisions with updates provided to the LEP Board.

The Terms of Reference for the LEP Board and Investment Board are shown in appendix 1 & 2. Any Terms of Reference relating to the Advisory Boards and their subgroups will be published on the LEP’s website once approved and incorporated within the LAF.

All LEP officers are employed by the East Midlands Chamber of Commerce, with the Chief Executive directly responsible to the Chair of the LEP board. A Service Level Agreement is in place between the LEP and the Chamber of Commerce to provide payroll services for D2N2 staff.

D2N2 staff are therefore independent from any Local Authority or individual organisation and are able to provide impartial advice to Board members.
Scheme of Delegation

The current scheme of delegation is for decisions to be made by the LEP Board. The LEP Board may from time to time delegate decisions to its Advisory Boards or the Chief Executive which are outlined in the terms of reference for each Advisory Board.

Where a decision is required on funding within the LEP’s control or influence, generally the Investment Board would make the decision, unless otherwise agreed by the LEP board.

A decision which is made in contravention of the process will be invalid based on non-compliance unless the LEP Board has given prior approval for variation in the decision-making process.

Any decision that needs to be made by the LEP Board/Investment Board that does not fit within the timeframe of the scheduled meetings can be decided through written procedures. All members of the relevant board will be written to with the appropriate documentation that would be presented in the same manner as it would be to The Board or Investment Board. Each member will then be able to reply with any concerns and their approval/rejection to the chair, who will confirm the decision.

Any decision coming forward by written procedures will be done so at the discretion of the Chair of the Board.
**LEP Policies and Procedures**

As a LEP D2N2 have adopted key best practice policies especially those set out on the back of the LEP review which was carried out in July 2018 to strengthen the position of LEPs and their Governance. These all mirror national LEP exemplar and best practice models as a minimum. All policies are available on the LEP Website.

**Diversity Statement**

D2N2 has an Equality and Diversity Policy which is published on its website. This explains how the LEP ensures representation at Board and Sub Board level which is reflective of the local business community, the steps D2N2 are taking to ensure diversity in its engagement with local communities and businesses and how diversity will be monitored at Board level.

A report will be taken annually to the Board discussing progress in encouraging diversity and how improvements can be made.

D2N2 has a named diversity board and executive champion which is published on the website.

**Board Remuneration and LEP officer salaries**

Senior LEP officers and Board Members remuneration will be included within D2N2’s Annual Financial Report. In line with best practice any salary over the £58,200 threshold will be named to the relevant position.

The Chair of the LEP Board does not receive any remuneration for the role and LEP Board members are only able to claim expenses for their role. All expenses registered by LEP Board members are available subject to request.

**Complaints Policy and Whistleblowing Policy**

D2N2 have both a Complaints Policy and Whistleblowing Policy, which are published on the D2N2 website and are regularly checked and updated. Both policies are consistent with the Best Practice guidance issued to LEPs following the Ney Review of October 2017 which worked to review LEPs practices in ensuring safe stewardship and usage of public funds. We also have a confidential reporting policy following best practice guidance, which is also published on the website.

**Conflicts of Interest and Code of Conduct**

D2N2’s Conflicts of Interest Policy, which is published on the website outlines the process for Board members and officers to declare and report interests, ensuring impartiality and the avoidance of perceptions of bias.
It includes guidance on pecuniary and non-pecuniary interests’ individuals must declare, outlines the process that Board members follow for declaring interests and explains the process for requesting an exemption.

Individual registers of Board members are published on the website and updated on an annual basis.

D2N2’s Code of Conduct Policy, which is published on the website, outlines the expectations of Board members when acting in capacity as a Board member of the LEP.

All D2N2 staff are also required to sign the code of conduct policy.

Publications of reports and information

LEP Board papers are published on the D2N2 website and Investment Board papers are published through the Derbyshire County Council website. (A link on the D2N2 website to the Investment Board papers is also provided).

These are published in line with the Best Guidance Practice Guidance in accordance with the Local Government Act 1972, meeting agendas and papers are published 5 clear working days before the meeting takes place and draft minutes of the meeting are published within 10 clear working days of the meeting taking place.

Any declaration of interest made at the meeting will be included in the minutes.

The LEP follow its accountable body - Derbyshire County Councils’ document classification policy in terms of how documents are classified as public, controlled, or restricted.

Information which is not to be placed in the public domain is treated under The Local Authorities-Executive Arrangements Meetings and Access to Information Regulations 2012 using one of following 7 exemptions:

(1) Information relating to any individual.
(2) Information which is likely to reveal the identity of an individual.
(3) Information relating to the financial or business affairs of any person (including the Authority holding that information).
(4) Information relating to any consultations or negotiations, or contemplated consultation or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
(5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
(6) Information which reveals that the authority proposes:
   (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
   (b) to make an order or direction under any enactment.
(7) Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

D2N2 will publish their annual accounts on the D2N2 website. The accounts will be reported to both the LEP Board at its annual meeting in line with the articles of associate as well as the Investment Board. An annual financial statement will be published each year within the annual report including:
The total amount of funds within the LEP’s direction or control at the start and end of the financial year.

The total amounts committed by the LEP to external organisations through grants and risk finance.

The total amounts committed to suppliers to purchase goods, works or services.

The total amounts incurred in running the LEP.

The accounts of the LEP will be published by Companies House and a link to them will be published on the LEP’s website.

LEP resources are subject to the usual Local Authority checks and balances through Derbyshire County Council’s Financial Regulations and Standing Orders.

The LEP have in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The data provided by promoters is the responsibility of the promoters to make sure it complies with the appropriate legislation and that the data is accurate and correct. The LEP is the data controller for Board Members data and any other data they collect including data around projects and programmes.
LEP accountability and transparent decision making

The Accountable Body

Derbyshire County Council was appointed as the LEP’s single accountable body in January 2019 and entered into a Service Level Agreement (SLA) with D2N2 to provide these services for a period of 2 years. This details the operating practices and the checks and balances that exist between the LEP as decision makers and the Accountable Body.

The Accountable Body, through the Section 151 Officer, is accountable for the proper use and administration of funding, all of which falls under the annual audit of the Derbyshire County Council’s accounts, and for ensuring that decisions are made in accordance with this LAF or any other framework which may instead apply.

These responsibilities include:

• Ensuring the decisions and activities of the LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
• ensuring that funds are used in accordance with the conditions placed on each grant.
• ensuring (through the Section 151 Officer) that the funds are used appropriately.
• ensuring that this Assurance Framework (or any other which may instead apply) is implemented and adhered to.
• maintaining the official record of LEP proceedings and holding copies of all relevant LEP documents relating to any funding streams the Accountable Body is responsible for.
• ensuring LEP decisions at formal meeting are recorded by way of minutes, and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy. Minutes, agendas, and reports are published on the Accountable Body’s and LEP’s website
• Responsibility for the decisions of the LEP in approving projects (for example if subjected to legal challenge).
• ensuring there are arrangements for local audit of funding allocated by LEPs at least equivalent to those in place for Local Authority spend. An audit is conducted on an annual basis and the recommendations are reported to the Investment Board and LEP board. In addition, the LEP and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. This will also include a process for monitoring delivery and specification of what information is required from scheme promoters. The Accountable Body also provides a strategic scrutiny function to D2N2 to check on the LEP’s Governance, Delivery and Strategy functions.

Awards of funding will be accompanied by a written agreement between the Accountable Body and the promoter, setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mis-management.
The use of resources is subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending; these are overseen and monitored by the Section 151 Officer. As part of the Accountable Body’s statutory requirements it publishes a monthly report on its website showing any expenditure over £500.

While it may put in place procedures and promote proper practice, and monitor and report on the effectiveness of these, the Accountable Body is not responsible for any deficiencies in the administration of public monies among funding recipients and partner bodies. In the event of any shortcomings coming to light it will seek to safeguard, and recover where appropriate, the relevant monies through either the LEP mechanisms or its own channels as it considers most suitable in the circumstances.

The Accountable Body would only refuse a decision of the LEP Board and/ or the Investment Board if it were:

- Not procedurally valid, or
- Illegal, or
- would lead to the available budget being exceeded.

If a situation did occur whereby the Accountable Body had significant concerns about a decision the LEP had taken, or proposed to take, then an urgent meeting within 5 working days would be convened by the Section 151 Officer of the Accountable Body with key stakeholders from both the LEP and the Accountable Body.

There will be a clear separation between scheme promoters (i.e. Derbyshire County Council led schemes) and those advising on decision-making (the Accountable Body role), to ensure the LEP is acting on impartial advice on the merits of potentially competing business cases.

The Accountable Body (through the LEP) will appoint an independent support team to work with the LEP to assess and recommend projects to the Investment Board for consideration.

Awards of funding by the LEP will be accompanied by a written grant offer agreement between the Accountable Body on behalf of the LEP and the promoter setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.

As a minimum, these agreements will include:

- Details of the project and outputs to be delivered in a specified timescale
- Arrangements for payment (up front or in arrears, quarterly or other)
- Arrangements to suspend or claw back funding in the event of non-delivery or mismanagement
- Monitoring requirements, including the metrics and frequency of reporting
- Publicity obligations and arrangements

The agreement will be signed by the Section 151 Officer (or equivalent) of the promoting organisation and by the Section 151 Officer of the Accountable Body on behalf of the D2N2 LEP, who has the final sign off on funding decisions.
Section 151 officer

The LEP and Accountable Body will ensure they address the five principles of the CIPFA guidance:

- Embed a corporate position for the Section 151 officer in LEP assurance
- Create a formal/structured mandate for the Section 151 officer
- Embed good governance onto decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

All LEP Board and sub board documents which have a financial implication will be provided to the Section 151 officer/delegate, and where decisions are being made the Section 151/delegate will have the opportunity to comment.

The Section 151 officer will ensure their oversight of the proper administration of financial affairs within the LEP continues throughout the year. This will include attendance at the LEP Board where possible, and at a minimum at least one meeting each financial year.

They will provide an assurance statement as part of the Annual Performance Review and attend the review in support of the LEP. They will provide a letter to the Accounting Officer at the MHCLG by 28th February of each year, which will include

- Details of the checks that the S151 officer has taken to assure themselves that the LEP has in place the processes that ensure proper administration of financial affairs in the LEP.
- A statement outlining whether, having considered all the relevant information, the Section 151 officer is of the opinion that the affairs of the LEP are being properly administered (including consistently with the National Assurance Framework and this LAF)
- If not, information about the main concerns and recommendations about the arrangements which need to be implemented to get the LEP to be properly administered.

Contracts

The LEP terms a ‘contract’ as a grant offer agreement for its grant programmes and a loan agreement for its loan programmes.

A regular programme overview is given at every Investment Board meeting to update the Board on the performance, any issues and risks and mitigations of each project.

On a quarterly basis the Board is updated on outputs with each project RAG rated to highlight any projects which are an area of concern to the LEP’s delivery targets. Any formal requests of changes over 10% to change grant profiles or output profiles are taken to the Investment Board for approval.

The LEP board also receives regular updates on performance from the Investment board.
Government Branding

The LEP will continue to meet any branding requirements set by MHCLG including the Midlands Engine branding information.

Each project is given the D2N2 branding guidance document which includes details for press and publicity and marketing and branding materials. This guidance adheres to the standards issued by the Cities and Local Growth Unit.

Each project is contractually obliged to conform to the branding guidance as set out in the grant offer agreement.

This is followed up as part of the monitoring returns from each project, with projects required to provide details of forthcoming milestones linked to publicity opportunities to enable D2N2 to co-ordinate an appropriate marketing approach including engagement with MHCLG.
Engagement with Stakeholders

D2N2 is committed to effective engagement and collaboration with all its partners and stakeholders to effectively undertake its role as a LEP and advocate for its area.

The revised governance model set out under the Governance chapter is built around improving engagement across all partners in a more effective way.

D2N2 uses multiple channels of engagement to effectively communicate with local stakeholders (public, private and the public), both on a continuing basis and to inform specific pieces of work (for example the Economic Recovery Plan).

Examples of D2N2’s engagement activities include:

- Consultation of partners and stakeholders in the region for the draft Local Industrial Strategy and Economic Growth and Recovery Plan
- Regular engagement with the local media on the LEPs work.
- LEP Board members and members of the LEP team regularly speak at local events, such as those organised by business membership organisations.
- Regular social media updates and website coverage of LEP activity

The LEP holds an Annual General Meeting which is attended by representatives from the public and private sectors as well as members of the public. This meeting will take place annually and can be held either virtually or in person.

The Chair and Chief Executive of the LEP regularly engage with local Members of Parliament, local Councillors, and key business leaders.

Within D2N2 this engagement is being used to inform key decisions and future strategy development.

The draft LIS and Economic Growth and Recovery Plan, together with local economic development plans and capital programmes of the constituent local authorities provide the context, rationale and up to date evidence base for project and programme development.

Calls for potential projects are published on the LEP’s website and circulated via all the LEPs channels of communication. An application form and guidance, which vary between programmes, are published with clear deadlines and contact information. The LEP encourages early discussion about project ideas so it can help organisations decide which funding route is most suitable.

The decision-making process and criteria for each call is included in the guidance. This will often include, at the appropriate stage, review by a panel with relevant specialist knowledge and/or an external organisation (for example a specialist consultancy) to ensure decisions are fair and robust.

D2N2 works closely with neighbouring LEPs including Sheffield City Region, Greater Manchester, Leicester and Leicestershire, Stoke-on Trent and Staffordshire and Greater Lincolnshire. Wherever possible, projects which seek support from more than one LEP will be appraised jointly with the appropriate LEP.

In practice, the D2N2 LEP regularly works with other LEPs on joint concerns, for example on developing policy for supporting key economic sectors and on the commissioning of research.
There is regular communication across the LEPs at Chair, board member and local authority officer level to ensure collaboration and reduce duplication, particularly in relation to accessing shared funding streams.

The role of the LEP Network is to share best practice, convene training for LEP Board members and LEP officers and to represent LEP’s interests to Government and promote their role in businesses. D2N2 is committed to working with the LEP Network and regularly attends and contributes to LEP Network events and initiatives.

D2N2 also works closely with the Midlands Engine LEPs on sharing best practice and improving cross-regional collaboration and strategic development of priorities.

**Inclusion and Sustainability**

The LEP is committed to embedding inclusion and sustainability across all its decision-making processes and strategic development.

In order to support the ambition or inclusive growth the LEP Board has a nominated inclusion and diversity representative, and each advisory board also has at least one named inclusion representative at all times.

The LEP’s prioritisation, appraisal and evaluation processes will build in Social Value and inclusion, environmental impacts, and indirect benefits.

In order to embed inclusion the D2N2 LEP Board has approved the D2N2 Inclusion Framework in July 2020. The Inclusion Framework underpins the LEPs work to tackle exclusion and promote social mobility, which is central to the third guiding principle in the LIS: delivering connectivity-led growth to all parts of the region. It also provides a clear statement that as a LEP we are committed to ensuring we monitor our impact on all communities and encouraging broader engagement from diverse groups.

The Inclusion and sustainability Framework’s are attached at Appendix 7 of this document.

All of the LEPs strategies set out the inclusive ambitions and all decisions for capital funding must take into consideration the D2N2 Employment Charter which requires all projects to align their construction and development projects to a set of principles which create sustainable Economic, Environmental and Social impacts.

Based on the principles of the Charter, the LEP will consider how projects will improve the economic, social, and environmental well-being of the D2N2 area, how equality issues are considered, and how such improvements can be secured in the procurement process itself. The LEP is committed to securing Social value through the awarding of its contracts and will work with project promoters to embed that within the project design.
**Project Selection and Approvals Process**

**Pipeline Development**

Pipeline Development is critical to the functioning of the LAF. The goal of the pipeline is to prioritise a longlist of projects that are required to submit a Business Case, if selected, for progression in the LAF.

The pipeline will be open at least once per year, all projects will be aligned to this cycle irrespective of their source, though D2N2 will also consider projects that are critical but whose timings fall outside this call window in fast tracking procedures.

**The Approval Process**

The project promoter is required to provide a detailed business case setting the rationale for investment funding and how the project aligns with the LEPs strategic objectives.

The approval process is in two stages, which requires the promoter to provide a detailed business case at each stage identifying how the project has progressed and providing assurance and evidence that the outputs identified in the original submission can and are to be delivered.

The LEP will liaise with the promoter throughout the process, ultimately taking a recommendation to the Investment Board and the LEP board (when applicable) for approval and release of the funds. A report is taken to the Investment Board, which includes a summary of the project and a checklist evidencing compliance with the LAF.

The Accountable Body will issue an offer letter to the promoter detailing how and when the grant/loan will be paid and the conditions and any claw back.

The LEP will monitor the project and its delivery against the agreed final business plan.

**Expression of Interest (EOI)** – A high level business case is to be submitted to the LEP using the Infrastructure Pipeline Application Form. This form needs to include the following:

1. A description of the project.
2. Identification of why the funds are required (Development Funding Viability Gap)
3. Justification of the Strategic, Economic, Financial and Delivery case for the project.
4. Details of the intervention required.
5. Identification of the source of match funding.
6. Details of the outputs and outcomes to be delivered by the project and the projected delivery date.

EOI submissions will be available to submit on an annual basis as detailed in the Pipeline Development section. The LEP also reserves the right to initiate more than one pipeline call per year subject to requirements.
Draft Business Case (DBC) – A Draft business case is required to be submitted by the promoter to the LEP when the project has reached the following milestones.

1. All the land required to deliver the project is in the control of the promoter (and/or in the hands of legal due diligence awaiting exchange/completion).
2. A planning application has been submitted and verified by the local planning authority with a determination date or permitted development for the project is approved.
3. Match Funding - All other sources of funding must be identified. Letters of support from the sources of funding are to be annexed to the business case.
4. Internal approvals have been met – A letter or minute of the approval is required to be annexed to the business case.
5. The promoter is required to justify the amount of funding being sought and where possible a RICS viability report is required to support the identified intervention/viability rate. For major infrastructure projects being delivered by public sector bodies (i.e. Local Authorities, Statutory Bodies etc) the promoter needs to demonstrate why the funding cannot be found through other sources of income. All private sector projects will be capped to a maximum development profit of 15%. This viability report will be independently assessed and validated by a qualified property professional.
6. Details of the outputs and outcomes that the project will deliver and their timing.
7. Evidence of need – A report identifying the need for the project and how it aligns with the LEPs Strategic Priorities
8. Procurement of a contractor/developer commenced. The promoter is required to provide details on how the process aligns with Government procurement rules and how the project will address:
   - Sustainability
   - Employment of Graduates
   - Economic and social charter
9. A detailed project programme is to be provided including the proposed start and finish dates and all phases of the development cycle.
10. A financial proposal setting out all the funding required by quarter in each of the financial years. It is a requirement for release of funding that the promoter will need to demonstrate capital expenditure. All private sector sponsored projects will be paid on a 50% basis of their expenditure in arrears with the project sponsor demonstrating their 50% contribution towards costs.
11. A risk register identifying:
   - The Single Responsible Officer delivering the project
   - Details of the risks which are scored
   - Mitigations to address the risk and a new score taking mitigations into account.
12. A State Aid compliant report is to be provided by a suitably qualified UK lawyer with a duty of care to the promoter and LEP/AB. The project is required to be State Aid compliant before it is progressed, and the report is required to be annexed to the business case.
The LEP and Accountable Body will carry out an assessment of the business case in line with the EOI submissions and the requirement of the LAF and report back to the LEP officers’ group that meets before the Investment Board. At this stage of the process, the LEP will feedback to the projects on any further requirements that should be included as part of the Final Business Case submission. Once approved by the LEP, D2N2 will inform the promoter of this approval and allow them to progress to the final submission of the approval process.

**Final Business Case (FBC)** - The final submission requires a full business case to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the promoter. The business case needs to be submitted to the LEP and the Accountable Body. The final stage of the approval process is submitted when the project has met the following milestones.

1. A detailed ‘Green Book’ compliant business case has been completed detailing the project and its alignment to the 5-case model. ‘The Checklist’ published by HM Treasury is a useful one-page guidance paper.
2. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of ‘High’.
3. Details confirming that all planning consents have been granted and that all pre-start conditions have been met.
4. Confirmation that any ‘Section 106’ or other agreements have been entered.
5. Confirmation of the results of the procurement exercise detailing:
   - The tenders received (along with the detailed costs)
   - The tender accepted (along with timescales/conditions)
6. Details of the construction contract to be entered into by the promoter detailing:
   - Start date
   - Completion date
   - Liquidated damages/ cost over runs
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered, the contract will be completed in line with the details submitted. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent.
8. Confirmation that the project has been designed to RIBA Stage 4 or its equivalent.
9. Details of any outstanding points preventing/ delaying the start-up of the construction contract.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales. (To be annexed to the business case)

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12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project.

13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.

14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.

15. The project sponsor must provide details of how this intervention will deliver on sustainability and inclusion outcomes, including through the procurement and construction of the project. For example, projects are requested to provide details on Impacts to local communities, levels of affordable housing, Low Carbon and Green impacts and levels of skills and training.

The promoter is required to address all the points above, failure to supply this information may delay any recommendation being put forward to the Investment Board.

The LEP and the Accountable body will progress the projects to the Investment Board as follows:

1. The LEP and their appointed External Independent assessors will review the business case alongside the Accountable Body

2. The Value for Money (VFM) business case will be reviewed by an appropriately qualified external firm of consultants

3. The LEP/Accountable Body will feedback any concerns/shortfalls and request additional information if required.

4. Once the submission has been approved by the D2N2 and the Accountable Body, the Accountable Body will draft a report to the Investment Board and this report will be presented at the next available Investment Board. This report will include a synopsis of the application made for funding, an appraisal of the application, and view by legal expert (where appropriate), a final recommendation whether to fund the project or not including any conditions which would be set.

5. Promoters will be required to attend the Investment Board and present their business case.

6. The Investment Board will approve, reject, or request additional information.

7. Following approval from the Investment Board, the project will be put in front of the LEP Board for ratification and this will subsequently trigger any release of funding.

8. The Accountable Body will issue a grant offer agreement detailing all conditions and the timing of payments. The offer agreement will require promoters to sign up to the delivery of the project and the outputs, which will be subject to claw back.

9. The Accountable Body and LEP to monitor and carry out an audit processes on the delivery of the project and the outputs.

Investment decisions will be made for all funding applying statutory requirements, conditions of funding or local transport objectives where applicable.
All LEP Board and sub board members will make decisions on merit having considered all of the relevant information available at the time.

Pursuit of recovery of funds is at the discretion of the Investment Board based on the evidence presented to them if the project is not fully delivered in line with the original submission.

**Value for Money**

The LEP and the Accountable Body will need to assure themselves that projects are deliverable and represent ‘High’ value for money. It is the promoter’s responsibility to provide sufficient independent evidence that the project delivers at least a ‘High’ value for money score in line with HM Treasury Green Book principles. The LEP and the Accountable Body will use appropriate external consultants to consider the VFM and make recommendations to the Investment Board and LEP board.

The evidence and information provided will vary from project to project due to the nature and priorities of the project.

Transport schemes, defined as those which are reliant upon ‘transport’ outcomes (such as time savings) to demonstrate value for money, are required to follow WebTAG guidance. For the avoidance of doubt, the provision of infrastructure such as a road which is intended to produce non-transport outcomes such as job creation may be assessed against these outcomes. However, where this infrastructure would also impact upon existing users of transport networks the LEP and AB may require WebTAG-compliant analysis to determine the degree to which these impacts affect the overall case for the project.

For projects which are regeneration or housing led, promoters will need to provide a clear statement of the objectives of the project and evidence that there is market demand for the scheme. This should be expressed as projected take-up but, must be supported by evidence that the market will take this up within the projected time. This evidence can comprise correspondence, notes of meetings and any independent assessment of demand or advice from specialist consultants.

This will need to go beyond demonstrating a policy fit – for example, that the scheme will meet a D2N2 LIS/SEP objective or that the site is allocated within a Borough local plan. If updated or additional research needs to be undertaken to provide a robust evidence case, promoters should outline the scope/scale of this and any plans that are in place/timescales to acquire the necessary evidence, which would then be completed at the Final Business Case stage.

The LEP will be responsible for ensuring value for money for all projects and programmes. The Finance Officer at the Accountable Body will be responsible for scrutiny of and recommendations for each business case.

**Part Delivery of the Project and Pre compliance Funding**

We recognise that certain projects may be delivered in phases and that not all the requirements for the Final Business Case stage would be met at the time of when the project is commenced.

In exceptional circumstances and at the discretion of the LEP, the LEP will allow a detailed Business Case to be submitted in line with the above approval process for consideration to
request pre-compliance funding. The promoter is required to provide a detailed programme to support the project identifying the phases of delivery for the project and when the outstanding FBC Checklist requirements will be satisfied. This could be for example if some of the funding is to be provided by land sales or if the project is subject to multiple planning applications and where some of the applications will not be submitted until after commencement.

The promoter is required to identify the risks in the detailed business case for the delivery of the wider project and the potential outputs delivered at each stage if the additional approvals/funding is not forthcoming.

The project will be submitted to the Investment Board for approval and this will be subject to any future funding only being released once evidence of the outstanding requirements to satisfy the LAF are provided to the LEP and Accountable Body. Projects may also be asked to update the Investment Board on a timeframe agreed by the Investment Board.

It is also accepted that for some project’s investment is required for developing them through to full compliance with the DBC and FBC of the LAF.

Projects which have been allocated funding and have passed the DBC of the LAF are able to seek acceleration of funding to enable the project to meet full compliance. Funding is for capital works (only related to the project) and can therefore can only be used for purposes such as the purchase of assets or purchase of resources to enable full compliance.

The grant acceleration funding can only be sought if funding is available within the year of the request.

The funding will initially be by way of a grant and will be fully refundable (100%) including interest at a commercial rate if:

1. The project does not meet the FBC stage by October of the following year or to a date agreed with the LEP and AB.
2. If the project has changed significantly or is not approved by the Investment Board

The grant given may require some form of security for example, a charge on the land. In order to request the grant acceleration funding the promoter will be required to provide a detailed proposal to the LEP and AB to demonstrate why the funding is required and identify significant progress is underway to mitigate any risks to the LEP. If accepted a report will be provided to the Investment Board where the promoter will be required to attend and present their case.

**Risk**

A risk register is maintained of all projects and this is updated on a regular basis and shared with the Investment Board and main board. The risks of each project are rated using a scoring matrix based on likelihood and impact that each risk presents. A set of mitigations is also included.

Based on the risk register and as part of the programme overview report, high risk projects are highlighted to the Investment Board. The named individual who is responsible for the identification and management of risk is the Head of Capital Programmes.
Where a project is seen as High Risk the LEP will write to the promoter on behalf of the Investment board setting out the risks and requesting a written response outlining how the risks will be mitigated. If the Investment Board are not satisfied with the response, then they can remove the project from the programme.

In the event that a project has, in the opinion of the Investment Board or the LEP Board, significantly changed (by 10% or more) from what was originally proposed (i.e.: spend profile, outputs and outcomes, or delivery) the LEP will write to the promoter requesting a written response detailing why the project has changed.

Following receipt of the response the Investment Board may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.

If a project has not commenced within 3 months of the Investment Board meeting at which the project was approved, the project will be reported as a High-Risk project. In this instance the LEP will write to the promoter requesting a written response detailing why the project has been delayed. If the Investment Board are not satisfied with the response, they can remove the project from the programme.

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

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

**Monitoring and Evaluation**

The LEP will manage the programme and will report principally to the Investment Board who oversees the programme management for LGF.

Programme management will be through the monitoring process, the terms of this will be defined in each project’s grant offer agreement. The agreement will determine the payment profile, the output and outcome profile and milestones.

Programme monitoring will be according to the milestones and outputs in the business case and reviewed on a quarterly basis based on the grant offer agreement.

The principles of programme management will be for D2N2 to manage the key programme risks, through proactive engagement with promoters and developing a system of regular reporting. A programme overview including high risk projects will be presented at every Investment Board meeting.

D2N2 has the right, in conjunction with the Accountable Body, to withhold funding if the project delivery expectations, defined at inception are not met within the agreed funding period.

Projects will be required to submit quarterly monitoring reports (financial, output and narrative) explaining their progress to spend and delivery targets and noting specific changes to the project and challenges in delivery. A variance of 10% or more on spend and delivery targets
will trigger a review by D2N2, and the Investment Board will write to the promoter requesting a written response detailing why the project has changed.

D2N2 reserves the right to recover or withhold all or part of the funding supplied for a project in these circumstances:

- The project is not delivered within agreed dates
- The project delivered differs from that specified
- The outcomes demonstrated through post-delivery evaluation fall short of those on which the value for money assessment and business case were based
- The outputs identified in the Business Case are not delivered.

Monitoring reports will be summarised for consideration on a quarterly basis at the Investment Board, using a RAG rating system. In line with good practice and to support effective and robust decision making, monitoring reports to the Board will typically summarise good progress and areas of good practice. The report will also highlight risks to the delivery of the programme.

If projects are highlighted as high risk due to poor output delivery, then the process as listed in Appendix 1 of the Terms of Reference will be applied. If the Investment Board considers it appropriate, promoters will be invited to the Investment Board to explain the slippage. The Investment Board will take local circumstances into account in taking decisions over whether funding should be withheld or recovered.

For its Capital Programmes, D2N2 is committed, as agreed with the Ministry of Housing, Communities and Local Government (MHCLG), to undertake an evaluation programme, the purpose of which is to aid learning, policy development and practice to improve the delivery of the LGF, or any grant or funding programme.

As part of its evaluation process all projects will be subject to the D2N2 Evaluation Framework. All projects at the time of signing the grant offer letter will complete the D2N2 Evaluation Framework and this will be used to collect and collate information to inform the evaluation of any D2N2 Capital Programmes. The Evaluation framework is a separate document to this, and the applicant will be responsible for the ongoing evaluation of their project to feed data in to D2N2.

All projects will be subject to a post-project completion report; this will ensure D2N2 follows best practice using recognised project and programme management techniques to ensure sound decisions have been made.

Each projects evaluation report will be defined by the outputs, outcomes, and interrelationships to the wider programme.

**Scrutiny and Audit Arrangements**

The LEP will utilise the Scrutiny and Audit committee arrangements within Derbyshire County Council. The LEP’s audit report will be presented annually to the Investment Board.

In terms of the membership of the scrutiny committee this will also be extended to the chairs and/or members of the scrutiny committees across D2N2.
The Scrutiny Committee will review the annual performance of the LEP’s governance and its funding streams. The LEP will also make an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested.
Appendix 1 – LEP Board Terms of Reference

D2N2 BOARD

23/09/2020

TERMS OF REFERENCE

Purpose of the Board

The Derby, Derbyshire, Nottingham, and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) is a strategic partnership of the public and private sector which aims to deliver drive economic prosperity across its area.

The LEP aims to increase economic growth and productivity in the area by:

- Developing and approving an evidence-based economic Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- Using its convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors
- Collaborating with a wide range of local partners to act as an informed and independent voice for their area.

Delegation and Decision Making

The LEP board will be responsible for approving the overall strategy for the LEP and for agreeing overall priorities for investment. The LEP Board will also ratify all decisions made by the Investment Board with regards to the Capital Programme. It may delegate decisions on its behalf to the Investment Board or other groups as it determines.

Memberships and appointments of Board Members

The LEP Board will have at least 15 members of the Board at any one time with a maximum of 20 members at one point in time. The board must be at least two thirds represented by Private sector board members and this can be inclusive of the Higher Education Further Education and Voluntary sector.

The board shall comprise of the following members:

- 12 Private Sector Board Members (Including the Higher Education, Further Education and Voluntary sectors and an SME Representative)
- Four Upper tier Authority Members
- One district authority member from Derbyshire authorities
- One district authority member from Nottinghamshire authorities

The LEP Board is required to have at least one third representation by female members by 2020 which will increase to at least half by 2023.
Public Sector Board Members

The members for the Upper Tier Local Authorities assume their position on The LEP Board as the leaders of their respective councils.

The District/ Borough representatives of The LEP Board will be nominated to their membership position by their respective colleagues in both Derbyshire and Nottinghamshire, and will be rotated every 2 years.

Private Sector Board Members

All private sector board members will be selected as Board members through an open recruitment process, all vacancies will be widely advertised, including on the D2N2 website with clear job descriptions and personal specifications for the role.

A Nominations and Renumerations committee appointed by the LEP Board, led by the D2N2 LEP Chair will then oversee shortlisting and interviewing the potential candidates. The Terms of Reference for this Committee can be found in Appendix 3.

Terms of Private Sector Board Members

Higher Education Board Members will fulfil their role on the board for a maximum one of a two year term, this membership position will then be transferred to the next constituent Higher Education authority in the area on a rotational basis as agreed by the Higher Education authorities.

Further Education (FE) members can be represented on the board for a two-year period and then will be rotated with a different FE representative as agreed by the Further Education authorities from across D2N2.

All remaining Private Sector Board Members shall serve terms of three years once appointed to the board, should a board member wish to extend this term they will reapply to serve a second term on the board. Each Private sector board member can serve a maximum of two terms on the board.

D2N2 is also committed to having a Small and Medium Enterprise Member on its board. The SME representative will be nominated by the board following any recruitment process should the previous SME representative leave post.

Appointment Process for Chair and Deputy Chair

The Chair of the D2N2 LEP will be appointed using an initial open invitation exercise which will be published through all LEP channels outlining the job description for the role as well as a person specification. Following the open advert, a Nominations and Renumerations Committee will shortlist the potential applicants and an interview process by the Nominations and Renumerations Committee will be held to select the Chair of the Board.

Following the nominations committee to appoint a new Chair of the Board, the Chair will then subsequently select a Deputy Chair from the private sector board members.
The Chair will select the member and then it is the decision of the remaining Board members to ratify this decision before the said member is elected as Deputy.

**Role and Responsibilities of the Chair**

The primary role of the Chair is to secure good governance by ensuring that the board is alert to its obligations. This means ensuring that the board is effective, and it gives the leadership required.

He/she will ensure that there is a balanced structure for the board and that it spends sufficient time on each of its key tasks to secure the partnerships success.

The Chair’s role includes:

- Liaising with members and major stakeholders
- Upholding the highest standards of integrity and probity
- Control the board agenda ensuring the partnership is adhering to its strategic objectives
- Setting the style and tone of board discussions to promote effective decision-making and constructive debate
- By the driver of corporate division, planning the process of change within the partnership including succession planning in board appointments
- Promoting effective relationships and open communication both inside and outside the boardroom
- Ensure effective implementation of the board decisions
- Establish a close relationship of trust with the LEP Executive team
- Line manage the Chief Executive of the LEP
- Succession planning for the replacement Chair ensuring that there is appropriate training and sufficient overlap and handover to the new Chair.

**Representation and Attendance**

To make sure that attendance of the board is kept to the most senior level possible, only voting members of the board will be invited to take part at board meetings and vote on matters of the LEP Board.

Members of the LEP Board are the nominated representative and therefore no substitutions will be allowed at the meetings. It is at the discretion of the chair to allow any substitutions to the meeting.

At the discretion of The Chair other representatives may be invited to join in with the discussion. Officers in attendance at the meeting are able to attend but will regarded as observers to the discussion and retain no voting rights.

The Board will meet on a Bi-Monthly basis with a programme of meetings being set a year at a time. Agendas and papers for the meeting will be approved by the LEP Chair and Chief Executive prior to circulation by the Executive to the Board.

All papers and agendas will be distributed at least five working days prior to the meeting and will be made available to the public on the LEPs website five working days prior to the meeting.
All minutes of the meeting will be approved in draft form by the Chair of the Board following a meeting and distributed to Board Members and made available on the LEP website no later than ten working days after the meeting.

All minutes will remain in draft until the board formally ratifies them as an accurate record of the discussion at the following meeting.

Decision Making

Any attendee of the meeting who does not hold the right to vote on decisions can be asked to leave the room whilst the vote is taking place at the discretion of the Chair. In the event of no consensus being reached by the LEP Board a vote will be held and the decision will be made by majority. If no majority can be found on a decision, then the casting vote will be determined by the LEP Chair.

In the event that progress needs to be made on a decision where it does not align with the board timescales of bi-monthly meetings or new information is presented at the board which does not allow for an appropriate decision to be made then decisions can be made via written procedures. Any decision by written procedures is at the discretion of the LEP Chair and will only be used infrequently as a way of progressing urgent matters. The LEP Executive will disseminate the appropriate information needed to make a decision which will be presented in the same manner as it would at a Board meeting then following this a decision will be made board members electronically to either confirm or reject a decision within five working days.

Governance and Register of Interests

All Board members will be required to complete a declaration of interests form on an annual basis, this will be signed and refreshed yearly with the counter signature of the LEPs Accountable Body Section 151 officer authorising any declaration.

All Board members shall operate by the LEPs Code of Conduct which can be found on the LEPs website and shall govern themselves by the Seven Nolan Principles.
Appendix 2 – Investment Board Terms of Reference

D2N2 INVESTMENT BOARD
TERMS OF REFERENCE

PURPOSE

To oversee on behalf of the D2N2 LEP Board (“the LEP Board”) the management of all funding pots delegated to the LEP, including the Local Growth Fund, Growing Places Fund, Enterprise Zone Business Rates Uplift reallocation or any other relevant funding streams across the administrative areas of Derby, Derbyshire, Nottingham and Nottinghamshire.

The Investment Board is responsible for:

Recommending approval of investments from D2N2s various funding streams on behalf of the D2N2 LEP Board that will invest in projects and programmes that will contribute to the delivery of the objectives of the emerging Economic Growth and Recovery Strategy.

The Investment Board shall:

- Provide recommendations to the D2N2 LEP Board for:
  - individual scheme approval
  - Release of funding, including scrutiny of individual scheme business cases.
- Monitor progress of scheme delivery and spend.
- Oversee the overall delivery of all funding programmes ensuring financial and output targets are monitored
- Recommend to the LEP Board a programme to respond to changed circumstance (scheme slippage, scheme alteration, cost increases etc).

MEMBERSHIP

The membership of the board is as follows:

<table>
<thead>
<tr>
<th>Voting members</th>
<th>Observers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derby City Council</td>
<td>Highways England</td>
</tr>
<tr>
<td>Derbyshire County Council</td>
<td>Network Rail</td>
</tr>
<tr>
<td>Nottingham City Council</td>
<td>Homes England</td>
</tr>
<tr>
<td>Nottinghamshire County Council</td>
<td>Department for Transport</td>
</tr>
<tr>
<td>Derbyshire district and borough councils (Two District members)</td>
<td>Department for Business, Energy, and Industrial Strategy</td>
</tr>
<tr>
<td>Nottinghamshire district and borough councils (Two District members)</td>
<td></td>
</tr>
<tr>
<td>3 Private sector members of the Derby, Derbyshire, Nottingham, and Nottinghamshire Local Enterprise Partnership (Chair plus 2 other private sector representatives)</td>
<td></td>
</tr>
<tr>
<td>Social Inclusion representative (one member)</td>
<td></td>
</tr>
</tbody>
</table>
The Board, as set out above, comprises twelve voting members. The Board may co-opt additional members to represent other sectors; such co-opted members will not have voting rights. Conditions of appointment are:

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i. Local Authorities (upper tier/unitary): membership rests with the position which the member holds within the authority rather than with the individual, so councillors will be replaced if they change office. It is for each authority to determine which post holders are to act as its representatives.

ii. District and Borough authorities within Derbyshire and Nottinghamshire: it is for the district and borough authorities to determine their own arrangements for selecting representatives, who are expected to sit for a minimum term of one year and a maximum of three years. It is also for the constituent authorities to determine how their joint interests should be represented and how those districts and boroughs not directly represented should be engaged in the decision-making process.

iii. D2N2 LEP: representatives are expected to sit for a minimum term of one year and a maximum of three years.

iv. Any co-opted member - would be reviewed annually by the Board with a maximum term of three years.

v. Each member will be required to participate in decision-making in the best interests of the Board whether these are consistent with those of their own organisation.

vi. No substitutes will be permitted for nominated board members as per the main D2N2 Board Member.

The Board will review its constitution after six meetings of the Board or every two years, whichever is the sooner.

**Conflicts of Interest**

Members of the Board are required to declare, on appointment, that they will act in the best interests of the LEP area, not for their organisational or geographic interests.

The rules for declaring personal interests will be those that apply to the council to which the councillor has been elected. A register of Board Members’ interests will be maintained and will be available for public inspection and will be updated at the beginning of each financial year.

All Board members are expected to govern themselves by the Nolan Principles and these can be found within the Local Assurance Framework.

**Accountable Body**

Derbyshire County Council shall be the Accountable Body to the D2N2 LEP which will be responsible for the following:
Ensuring that decisions are made in line with the LEP Assurance Framework.
Ensuring that promoters confirm their projects conform with any requirements with regard to equalities, social value, environment, State Aid, procurement etc.
Ensuring (through the Section 151 Officer) that the funds are used appropriately.
Maintaining the official record of Investment Board proceedings and holding copies of all relevant documents relating to any funding streams the Accountable Body is responsible for.
Ensuring Investment Board decisions at formal meetings are recorded.
Responsibility for the decisions of the Investment Board in approving projects (for example if subject to challenge);
Ensuring there are arrangements for local audit of funding allocated by the Investment Board at least equivalent to those in place for Local Authority expenditure.

The Director of Finance, Derbyshire County Council (S151 officer) will ensure that all funds are administered in accordance with the Assurance Framework.

Audit and Scrutiny

The Board undertakes to seek and to act upon the findings of an internal audit of its activity on at least an annual basis. The findings of each audit will be considered by a Board meeting, and any remedial action required recorded within the minutes of that meeting.

The aim of each audit will be to verify that the Board is operating effectively within the terms of its agreed Assurance Framework.

The effectiveness of the Board and its governance, delivery and monitoring processes will be overseen by the incumbent Accountable Bodies Scrutiny committee who will provide an independent review to ensure that the Investment Board works in line with the Local Assurance Framework.

Approvals process for project applications:

The Board has adopted an approvals process in respect of project applications as set out in the Local Assurance Framework

Support and Administration

Derbyshire County Council will provide support arrangements for secretariat and administrative services specified in its Service Level Agreement with the LEP.
The Board has the authority to form task and finish groups when required, which may comprise Board members and/or supporting officers.

Working Arrangements, Transparency and Local Engagement

There will be at least four meetings each year and thereafter to meet the business needs
Specifically, the Board will meet to:
(a) to determine the initial decision on the composition of the scheme programme.

(b) To make individual scheme investment decisions.

The meetings will be chaired by the D2N2 Chair.

Meetings will be deemed quorate when a minimum of five voting members are in attendance. Each voting member carries a vote of equal weight. Where the voting members present are equally divided the chair will carry a casting vote. Where the elected chair is not present the Deputy-chair will exercise this function. No business requiring voting shall take place without either the chair or Deputy-chair being present.

The Investment Board will publish agendas and minutes. Materials will be hosted on the Derbyshire County Council website, but each member organisation will provide a direct link to this from its own.

It is for individual member organisations to ensure that any schemes submitted to the Board for funding have been subject to the appropriate procedures to provide the public and stakeholders with the opportunity for input before decisions are made. The Board will not take responsibility for dealing with correspondence, petitions, lobbying, consultation etc, all of which are to be handled by the promoter of the scheme in accordance with its own procedures.

FOI and EIR requests will be dealt with in accordance with the relevant legislation.

The Board will use Derbyshire County Council's complaints procedure.
Appendix 3 –Nominations and Renumerations Committee

D2N2 Nominations and Renumerations Committee

Terms of Reference

1. Duties

The key purpose of the Nominations and Renumerations Committee is to oversee Board Director and Senior LEP executive appointments.

For the purposes of appointing any Director and staff restructuring, the Directors shall appoint a committee from their membership and such committee shall be known as the “Remunerations and Nominations Committee”.

The committee shall comprise at least two Directors including the Chair and/or Deputy Chair and the following provisions shall apply:

a) Only members of the Nominations and Renumerations Committee have the right to attend meetings. However, other individuals including in an advisory capacity may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

b) The Committee shall:

i. regularly review the structure, size and composition in accordance with the Board Terms of Reference (including the skills, knowledge, experience and diversity) of the Board Directors and Senior LEP Executives and make recommendations to the Directors with regard to any changes.

ii. give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed amongst the Directors in the future.

iii. keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to deliver to its strategy as outlined from time to time.

iv. Continuously review the staffing structure of the LEP Executive team and recommend any changes to this based on the strategic needs of the organisation.

v. be responsible for identifying and nominating for the approval of the Directors, candidates to fill vacancies as and when they arise.

vi. Before any appointment is made by the Directors, evaluate the balance of skills, knowledge, experience and diversity amongst the Directors, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nominations Committee shall:

1. Use open advertising or the services of external advisers to facilitate the search.
2. Consider candidates from a wide range of backgrounds.

3. Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity amongst the Directors, including gender, taking care that appointees have enough time available to devote to the position.

vii. For the appointment of a Chair, Chief Executive, or similar position, the Nominations and Renumerations Committee should prepare a job specification, including the time commitment expected. A proposed Chair’s other significant commitments should be disclosed to the Directors before appointment and any changes to the chairman’s commitments should be reported to the Directors as they arise.

viii. prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest.

ix. ensure that on appointment as a Director, such person receives a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

x. reviews the results of the Directors performance evaluation process that relate to the composition and competencies of the board of Directors.

c) The Nominations and Renumerations Committee shall also make recommendations to the Directors concerning:

i. formulating plans for succession for Directors and in particular for the key roles of chair and chief executive (if any).

ii. suitable candidates for the role of private sector director’s

iii. membership of any other committees as appropriate, in consultation with the chairs of the committees.

iv. the re-appointment of any Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board of Directors in the light of the knowledge, skills and experience required;

v. any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of a Director as an employee of the company subject to the provisions of the law and their service contract; and

vi. the appointment of any Director to executive or other office.

2. Reporting Responsibilities

The Committee Chair shall report formally to the LEP Board on its proceedings after each meeting (or when appropriate) on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
3. Membership

The Committee shall be made up of at least two Directors. The Chair of the LEP Board shall Chair the Committee meetings or reserves the right to delegate this to another Director.

Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

In the absence of the Committee Chair, the remaining Directors present shall elect one of themselves to chair the meeting.

4. Secretary

A member of the D2N2 Local Enterprise Partnership Team shall act as the secretary of the Committee.

5. Quorum

The quorum necessary for the transaction of business shall be two Directors. The required Directors meetings either in person or by telephone will constitute a quorum.

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Frequency of Meetings

The Committee shall meet at appropriate times during in the succession planning cycle of Directors and otherwise as required.

7. Notice of Meetings

Meetings of the Committee shall be arranged by the secretary of the Committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and other person required to attend, no later than 3 working days before the date of the meeting.

8. Minutes of the Meetings

The secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of the Committee shall be circulated promptly to all members of the Committee.
Appendix 4 – People and Skills Board Terms of Reference

D2N2 PEOPLE AND SKILLS ADVISORY BOARD

TERMS OF REFERENCE

PURPOSE

To develop, implement and oversee the delivery the People and Skills element of the Strategic Economic Plan and to act as the Skills Advisory Panel for D2N2.

The Board will also lead the development of the People element of the Local Industrial Strategy for D2N2.

OBJECTIVES

- To enable the effective functioning of local labour markets by fulfilling the functions of the Skills Advisory Panel in D2N2.
- To co-ordinate and join up the between skills and training providers, labour supply and employer needs.
- To hold to account the provision of skills and employment to ensure that it is of high quality and supports the delivery of objectives within the Strategic Economic Plan.
- To ensure that the skills ecosystem in D2N2 meets the skills needs of local businesses, particularly in key sectors that are critical to the growth of the local economy.
- To ensure that D2N2 people have the skills, aspiration and opportunity to compete for jobs in the local labour market.
- To shape future policy development and priorities on issues related to skills, employment, and economic inclusion in D2N2.

ROLES AND RESPONSIBILITIES

Skills Advisory Panel Functions: (See Appendix I for full list of SAP functions)

1. Develop an implementation plan for People and Skills based on the thematic priorities identified in the D2N2 Strategic Economic Plan and for delivery of the People strand of Local Industrial Strategy.

2. Provide leadership on skills in the local area; engaging with employers and providers and providing skills advice to D2N2 Board.

3. Develop understanding of current and future local skills and labour market needs and influence the development of skills and employment support provision in the local area to meet that need.

4. Understand the wider dependencies in the local area and working together with other parts of the D2N2 LEP enable a cross-cutting approach to People and Skills.

5. Improve access to and availability of careers advisory services (National Careers Service and Careers and Enterprise Company) and careers resources to connect people to careers opportunities.
6. Raise the profile of apprenticeships with local employers and providers.

7. Share analysis and best practice, as widely and transparently as possible, with central government and other Skills Advisory Panels to learn from each other and tackle wider skills challenges.

**Additional People and Skills Board Functions:**

**Strategic**

8. Enable representation of all types of providers, employers (large and small) and other key local stakeholders, including local authorities and the Voluntary and Community Sector.

9. Bring together and co-ordinate partner plans within the context of the overall Strategic Economic Plan, and identify key shared priorities for D2N2.

10. Complete periodic reviews of the People and Skills priority to ensure that this remains fit for purpose, during the life of the Strategic Economic Plan.

11. Commission underpinning strategies, as and when necessary, to support the overall delivery of the People and Skills priority.

12. Identify emerging international and national policy, best practice, and thematic trends, and ensure that the D2N2 area actively responds to these.

13. Provide direction and support to the strategic work programmes of key delivery partners to ensure that best practice is shared and opportunities for collaboration between partners are explored.

14. Inform the development and implementation of priorities forming the People pillar of the Local Industrial Strategy

**Investment**

15. Advise on potential investment decisions for local skills and employment provision as well as overseeing implementation.

16. Identify further investment sources and develop proposals to access these.

**Delivery**

17. Monitor the delivery of D2N2 funded People and Skills priority projects and escalate any delivery issues to the D2N2 Investment Board.

18. Ensure that a strong pipeline of projects is in development and where necessary take action to stimulate these.

19. Ensure that the People and Skills priorities, outcomes and milestones within the SEP are delivered in line with expectations.
MEMBERSHIP

The membership of the Group will comprise no less than 8 (quorum) and no more than 18 comprising representation from the following:

- 4 Business representatives (Including 1 from the LEP Board and 1 from the Business Growth Hub Board)
- 1 representative EM Chamber of Commerce
- 4 representatives from upper tier local authorities
- Up to 4 representatives from District authorities
- 1 Social Inclusion representative
- 1 Schools representative
- 1 General FE representative
- 1 representative of Independent Training Providers
- 1 Higher Education representative/University
- 1 VCSE representative
- 1 representative from each of the following government departments, bodies, and national programmes (in line with the requirements for the SAP):
  - Department for Education / ESFA
  - Department for Work & Pensions / Job Centre Plus
  - National Careers Service local provider
  - Public Health England

The D2N2 officers will attend all meetings. Other sector specific or general business support organisations will also be invited to attend meetings in an advisory capacity as appropriate.

Membership will be held by named individuals – no substitutions or proxies

Membership will be by appointment through nominating bodies (where appropriate) or otherwise through open recruitment.

Public Sector Board Members

The members for the Upper Tier Local Authorities assume their position on The People & Skills Advisory Board as the appointed representatives of their respective councils.

The District/ Borough representatives will be nominated to their membership position by their respective colleagues in both Derbyshire and Nottinghamshire, and will be rotated every 2 years

Private Sector Board Members

Higher Education Board Members will fulfil their role on the People & Skills Advisory Board for a maximum two year term, this membership position will then be transferred to the next constituent Higher Education authority in the area on a rotational basis as agreed by the Higher Education authorities

Further Education (FE) members can be represented for a two-year period and then will be rotated with a different FE representative as agreed by the Further Education authorities from across D2N2.

All remaining Private Sector Board Members shall serve terms of three years once appointed to the board, should a board member wish to extend this term they will reapply to
serve a second term on the board. Each Private sector board member can serve a maximum of two terms on the board.

**Appointment of Chair and Deputy Chair**

The Chair of the People & Skills Advisory Board will be a member of the D2N2 Board. Appointment to the role of Chair of the will be decided by the D2N2 Chair. Appointment to the role of Deputy Chair will be decided by the Chair of the People & Skills Advisory Board.

**MEETINGS**

Meetings will take place on a bi-monthly basis, during the first six months of operation, dropping to quarterly thereafter. The Chair will determine whether these need to occur more or less frequently as business determines.

**SUBGROUPS**

The People & Skills Advisory Board will have 3 standing sub-groups to undertake detailed planning and oversight of priority themes:

- Careers and Young People
- Employment
- Skills for Growth

Arrangements for Chair, membership, and Terms of Reference of these group to be agreed by the People & Skills Advisory Board. Each sub-group will produce regular reports to the Advisory Board.

In addition, the Chair can determine need for task and finish groups to be set up to oversee specific work streams in support of the role of the People & Skills Board.

A review of all sub-group arrangements will be undertaken every 12 months to ensure they remain operationally relevant.

**ATTENDANCE POLICY**

All members will be expected to attend meetings, other than in exceptional circumstances. Any member failing to attend for three consecutive meetings will be invited to consider their ongoing membership.

**DELEGATED AUTHORITY**

The People and Skills Board will have no delegated authority unless specifically agreed by the main D2N2 Board.

**ACCOUNTABILITY**

The People and Skills Board is directly accountable to the D2N2 Board. It will be chaired by a Member of the D2N2 Board as agreed by the D2N2 Chair.

A Deputy Chair will also be appointed by the Chair of the People and Skills Board to ensure continuity should the Chair not be available.
Annex I

Skills Advisory Panel Functions:

1. Develop an implementation plan for People and Skills based on the thematic priorities identified in the D2N2 Strategic Economic Plan.

2. Provide leadership on skills in the local area; engaging with employers and providers and providing skills advice to D2N2 Board.

3. Develop understanding of current and future local skills needs and local labour market as well as the present skills and employment support provision in the local area by:
   a. developing a strategy and mechanism for a robust and authoritative evidence-based skills and labour market analysis which clearly identifies existing local skills and employment challenges, and identifies key areas of future needs
   b. developing a sophisticated understanding of both the local labour market and skills provision in the local area, the extent to which labour mobility within, or into, a local economy can address skills needs, and the projected gaps between skills needs and skills provision
   c. building knowledge of the range of both local, regional and national employment provision that exists or is planned.
   d. presenting the analysis at board level and sharing it with wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected in future prioritisation.
   e. Providing analysis to inform the development and the implementation of the ‘People’ element of Local Industrial Strategies.

4. Develop a clear approach to addressing skills and employment challenges within the local area, including by looking ahead to likely skills priorities in the coming decade by:
   a. building an understanding of the local area across a range of partners including employers (SME and larger employers from across the private and public sectors), all types of providers and other key partners (including the community & voluntary sector) to agree shared approaches to addressing the challenges the analysis has identified;
   b. providing a ‘feedback loop’ for the continual development of the ‘People’ element of the D2N2 Local Industrial Strategy.

5. Understand the wider dependencies in the local area and working together with other parts of the D2N2 LEP to:
   a. link them to the skills and employment analysis as well as strategic plans.
b. ensure the ‘People’ element of the Local Industrial Strategy is integrated effectively with the wider work of D2N2.

6. Act as co-ordinator of local skills providers by:
   
a. fostering co-operation between providers in mix of provision.
   
b. actively working with a range of local providers (Further Education, Higher Education and independent) to plan for how the skills needs are to be met.
   
c. Encouraging local providers to reflect the Skills Advisory Panel analysis when planning for T Levels implementation and delivery, and for the Skills Advisory Panel analysis to inform the investments that are made in the provider base to prepare for T Levels roll-out.

7. Work closely with careers advisory services (National Careers Service and Careers and Enterprise Company) to ensure that potential learners are informed about potential career routes within a local area, and that all careers information and guidance is informed by up-to-date local labour market information. This will involve working with:
   
a. the Careers & Enterprise Company’s Enterprise Advisor Network to ensure that the Skills Advisory Panel analysis is shared through the network and informs the activities they support locally.
   
b. The National Careers Service local contractor to ensure that Skills Advisory Panel analysis is embedded into advice and guidance given to adults.

8. Raise the profile of apprenticeships with local employers and providers.

9. Advise where skills and labour market resource should be directed to support local employers and residents, using its understanding of existing employment support provision in the local area and the needs of the local labour market.

10. Share analysis and best practice, as widely and transparently as possible, with central government and other Skills Advisory Panels to learn from each other and tackle wider skills challenges.
Appendix 5 – Business Growth and Innovation Board Terms of Reference

D2N2 BUSINESS GROWTH & INNOVATION ADVISORY BOARD
TERMS OF REFERENCE

1. PURPOSE

D2N2 will have a world class innovation-led, highly productive economy with a global reputation for manufacturing excellence.

The Business Growth & Innovation Advisory Board (BG&IAB) will spearhead engagement with our business base, economic stakeholders and key sectors to ensure that businesses across D2N2 are supported to maximise their potential through boosting productivity, adopting innovation and exploiting trade and investment opportunities to drive growth.

The BG&IAB will be an advisory group to the D2N2 Board will consider and develop partnership strategies and proposals to deliver the Business Growth and Innovation priorities and propositions within the D2N2 Local Industrial Strategy/Recovery Plan. The Advisory Board will focus primarily (but not exclusively) on the following key themes:

• Enterprise/Business Support (KT1)
• Access to Finance/Business Investment (KT2)
• Innovation/R&D (KT3)
• Place Promotion and Inward Investment (including Visitor Economy) (KT4)
• International Trade (KT5)

D2N2 will retain a focus on key and emerging sectors, working closely with existing sector partners and organisations were possible with intervention led through the lens of the key themes.

1. OPERATING PRINCIPLES

The BG&IAB will operate according to the following guiding principles:

• focusing on where D2N2 can provide added value to the business growth and innovation agenda
• understanding and meeting the customer needs of our businesses and key sectors in supporting growth through improved productivity, developing new products and markets, and building resilience (in light of Covid-19 and EU Exit)
• ensuring engagement with our business base is coherent and communication is consistent
• develop programmes of activity to support agreed key theme areas
• Engage with other Advisory Boards to ensure complementarity in the delivery of priorities set by the D2N2 Board

Within this context, any intervention should be considered through the following lenses to maintain a sharp focus:
Advocacy – using our partnership role to convene, lobby and shape policy and strategy
Coordination – in our convening role, bring together partners to deliver joined up and more effective business support activity
Commission – where required, deliver interventions to meet market gaps and the local needs of businesses and the economy (driven by evidence)

2. ROLES AND RESPONSIBILITIES
The Business Growth & Innovation Advisory Board will lead on:

1. Convening wider stakeholder engagement to ensure improved alignment of future business support delivery including developing new partnership structures to support key themes of focus and add value to sector development activity and COVID-19 recovery (KT1-5)

2. Providing a focus for local business growth and innovation priorities, opportunities and needs to influence national policy and maximise influence and investment (KT1-5)

3. Developing and supporting the overall aims and objectives of the D2N2 Growth Hub by:
   - providing advice on delivery to boost productivity and growth within the D2N2 SME base.
   - making strategic links between the Growth Hub and other organisations delivering support to businesses to improve the co-ordination of business support across D2N2.
   - capturing business intelligence on the needs of businesses to unlock productivity, to shape and enhance the provision of business support
   - overseeing the development of the Business Lifecycle model as a template to support businesses based on their stage of development and realistic growth ambition (KT1)

4. Promoting and enabling greater financial investment to support by improving access to finance and supporting businesses to be investment ready (KT2)

5. Developing the strengths and opportunities highlighted in the D2N2 Science and Innovation Audit and in particular the Innovation eco-system model focusing on:
   - SME adoption of innovative products and processes
   - Maximising the economic benefit of existing assets
   - Increasing innovation investment into the region
   - Future thinking and meeting the challenges of IR4 and the new normal following COVID-19
   - Inspiring innovative and entrepreneurial behaviours by pupils and students in our schools, colleges, and universities (KT3)

6. Coordinating partner activity to promote D2N2 nationally and globally as a place to invest, work, visit and live (KT4)

7. Ensuring D2N2 businesses are supported to meet the opportunities and challenges that emerge from international trade post-EU exit (KT5)
3. MEMBERSHIP

The membership of the Group will comprise no less than 8 (quorum) comprising representation from the following:

- 10 Business representatives (Including a minimum of 1 from the LEP Board and the Chair of the Growth Hub Executive Board)
- 5 Business Membership Organisations representatives (from EMC, IOD, FSB, CBI, and Make UK)
- Up to 6 Specialist Advisors (including an inclusion representative)
- 4 representatives from upper tier local authorities
- 2 representatives from district authorities (to represent D2 and N2)
- 3 University representatives (one each from UoN, NTU and UoD)
- 1 Further Education representative
- 1 representative from each of the following government departments/national bodies:
  - BEIS
  - DIT
  - Innovate UK
  - British Business Bank

Relevant D2N2 and Growth Hub offices will attend all meetings. Other sector specific or general business support organisations will also be invited to attend meetings in an advisory capacity as appropriate and agreed by the Chair. Representatives from Government departments attend in an advisory capacity only.

Membership will be held by named individuals with any substitutions agreed in advance with the Chair and Head of Business & Innovation.

Membership will be by appointment through nominating bodies (where appropriate) or otherwise through open recruitment. The Chair will reserve the right to review and propose amendments to membership if required.

4. MEETINGS

Meetings will be held quarterly, and dates will be planned for the calendar year ahead. Additional engagement may be requested of Members or their colleagues in working groups or events during the same period.

5. SUB-GROUPS

The Chair can determine if any sub-groups or task and finish groups need to be set up to oversee specific work relating to the agreed key themes in support of the role of the BG&IAB.

The Growth Hub Executive Board will formally feed into the BG&IAB and provide regular progress reports as a standing item on the agenda.

6. ATTENDANCE POLICY

All members will be expected to attend meetings, other than in exceptional circumstances. Any member failing to attend for two consecutive meetings without nominating an agreed substitute will be invited to consider their ongoing membership.

7. ACCOUNTABILITY
The BG&IAB is directly accountable to the D2N2 LEP Board. It will be chaired by a private sector representative of the D2N2 Board with lead responsibility for the Business Growth & Innovation agenda. The Chair will also appoint a Deputy Chair for continuity. The Deputy Chair will be nominated from one of the University representatives to maintain a focus on innovation.
Appendix 6 – Place Board Terms of Reference

D2N2 PLACE BOARD

TERMS OF REFERENCE

PURPOSE

Supporting and enhancing the quality of place within D2N2 as a great location to live, work visit and invest is identified as a key priority within the Strategic Economic Plan and draft Local Industrial Strategy in order to deliver the vision for a more sustainable, productive, and inclusive economy. The Place Board will be an advisory group to the D2N2 board and will bring together strategies, implementation and investment proposals for the Place priorities within the draft Local Industrial Strategy. This includes the following areas of focus:

- Infrastructure and connectivity – including digital connectivity and sustainable transport
- Acceleration of housing delivery as part of wider place making.
- Shift to low carbon and sustainable living.
- The revitalisation of our Towns and Cities – through the development of transformational place priorities and supporting the Town Deal areas
- Overseeing the Enterprise Zones on behalf of the D2N2 Board.

This will build on and complement the work of existing local plans and strategies.

It will provide strategic direction to all Place related activity across D2N2 and continue to inform the development of the Place elements of the Local Industrial Strategy and Recovery Strategy for the region

ROLES AND RESPONSIBILITIES

The Place Board will:

**Strategy**

1. Develop implementation plans to deliver the Place elements of the Local Industrial Strategy.
2. Inform the Place element of the emerging Recovery Plan.
3. Bring together and co-ordinate local partner plans within the context of the overall vision for the region relating to Place and identify key shared priorities for D2N2.
4. Propose the commissioning of underpinning strategies, as and when necessary, to support the overall delivery of the Place priorities.
5. Provide support to the strategic work programmes of key delivery partners to ensure that best practice is shared and opportunities for collaboration between partners are explored.

**Investment**

6. Identify opportunities for further investment and develop proposals to further these.
**Delivery**

7. Provide oversight of the delivery of D2N2 funded Place activities and feed any key issues into the Investment Board.

8. Ensure that a strong pipeline of projects is in development and where necessary take action to stimulate these.

**MEMBERSHIP**

The membership of the Group is as follows:

- Chaired by the Deputy Chair of the D2N2 Board.
- Deputy Chair of the Place Group from one of the local authorities representatives.
- In recognition of the role of Local Authorities as place makers senior officer representation from the authorities as follows – 4 upper tiers, plus 2 Derbyshire, 2 Nottinghamshire districts (to be re-confirmed every 2 years by Districts)
- In addition to the Chair, 4 Business representatives from relevant sectors including Commercial/property and housing
- 2 Social Inclusion representatives
- 1 University representative
- Chairs of sub-groups

Homes England, Highways England, East Midlands Transport/Midlands Connect, Environment Agency and Network Rail will be issued with a standing invitation to attend the meetings.

The D2N2 Chief Executive and relevant LEP officers will also attend meetings in an advisory capacity.

**MEETINGS**

Meetings will be held three times a year to bring together the workstreams progressed by the Sub-groups as set out below. The Chair will determine whether these need to occur more or less frequently as business determines.

**SUBGROUPS**

The following sub-groups will undertake key elements of the work programme and report back into the Place board:

- D2N2 Energy Group: to oversee and lead the regions shift to low carbon energy
- D2N2 Infrastructure sub-group: consisting of the 4-transport authority leads and East Midlands Transport to co-ordinate a D2N2 wide approach on shared infrastructure challenges, including sustainable transport and identifying key regional infrastructure challenges and priorities
- D2N2 Towns Fund Group: to support the co-ordination of an effective approach to the 7 towns fund areas within D2N2
- D2N2 Place Priorities – a sub-group of the 4 upper tiers to develop and prioritise the top 10 transformational projects for the region
- D2N2 Housing Delivery Sub-group – a working group in conjunction with Homes England to identify and progress barriers to delivery and explore best practice on sustainable construction and MMC
- D2N2 Enterprise Zone – a working group to oversee progress across the D2N2 enterprise zones and best practice group to accelerate development across the sites.

The Chair can determine if any additional sub-groups or task and finish groups need to be set up to oversee specific work streams in support of the role of the Place Board.

A review of the sub-group arrangements will be undertaken every 6 months to ensure they remain operationally relevant.

**ATTENDANCE POLICY**

All members will be expected to attend meetings, other than in exceptional circumstances. Any member failing to attend for three consecutive meetings will be invited to consider their ongoing membership.

**DELEGATED AUTHORITY**

The Place Board will have no delegated authority.

**ACCOUNTABILITY**

The Place Board is directly accountable to the D2N2 Board. It will be chaired by the D2N2 Deputy Chair with lead responsibility for the Place agenda.
Appendix 7 – D2N2 Inclusion Framework

D2N2 Inclusion Framework

1. Inclusion in D2N2: Aim and Ambition

D2N2 LEP takes the issues of social and economic inclusion seriously and as fundamental components of a thriving and vibrant D2N2 economy. In order to ensure the work of the LEP actively promotes inclusion we will seek to:

- Improve our understanding of inclusion and normalise it in our conversations and in all planning, implementation and monitoring activity;
- Take action to ensure more inclusive practice is achieved through our role in commissioning and strategic planning and;
- Influence others on the importance and benefits of inclusion.

D2N2 will employ 4 core strategies:

<table>
<thead>
<tr>
<th>LEADERSHIP</th>
<th>INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Building understanding of ‘good’ and inclusive growth</td>
<td></td>
</tr>
<tr>
<td>- Creating an inclusion ‘narrative’ – normalising the conversation</td>
<td></td>
</tr>
<tr>
<td>- Embedding inclusion across all strategic planning</td>
<td></td>
</tr>
<tr>
<td>- Ensuring LEP governance and structure reflects local diversity and need</td>
<td></td>
</tr>
<tr>
<td>- Focussing on improving Social Mobility</td>
<td></td>
</tr>
<tr>
<td>- Taking action to ensure social value is achieved through all commissioning</td>
<td></td>
</tr>
<tr>
<td>- Investing in activities which support pathways from exclusion to participation and through to inclusion;</td>
<td></td>
</tr>
<tr>
<td>- Focussing on health, wellbeing, skills and aspiration as routes to inclusion</td>
<td></td>
</tr>
<tr>
<td>- Holding projects accountable for their inclusion commitments</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INFLUENCE</th>
<th>LEARNING</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Working with our stakeholders to create alignment, consistency and added value on inclusion outcomes;</td>
<td></td>
</tr>
<tr>
<td>- Sharing learning to influence future systems planning;</td>
<td></td>
</tr>
<tr>
<td>- Championing the inclusive growth agenda</td>
<td></td>
</tr>
<tr>
<td>- Improving our understanding of the impact of exclusion in D2N2</td>
<td></td>
</tr>
<tr>
<td>- Apply co-production methods to enable learning from others</td>
<td></td>
</tr>
<tr>
<td>- Developing measures of success to track progress</td>
<td></td>
</tr>
<tr>
<td>- Monitoring performance</td>
<td></td>
</tr>
<tr>
<td>- Reviewing our strategy as a result of performance</td>
<td></td>
</tr>
</tbody>
</table>
D2N2 Inclusion Strategy

2. Inclusion in D2N2: Enabling Action

In order to achieve our ambitions for a more inclusive D2N2 and local economy we will employ the following strategies:

<table>
<thead>
<tr>
<th>Business &amp; Innovation</th>
<th>Infrastructure, Capital Investment &amp; Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broaden representation from a wide spectrum of business and business leaders;</td>
<td>Maximise D2N2s influencing and coordination role in places facing economic disadvantage to address spatial disparities;</td>
</tr>
<tr>
<td>Build understanding of the business cost of exclusion;</td>
<td>Refresh, promote and uphold the commitments of the D2N2 Procurement Charter;</td>
</tr>
<tr>
<td>Enhance the capacity and knowledge of the Growth Hub to help drive inclusive growth; including promoting the growth of socially-focused organisations and businesses;</td>
<td>Maximise the LEPIs commissioning power to drive improvements in infrastructure projects impact and added value;</td>
</tr>
<tr>
<td>Provide tools, resources and specialist links to help businesses improve inclusion performance.</td>
<td>Earlier strategic engagement on capital projects to enable development of related skills and employment activity;</td>
</tr>
<tr>
<td>Success Indicators</td>
<td>Number of capital projects using Social Value Act outcomes (project by project basis)</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>Skills outcomes resulting from planned capital programmes</td>
</tr>
<tr>
<td>Reduced sickness and absence levels in target sectors</td>
<td>Travel to work distances</td>
</tr>
<tr>
<td>Reduced levels of Economic Inactivity</td>
<td>Employment / GDHI in deprived districts</td>
</tr>
<tr>
<td>Fewer unfilled vacancies and time taken to fill vacancies</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People &amp; Skills</th>
<th>Leadership, Influence &amp; Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better connect learning and work for those most disadvantaged in the labour market;</td>
<td>Ensure Inclusive Growth is defined and prioritised within core LEP strategy;</td>
</tr>
<tr>
<td>Expand linkages between employers and schools / employability providers;</td>
<td>Embed inclusion champions across all levels of LEP governance;</td>
</tr>
<tr>
<td>Actively promote apprenticeships and local skills priority pathways for all;</td>
<td>Ensure third sector representation at Board level;</td>
</tr>
<tr>
<td>Expand and promote access to vocational training for adults;</td>
<td>Make inclusion outcomes explicit and measurable across all delivery</td>
</tr>
<tr>
<td>Enable delivery of activities to reduce the impact of poor health on work and productivity.</td>
<td>Develop a methodology for assessing inclusion impact to aid decision making and planning</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Success Indicators</th>
<th>Inclusion analysis incorporated in all strategic planning publications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship take-up – including to excluded groups</td>
<td>Consistent progress against agreed inclusion indicators</td>
</tr>
<tr>
<td>GDHI in disadvantage areas / for disadvantaged groups</td>
<td></td>
</tr>
<tr>
<td>Improved skills levels in disadvantaged areas / for disadvantaged groups</td>
<td></td>
</tr>
<tr>
<td>Increased disability employment levels</td>
<td></td>
</tr>
<tr>
<td>Reduction in ESA claimants</td>
<td></td>
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</tbody>
</table>
### D2N2 SUSTAINABILITY FRAMEWORK

In order to achieve our ambitions for a low carbon recovery and long term sustainable growth in D2N2 and local economy we will employ the following strategies:

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>SD2, 3, 5, 6</th>
<th>SD7, 8, 9, 10, 11, 12, 13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key actions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business &amp; Innovation</strong></td>
<td>Identify new technologies and processes which we can turn from ideas into action;</td>
<td>Maximise D2N2s influencing and coordination role to ensure the right balance of investment between physical, digital and green infrastructure;</td>
</tr>
<tr>
<td></td>
<td>Identify transferrable best practice and develop networks to ensure that businesses and public sector investors are encouraged to adopt them;</td>
<td>Work with the Environment Agency to develop a comprehensive picture of the value of the ecosystem services offered by our natural assets;</td>
</tr>
<tr>
<td></td>
<td>Continue to make the case to businesses, including through the Growth Hub, that low carbon growth has significant economic benefits to businesses;</td>
<td>Develop a commissioning approach that gives due weight to the carbon footprint of proposed capital development alongside other economic impacts;</td>
</tr>
<tr>
<td></td>
<td>Identify the opportunities from the Covid-19 crisis to promote and embed innovative ways of working that have helped to reduce environmental impact.</td>
<td>Use our capital investments to ensure the full potential of our natural assets to deliver on our low carbon commitments are realized;</td>
</tr>
<tr>
<td></td>
<td>Increased R&amp;D investment in low carbon tech by sector</td>
<td>Develop stronger links to the utilities to ensure closer alignment of their long term planning to our 2030 ambitions;</td>
</tr>
<tr>
<td></td>
<td>Increased business adoption of low carbon tech by sector</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in skills demand for low carbon occupations</td>
<td></td>
</tr>
<tr>
<td><strong>Progress indicators</strong></td>
<td>New low carbon commissioning and monitoring approaches in place</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Carbon footprint of D2N2 investments being monitored and reported</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>SD1</th>
<th>SD4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key actions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>People &amp; Skills</strong></td>
<td>Use the Enterprise Adviser Network, FE and HE to use the education system to raise awareness of the low carbon economy and job opportunities;</td>
<td>Ensure low carbon growth defined and prioritised within LEP recovery strategy so the focus is not lost as a result of Covid-19;</td>
</tr>
<tr>
<td></td>
<td>Identify the low carbon occupations in which we have significant opportunities for growth and need for re/upskilling and work with skills and training providers to ensure that local provision supports our growth ambition;</td>
<td>Embed low carbon champions across all levels of LEP governance, and review the relationship between Place Board and Energy Strategy Group to ensure consistency;</td>
</tr>
<tr>
<td></td>
<td>Develop existing skills programmes to support workers affected by Covid-19 to re/upskill in low carbon skills.</td>
<td>Work with our local planning authorities to enable a strong, collective approach to requiring a low carbon development first approach;</td>
</tr>
<tr>
<td><strong>Progress indicators</strong></td>
<td>Increased take-up in low carbon subjects in A-Level and apprenticeships;</td>
<td>Make low carbon outcomes explicit and measurable across all relevant delivery;</td>
</tr>
<tr>
<td></td>
<td>Increased graduate retention in low-carbon subjects;</td>
<td>Seek to influence successor funding to LGF and ESIF and DIT’s approach to inward investment to ensure they prioritise low carbon investments.</td>
</tr>
<tr>
<td></td>
<td>Reduction in skill shortages reported by low carbon employers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consistent progress on low carbon targets.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D2N2-wide approach being captured in emerging local plans</td>
</tr>
</tbody>
</table>
In July 2020, D2N2 was allocated £44.4 million from the government's Getting Building Fund towards the delivery of a range of projects across the region to stimulate economic activity and aid recovery from the impacts of Covid-19 on the region. The funding is subject to each of the 10 identified projects submitting a business case that is fully compliant with the D2N2 Local Assurance Framework (LAF).

In order to support D2N2 and the accountable body, independent expertise has been procured from Thomas Lister Ltd and Amion consultants to assess each of the projects against the requirements of the local assurance framework.

This project being put before the Investment board has now been assessed and is being recommended for consideration and approval based on its full compliance with the LAF.

Following an approval D2N2 will release £2m of Getting Building Fund to High Peak Borough Council.
## 1.0 Project Description

The project is located within the market town of Glossop in High Peak in Derbyshire. The Town Hall, Market Hall and Municipal Buildings are a complex of linked buildings located in the heart of the town. The Municipal buildings front onto the main town centre car park and the Town Hall faces onto the landscaped town square. The Market Hall sits between these buildings with access from the car park.
and outdoor market area via the town hall arcade entrance on the High Street. The complex of buildings are well connected being less than 200 metres from the town’s railway station. The three buildings have all been used as civic buildings since their construction in the early 20th century and are now primarily vacant and in need of refurbishment and repurposing.

The complex of buildings in a prime town centre location are not fulfilling their potential as a focal point and economic driver for the town and feasibility studies over time have demonstrated the need for significant public investment in order to bring these buildings back into beneficial use.

The scheme will involve the refurbishment of existing space along with the addition of a mezzanine floor to the Market Hall within the building in order to provide small micro office space for entrepreneurs and SMEs.

In addition, the previous uses of the Market Hall are to be replaced, with a variety of food and drink businesses, along with general and specialist retail. The facility will be open seven days a week and will include an indoor courtyard with central seating and flexible space to accommodate events and fairs.

The Town Hall arcade will be refurbished to provide flexibility for a range of retail/leisure uses, whilst the upper floors of the Town Hall will be refurbished to accommodate a larger event space to compliment the food court operation along with some further flexible workspace.

A new access is to be provided through all three buildings to create a pedestrian flow between the car park, central shopping areas and station, thereby increasing footfall including week day trade for the food court.

Existing IT infrastructure within the building (including broadband) will also be upgraded and LED lighting provided. Existing suspended ceilings are to be removed to let daylight into the Market Hall.

Lifts will either be replaced or upgraded as will the disabled access and improved WC provision.

It is intended on completion that a private sector operator, (which has been subject to formal market testing) will be formally procured to operate the completed facility excluding potentially the office space and is anticipated to invest around £1m in fitting out the building.

2.0 Summary of Strategic Case/Fit

The project supports the following strategies:

i. D2N2 Vision 2030 – the subject scheme supports the Vision by investing in infrastructure to boost the local economy, creating a vibrant town centre, supporting businesses to start and grow. Opportunities will be maximised for
inclusive social and cultural interactions, thereby bringing about sustainable economic growth.

The project also supports the following investment priorities;

- Realise the high growth potential sectors and grow the stock of high value businesses within the area through start-ups, spinouts and inward investment – contributing to output growth across all sectors of the economy.
- The provision of multi-use space available on flexible terms including retail, studio, leisure and office uses provide for a quality environment for businesses to start and grow and thus supports this theme.
- Quality of Place – this theme is supported in that the project will help provide an attractive mix of retail, leisure and commercial uses, transforming high streets within towns and villages.

ii. Local Industrial Strategy - The project aligns with this strategy as follows;

- Upskilling for productivity – the scheme will assist to enhance the capacity and capability of local and new firms, to help them remain competitive through providing new high quality and digitally enabled spaces, linked to a skilled workforce and the universities, via the Greater Manchester universities cluster.
- Clean growth – the project is to repurpose an existing vacant building into a high quality and sustainable scheme incorporating a range of features to reduce energy and carbon.
- Delivery connectivity led growth to all parts of the region. This principle is supported by helping to ensure that people can access employment, by unlocking local development opportunities and bolstering of the visitor economy. The project also supports growth of towns and economic corridors to improve place and economic prosperity in the wider region.

iii. High Peak Borough Council Adopted Local Plan.

The project has been identified to support a number of objectives and policies in the Local Plan including;

- Supporting the local economy by providing sites for existing and new businesses, including the creative industries.
- Supporting the sustainability of town centres and specifying policies that address changing business needs.
- Ensuring towns and village centres within the plan area continue to be vibrant and attractive.
- Strengthen the vitality and viability of town centres by adapting to changing consumer habits in retail and leisure.
- Continued consideration of design and investment in town centre environments to help increase trade.
To build on Glossop’s growing reputation as a destination for high quality food and drink to provide an appropriate mix of retail and leisure opportunities in an appealing environment.

Supporting improvements to the range and quality of town centre retail and services in Glossop town centre.

iv. High Peak Borough Council Corporate Plan

The project supports Aim 3 of the Council’s Corporate Plan, which is to protect and create jobs by supporting economic growth, development and regeneration.

This project seeks to;

- Encourage business start-ups and enterprises.
- Work to create flourishing town centres and thriving high streets that support the local economy.
- Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges.

The project also has linkages to various government policies including a recognition and need to revitalise town centres across the country as these have become synonymous with decline.

In addition, expanding the UK’s digital and technology base and ensuring that the country capitalises latest technological advancements also recognised as crucial for the UK to remain competitive.

Furthermore, the onset of the COVID-19 pandemic has changed the way that people now live and work and there is a fundamental need for the built environment to respond to these changes and challenges, some of which may well be permanent.

| Assessors Comments | The project has been demonstrated to align with and have strong strategic fit to both D2N2 strategic objectives, those of the Council and wider Government Policy and directives. |

3.0 Summary of Economic Case and expected outcomes

The Economic Case starts by outlining the Market Failure - the commercial investment market is primarily driven by evidence of lease turnover, rather than by evidence of occupation.

The analysis continues to detail a set of Critical Success Factors against which the options was assessed. To help formulate the long-list the applicant looked at the individual components: (i) Municipal Buildings; (ii) Market Hall; and (iii) Town Hall. These components informed the actual long-list:

Option 1: Reference Case / Do Nothing – this would require no Get Building funding. The project would not be taken forward and the project objectives would not be met.
**Option 2: Mixed use** – this is the preferred option and would involve a mixture of interventions to maximise the commercial viability of the complex whilst also providing flexibility to support a wide range of economically viable uses.

**Option 3: Fully commercial** – this is the maximum option whereby the investment in the building is fully focused on maximising the commercial attractiveness of the complex.

**Option 4: Minimum intervention** – whereby existing uses are retained with minimum intervention and vacant spaces are made available for community use.

In terms of the key assumptions that underpin the economic appraisal, they include:

- **Optimism bias of 15%** has been applied to the capital expenditure
- Applicant projected that the project would support a total of **161 jobs**.
- Adopted matrix to quantify **multiplier** outcomes from job generation projects on re-spend in the local economy
- **Deadweight 10.3%; Leakage 17.3%; Displacement 38.7%; Multiplier 1.33%** which are based HCA’s Additionality Guide

**Benefit-Cost-Ratio 5.94:1**

Other **wider benefits** the applicant referenced the regeneration of Glossop, opportunities to retain talent locally as well as attracting new talent to the area both as a result of providing high quality business space and as part of an overall strategy to deliver a revitalised town centre. Also, the enhanced ability to support existing and attract new creative industries to the town, will in turn attract audiences as new visitors.

The BCR was robust enough to ensure VFM when calibrating for these sensitivities.

<table>
<thead>
<tr>
<th>Assessors Comments</th>
<th>The Economic Case follows the standard Green Book approach.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>More specifically, the long-list is sensible and proportionate, which helpfully follows the three buildings. The Critical Success Factors are clearly identified and scored against the components.</td>
</tr>
<tr>
<td></td>
<td>The VFM assessment is introduced by detailing the assumptions that underpin the analysis. These are consistent with the Green Book.</td>
</tr>
<tr>
<td></td>
<td>The resultant BCR is a healthy <strong>5.94:1</strong> when looking at all costs. If looking at just the GBF the BCR is <strong>11.1:1</strong>. Both BCRs would be classified as “<strong>Very High</strong>” VFM by D2N2 and Central Government. If an approach using wage premium and other</td>
</tr>
</tbody>
</table>
4.0 Summary of Commercial Case

The commercial case has been prepared to demonstrate that the preferred option will result in the delivery of a viable and sustainable project. The commercial case is therefore considered the following key elements;

i. The Council commissioned independent surveyors to provide an assessment of commercial demand relevant to the conversion of Glossop Town Hall, Market Hall and Municipal Buildings.

The assessment explored a number of uses including flexible office space, retail units and town centre markets.

The key findings from the assessment identified that there was a severe lack of commercial office supply in the town centre with commensurate high levels of demand for flexible workspace from existing businesses and operators.

In addition, the town experiences low vacancy rates amongst retail units, restaurants, cafés and pubs. This is alongside a thriving leisure scene for visitors created by numerous independent outlets.

Consultations with local businesses identified demand for workspace within Glossop. This has been accelerated by the impact of Covid 19 and businesses seeking more local provision. Which was identified in a recently commissioned report for demand in workspace which takes into account the impacts and changes as a result of Covid.

Ultimately, the report summarised that there was significant demand for flexible and modern workspace to support small and local businesses. Flexible workspaces would be further complemented by an enhanced market offering and nearby retail units. A Hub environment could therefore be created where town centre facilities are supported with food and beverage provisions. In turn, this could attract an increased number of office occupiers and visitors to the town centre, for retail leisure uses.

ii. Ability to Procure an Operator to the Completed Facility.

In addition to the market assessment undertaken for general demand and supply conditions, soft market testing with market operators was undertaken by Focus consultants on behalf of the council. This work identified three potential operators interested in operating the Glossop Market Hall. The key findings of the consultations with these operators were;
- Those parties approached were operators of numerous indoor and outdoor markets and there was an awareness of Glossop Market with some interest previously shown in operating this facility.
- It was noted that current trends in food halls and street food may be time limited. Therefore, there would need to be consideration about the longevity of any similar offer that would be included within the Market Hall.
- The operators were keen to work with the council in terms of what final operating arrangements might look like however, a balanced and varied offer would ensure wide appeal.
- Operators generally required a minimum five year agreement in terms of any operating contract to allow the offer to become established and allow growth.
- Operators were also interested in the Town Hall (currently proposed as offices) in being able to offer a wider offer within the scheme.

iii. Viability – identifying a viable option has been a longstanding challenge faced by the council in seeking to repurpose the buildings, given limited funding available. This has been identified as being a major barrier in being able to secure both private sector investment and an operator for the buildings.

The market testing undertaken over a number of years has demonstrated that there is insufficient interest from the private sector given the viability issues and also to operate the complex as a whole, the report further established that with sufficient levels of grant funding, the project could be retained under public sector management with a private operator in place providing that a quality refurbishment scheme could enable sufficient income to be generated.

The detailed market assessment work has established proposals for the completed scheme in terms of appropriate uses along with how a private sector partner might be procured, subject to public investment being leveraged to address the viability gap.

Therefore, the scheme has been proposed to provide an appropriate scale of facilities to be attractive to the private sector, whilst also ensuring that the complex continues to play an important role for the community of Glossop.

A business plan for the scheme has been produced which anticipates that income of circa £160,000 per annum from the workspace element and around £100,000 from the market operator by way of a five year operational contract could be generated. This equates to a total income of circa £260,000 and the total payback for the project for High Peak Council is therefore projected to be twenty years.

It is also acknowledged that the private sector investment would come from the operator in terms of fitting out the Market Hall for the intended uses, as oppose to contributing to the works to reconfigure and refurbish the buildings to core and shell.

| Assessors | The project has been subject to significant market assessment, testing and feasibility over a number of years, with the preferred |
option supported with a robust evidence base as to how the scheme will address market failure and potentially be sustainable in the long term.

The areas that are less certain and do present some element of risk at this time relate to the fact that the project is at a relatively early stage of design, which could impact on costs and programme for the scheme as this progresses. Clearly this will be monitored by the council going forward and the project will either be required to fit the budget and the promoter has confirmed that any cost overruns are the responsibility of High Peak Borough Council.

The other potential risk relates to finding an operator for the Market Hall. Although the market testing has identified strong levels of interest, until an operator is secured this remains a risk. In addition, income generated from an operational lease to the market operator at £1,000,000 is estimate only at this time and could vary dependent on the negotiations concluded with the operator of the scheme. If lesser investment or revenue is received from the Market Hall operator, then the figures presented within the Full Business Case, this may mean a lesser amount of match funding is received and a lower level of income receivable by the Council and extended payback period. This risk has been mitigated however by High Peak Borough Council who have confirmed they will underwrite this commitment if it cannot be identified.

The council are also to confirm in writing that if the revenue generated from the Market Hall or the workspace elements of the project, which result in a longer payback period will not create any issues for the council or prevent them in taking forward this project.

5.0 Summary of Financial Case

The financial case prepared by the council is somewhat brief; however, in part is reflected on the level of feasibility work already undertaken and the fact that listed building consent has been secured for the Phase 1 works with this contract now let and underway.

This along with the fact that the council have owned the buildings for many years and have a good understanding of the condition of the building and works required, means that there is a good level of intelligence in relation to the buildings.

For the Phase 2 Scheme, this is yet to complete the concept and detailed design stages and it is noted that listed building consent has not yet been secured.
Therefore, based upon the level of information known in relation to the Town Hall, Market Hall and Municipal Buildings thus far, indicative specification and costs have been prepared by Focus consultants, which has estimated that total costs excluding the Phase 1 roof works are in the region of £5,482,247.

Given early stage of design of the scheme, there is considerable scope that costs as currently estimated for the scheme could be subject to change. Therefore, as a condition of investment it is recommended that in the event costs are higher than currently anticipated, that the council will underwrite any additional costs so as to ensure that the project can proceed.

Furthermore, if any changes are made to the scheme which will vary the outputs being delivered, D2N2 are to be informed accordingly as this may necessitate a review of the value for money and BCR generated by the scheme.

With regard to the operator and private sector match funding, this also remains uncertain at this time and is based upon initial estimations as to potential fitout costs that would be undertaken by the operator upon completion of the main works to the buildings. Therefore, this element of the scheme is also subject to some uncertainty and D2N2 will be required to be notified of any changes to the amount of match funding that is invested in the scheme by the private operator.

The Business Case provides a brief cashflow for the project through the construction phase which shows a start on-site in October 2021 and practical completion in July 2022.

This project cashflow and drawdown of D2N2 funding will need to be monitored once a detailed programme is finalised for delivery of Phase 2.

In terms of the income to be generated by the scheme, a breakdown of annual revenue generated from each year from 2023/24 until 2027/28 has been prepared reflecting that it may take three years for the building to achieve a sustainable level of occupation.

The revenues have been estimated based upon advice provided by CBRE and Focus consultants as to market levels for each individual type of use achievable within the market.

The Business Case does not contain a detailed cashflow for the completed scheme to show all income and expenditure typically produced for a period of 20 years.

It is acknowledged at this time that until the detailed design of the scheme has completed and an operator procured for the market hall, that firm income and expenditure projections cannot be established. It is therefore a further recommendation of any investment that the council be required to prepare a detailed business plan for the scheme to demonstrate that this is a sustainable and viable project in the medium and long term and that the outputs and benefits will thus be sustained to Glossop and the wider High Peak area.
Assessors Comments
The Financial Case has been submitted by the council and is, reflective of the extensive feasibility that has been undertaken thus far in order to formulate the project; however, the scheme does need to complete the detailed design stage which will establish a much more detailed and certain financial position for the scheme.

A series of recommendations have been identified in terms of the information that the council will need to provide to D2N2 as an assurance that any funding invested in the physical structure of the building will culminate in the delivery of the outputs as proposed.

6.0 Summary of Management Case

Both Phase 1 and Phase 2 of this project are to be directly managed and delivered by High Peak Borough Council. The council have appointed Focus consultants as project managers and quantity surveyors to support the internal project management arrangement and provide initial costings for the scheme.

A Project Board has been assembled including a number of representatives from various departments within the council along with Focus consultants. In addition, the operator for the Market Hall will also comprise be represented on The Project Board and will therefore have an input into the scheme as soon as the operator is appointed. The Project Board currently assembled meets monthly in terms of the Phase 1 works and will meet more frequently and as required as the project progresses, the project board will consider all aspects of the scheme from planning, procurement, delivery and through to being fully operational.

The Project Board are to put in place formal control procedures and decision making protocols to ensure effective management from feasibility to completion and operation. A programme will be put in place for meeting specific milestones along with facilitating transparency of all management systems and procedures for audit purposes. The Board will focus time, quality and cost objectives for the project along with putting in place effective risk identification and mitigation systems and will ultimately review the performance of the project through each respective stage.

As noted, the council will be responsible for the operation and maintenance of the project post completion of the works and will utilise revenues generated by the scheme to cover costs of ongoing maintenance.

There will also be a contract in place between the private sector operator and the council which will be managed by the service commissioning team.

The council are intending to be responsible for the overall project marketing and communications during the delivery stage and will promote the project through its social media presence, council website and press releases.
Prior to completion, the procured operator will also input into marketing for the scheme, community spaces and the workspace as well as promoting specific events and activities.

In terms of budgetary management, the project will be governed by the Council’s Financial Regulations and Policies relating to financial control.

The overall budget for the project will be the responsibility of the project team lead who is supported by the independent project manager and quantity surveyor to assist with budget management. All claims for funding will be ratified by the council’s finance team. The accounting system utilised for all activities including projects is wholly compliant with Public Sector Financial Regulation and has been used for previously audited publicly funded project and programmes and is therefore deemed sufficient for this project.

Monitoring and evaluation arrangements are in place through all aspects of the remaining detailed design and planning process and for the physical delivery of the capital works on-site as well as performance post practical completion. The council have confirmed that all evaluation information will be made available to D2N2 as a requirement of the Getting Building Fund.

In terms of risk, a risk register has been prepared and will be managed by the project manager on a day to day basis. The Project Board will be collectively responsible for identifying all risks throughout the project to ensure that an appropriate mitigation strategy is implemented. The risk register will be reviewed monthly at the Project Board meetings.

| Assessors Comments | The management case information and proposed structure for delivery, management and evaluation of the scheme are considered to be robust with all aspects of the scheme, from detailed design to practical completion and operation being subject to scrutiny by an established Project Board. It is considered that the role of the Project Board is going to be essential in terms of enabling the project can come forward for delivery both on time and within budget given that at this time, the project is at an initial stage of design and requires detailed design process to be completed and listed building consent to be secured. Both of these matters could significantly impact on budget and costs, which will need to be rigorously managed and monitored to ensure that the scheme can be delivered along with the outputs that are proposed. |

7.0 Assessors Recommendation

The following recommendations are proposed as a condition of any award of Getting Building Fund to this project;

i. The outcome of the procurement process to secure an operator for the scheme to be confirmed once completed. However, this contribution has been
underwritten by High Peak Borough Council and the project can progress should this not be completed.

ii. A detailed programme for delivery of the second phase of the scheme to be provided once the procurement process for a contractor has completed and delivery timescales can be crystallised.

iii. High Peak Borough Council will be required to update their Detailed Business Plan and cashflow for the scheme once an operator has been procured, detailed design complete.

8.0 Officer’s Recommendations

Strategically the project aligns with the LEPs Emerging Recovery Strategy and other local and national policy. In particular this project looks to support the growth of our towns and economic corridors and by investing into this key site in Glossop Town Centre we are emphasising the need to support these areas. The grant funding requested will be used to renovate and refurbish the existing floorspace in the town and this space providing new uses and a long-term usage to key sites in the town centre.

The project sponsor has provided significant and robust market evidence from September 2020 to provide the LEP with the assurances needed for this type of development with the circumstances around Covid-19 present. CBRE have provided independent advice which reaffirms the usages presented with the business case.

The project has been tested against the conditions of the Local Assurance Framework and fully complies with the document for phase 1 of the project and is therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £2,000,000 of Getting Building Fund to be released to High Peak Borough Council.
D2N2 officers will ensure that the project is held to a contractual obligation to fulfil the delivery of phase 2 of the project. These conditions will include ensuring that High Peak Borough Council continue to progress the development through to delivery of the phase two elements and track significant milestones such as Listed Building Consent, procurement of the private sector operator and procurement of the phase 2 contractor. These conditions will be guaranteed within the Grant Offer letter and tracked through the monitoring processes of the programme.
## Getting Building Fund Checklist

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A detailed ‘Green Book’ compliant business case has been completed detailing the project and its alignment to the 5 case model. ‘The Checklist’ published by HM Treasury is a useful one page guidance paper. The promoter has submitted a compliant business case which aligns with HM Treasury’s 5 case Green Book Model.</td>
</tr>
<tr>
<td>2.</td>
<td>A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of ‘High’. The projects Value for Money has been independently scrutinised by Amion Consulting and has been confirmed to provide High Value for Money.</td>
</tr>
<tr>
<td>3.</td>
<td>Details confirming that all planning consents have been granted and that all prestart conditions have been met. The project does not require planning permission for either phase of the development. The listed building consents for the first phase been concluded and approved.</td>
</tr>
<tr>
<td>4.</td>
<td>Confirmation that any Section 106 or other agreements have been entered into. N/A</td>
</tr>
<tr>
<td>5.</td>
<td>Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions) The phase 1 works for the project were tendered through an open tender exercise and Messengers Construction were chosen as the preferred contractor. The second phase of development will follow a similar open tender exercise.</td>
</tr>
<tr>
<td>6.</td>
<td>Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs Following the tendering exercise, the project sponsor and main contractor have agreed a JCT intermediate contract for the works which will follow the following dates. - Start Date – October 2020 - End Date – May 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Confirmation</th>
<th>Details/Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent.</td>
<td>The promoter has confirmed that they will be responsible for any cost overruns on the project.</td>
</tr>
<tr>
<td>8.</td>
<td>Confirmation that the project has been designed to RIBA stage 4 or its equivalent.</td>
<td>The project has been designed to RIBA stage 4 for the first phase of the development.</td>
</tr>
<tr>
<td>9.</td>
<td>Details of any outstanding points preventing/delaying the start-up of the construction contract.</td>
<td>There are no outstanding issues which would delay the start of the phase 1 contract.</td>
</tr>
<tr>
<td>10.</td>
<td>Details of any changes for the project form the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.</td>
<td>The project has made no substantive changes from the EOI submitted in Summer 2020.</td>
</tr>
<tr>
<td>11.</td>
<td>Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales.</td>
<td>The Council Executive confirmed that all match funding is in place for both phases of the development and this was confirmed on the 24th of September 2020.</td>
</tr>
<tr>
<td>12.</td>
<td>Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project.</td>
<td>High Peak Borough Council have confirmed they own the freehold for all the land associated with the development.</td>
</tr>
<tr>
<td>13.</td>
<td>A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.</td>
<td>A phasing plan for the development has been included within the Final Business Case. This sets out both the funding by quarter for the development and the build timelines for both phases of the development.</td>
</tr>
<tr>
<td>14.</td>
<td>An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.</td>
<td>The project promoter has provided an up to date risk register which sets out the main risks to the project and a subsequent RAG rating and mitigation.</td>
</tr>
</tbody>
</table>
In July 2020, D2N2 was allocated £44.4 million from the government's Getting Building Fund towards the delivery of a range of projects across the region to stimulate economic activity and aid recovery from the impacts of Covid-19 on the region. The funding is subject to each of the 10 identified projects submitting a business case that is fully compliant with the D2N2 Local Assurance Framework (LAF).

In order to support D2N2 and the accountable body, independent expertise has been procured from Thomas Lister Ltd and Amion consultants to assess each of the projects against the requirements of the local assurance framework.

This project being put before the Investment board has now been assessed and is being recommended for consideration and approval based on its full compliance with the LAF. Following an approval D2N2 will release £500k of Getting Building Fund to Chesterfield College.
## D2N2 Investment Board

### Centre of Excellence – Modern Construction and Digital Technologies Final Business Case – Project for Decision

### Getting Building Fund

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Centre of Excellence – Modern Construction and Digital Technologies</th>
<th>Project Applicant</th>
<th>The Chesterfield College Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Start Date</td>
<td>November 2020</td>
<td>Construction End Date</td>
<td>February 2021</td>
</tr>
<tr>
<td>Getting Building Fund Requested</td>
<td>£500,000</td>
<td>Total Project cost and Sources of funding</td>
<td>£875,000 £375,000 is match funding from Chesterfield College</td>
</tr>
</tbody>
</table>
| Gross Value Added/ Benefit Cost Ratio | £3.5m/4.6:1                                                       | Expected Outputs            | • Private Sector investment levered £375,000.  
                                           |                                                                  |                             | • 3 new jobs created  
                                           |                                                                  |                             | • Floorspace constructed refurbished 330 sq m refurbished.  
                                           |                                                                  |                             | • 560 new learners supported.                     |

### 1.0 Project Description

The proposals for this scheme are for Chesterfield College to develop a centre of excellence for modern construction techniques and digital technology, to provide a higher level of skills within the industry to meet employer demand.

Key areas of skills development will include:

- Building Information Modelling (BIM)
- Modern construction techniques
- Augmented/Virtual Reality (AR/VR)

The development at BIM and modern construction techniques will provide progression routes for level 2 students and apprentices to progress to level 3. In addition, opportunities will be provided for the existing workforce to upskill to higher levels to move up the skills escalator into more productive, better paid jobs, future proofing skills and to meet the growing demand of new technologies and methods by employers.
The college already has an advanced manufacturing and building technologies facility and have established partnerships and collaboration with high profile companies and local businesses within the construction sector.

It is through this collaboration that a range of gaps in the provision of courses and education at the college and within the workforce have been identified. New and refined courses are proposed to be provided within the new Centre of Excellence.

Delivery of the project will involve the redevelopment of existing premises owned by the college within their campus, which will involve the following works;

- Clearing out of the existing building and ensuring all utility provision to the building is sufficient and in appropriate locations. Testing of ground composition to ensure that the floor is of suitable bearing capacity to take the installation of the proposed equipment.
- Construction of a mezzanine floor.
- Installation of equipment including;
  - A CAD workstation
  - VR Headsets
  - VR Cave
  - 3D Scanner (Scan Arm)
  - Laser Scanner
  - Wacom Tablets
  - Design Workstation
  - 3D Printer
  - 3D Scanner

The college has confirmed that the refurbishment of the building does not require planning approval and all works are now ready to proceed subject to D2N2 funding being secured.

2.0 Summary of Strategic Case/Fit

The strategic fit of the project is presented below;

i. D2N2 Strategic Economic Plan (SEP)

The project would directly support Three Priority Areas identified in the SEP as follows;

- Advanced Manufacturing and Engineering
- Digital Technologies and Data
- Energy and Low Carbon Technologies

The education and training to be provided at the proposed facility is strictly in accordance with these areas, seeking to drive productivity and support construction as a Core Priority Sector to D2N2.

ii. Local Industrial Strategy (LIS)
Whilst the LIS has not been referred to within the Business Case, the project is considered to fit with various strategic objectives particularly around support being provided to the future workforce, many of whom are young people. The potential to upskill and reskill the existing workforce, many of which are in low skilled occupations and are potentially at risk from automation of jobs is also supported.

Typically, within many parts of Derbyshire, there is a high proportion of jobs at risk of being displaced, well above the national average many of whom are located within the catchment area of the college.

The ability therefore to target potentially marginalised sectors of the community assists to create a more inclusive society through the provision of education and training opportunities is recognised.

**Government Policy and Strategy**

iii. Central Government have issued a number of policy papers, programmes and strategies over the last twelve months, designed to stimulate economic activity, incorporating construction.

The Chancellor announced in the Summer Economic Update of plans to invest in green homes and technology along with investment in energy efficient public buildings, stating that construction is one of the most important sectors to the UK economy. The proposed centre will allow unemployed adults to reskill and upskill in new construction technologies through training courses offered.

The proposed centre will also support the governments ‘New Deal’ as part of a comprehensive plan by government to build, delivering upgrades to local infrastructure and boosting skills to assist with economic recovery across the UK.

There have also been other funds and funding programmes launched providing investment including the COVID-19 sustainable innovation fund. This fund seeks to support the UK to build a sustainable and productive future, based upon technological advancement within the construction sector, such as BIM and enhancing construction skills.

The proposed Centre of Excellence therefore seeks to develop skills and knowledge for the future, helping to address a significant gap in skills of people in the D2N2 area and matching these to demand from employers, which is essential to achieving a productive economy within the D2N2 area.

| Assessors Comments | The rationale for the project has been clearly identified within the Business Case and it is demonstrated that there is a clear alignment to D2N2 strategic objectives and those of Central Government. |
3.0 Summary of Economic Case and expected outcomes

The economic case has examined a long list of options and a framework for short listing (using CSFs against the level of ambition in terms of service delivery). The shortlist comprises a Do Minimum option within this case is based on no new investment in college facilities. A full VfM exercise has been undertaken by the applicant on the following short-listed options:

- **Option 1: Business as Usual (where the existing position is maintained with no change)** Do nothing – continue to deliver our current suite of qualifications using current equipment; not meeting local needs and key priorities – Cost estimate @ £0

- **Option 3: Reduced option**: Reduced Option - One room dedicated to BIM, MMC and VR/AR technology – low cost tech and some specific software – would not add much value, would not support career development and address local needs/priorities, Potential loss of investment due to lack of interest from learners and employers – Cost estimate @ £61,000

- **Option 5: Preferred Approach**: Converted building space exclusively for BIM, MMC and VR/AR technology and modelling up to industry standard including VR/AR Caves, Additive manufacturing (3D modelling, printing and scanning; mixed material processing (resin, polymer, glass etc)) with bespoke curriculum designed and developed – Cost estimate @ £875,000

This has examined the key economic benefits in terms of education and training outputs. The redevelopment of the site at Chesterfield College will increase the number of students training on site and receiving qualifications. This will create further economic benefits through increasing the number of people in employment and increasing the future wages of students due to their improved qualifications.

The analysis shows that Option 5 provides the largest NPSV and also the highest BCR at 4.6. The assessed wider benefits analysis also favours Option 5 over Option 3.

On this basis Option 5 has been selected as the preferred option. Sensitivity analysis has been conducted and Option 5 remains robust with significant changes to costs and benefits.

The approach has set a different level of OB for Option 3 based on the lower level of development of this option. If the OB is set the same across the two options (at 10%) then the BCR is marginally higher for Option 5 than Option 3. In addition, Option 5 would still deliver the largest PVSB.

| Assessors Comments | The economic case provides an assessment of alternative options and has undertaken a VfM assessment adopting an appropriate methodology. This is deemed as being compliant with HMT Green Book and D2N2 assurance principles. The results of the analysis demonstrate that Option 5 is the best |
performing option, in particular as it delivers the highest level of BCR that is in the ‘high’ VFM category (significantly above the D2N2 threshold of 2:1). Sensitivity analysis indicates that the BCR is robust to changes in cost/benefits assumptions.

4.0 Summary of Commercial Case

The commercial case is presented to assess the optimum means to deliver the preferred option, along with setting out the delivery and procurement arrangements. The commercial case is summarised as follows;

i. Market Assessment

The market assessment has concentrated on local evidence within Chesterfield, Derbyshire and wider area in terms of the employment profile, qualification and skills of the local residents. The findings of the assessment are detailed as follows;

- Within a 30 mile radius of Chesterfield, there are 9,000 jobs requiring BIM, which is 10% above the national average and set to increase by 3.6% by 2024.
- There are over 35,000 jobs in the local area requiring modular building skills, forecast to increase by 3.7% by 2024, which is again above the national average.
- There are 21,000 jobs requiring augmented reality skills within the local area, projected to increase by 9.4% by 2024.
- More frequently, sustainable modern construction methods are being specified within planning applications for larger developments, which will result in the expansion of modular construction within the local and regional area thus in turn this will increase demand for skilled jobs within the construction process.

In context with this demand for modern skills and construction processes, is the socio-economic position within the D2N2 area, which is presented as follows;

- GVA in D2N2 is projected to decline by a greater proportion than the national average, equating to a decline of around 37.5% in the second quarter of 2020, compared to 35.1% nationally.
- Across the D2N2 area, there exists considerable divergence with some of the highest declines across North East Derbyshire, Derbyshire Dales, Bolsover, Amber Valley and High Peak, all of which are within the normal catchment area for the college.
- In the majority of the areas noted above, projected output losses are linked to the manufacturing and construction sectors.
- ONS Data forecasts that Chesterfield will have the second highest unemployment rate in the D2N2 area at 12.2%. Chesterfield already has high youth unemployment and this is set to grow disproportionately accelerated by the pandemic.
Data from the DMP Bank of England survey suggests that by quarter three 2020, employment levels in Chesterfield will reduce by over 4,000 and a reduction of nearly 25,000 across Derbyshire.

CJRS Data shows there are 11,500 employees currently furloughed in Chesterfield, equating to around 18% of the working population and in excess 96,100 across the wider Derbyshire conurbation.

The demand, need and opportunity therefore to seek to reskill and upskill residents within the Derbyshire catchment area for the college has therefore been demonstrated, reinforced with an identified skills gap collaboration with employers working in partnership with the college.

ii. Procurement Strategy

Whilst the college could utilise various frameworks to procure building works and acquisition of equipment, due to the nature of the work to be undertaken/equipment to be acquired, it has been necessary to approach specialist contractors/suppliers for this project. This is detailed as ‘single tender justification’ and is wholly in accordance with the Colleges’ procurement policy. The quotations received for the works and equipment purchase have been obtained from companies vetted by the college as suitable suppliers and whilst current quotations are in excess of budget, negotiations are on-going to ensure that costs will be brought to be within the budget of £875,000.

The overall procurement strategy will be managed and monitored by the college in accordance with the identified correct procedure and subject to approval within the college’s financial regulations.

| Assessors Comments | The Commercial case has demonstrated need, demand and opportunity both within Chesterfield and the wider Derbyshire area, underpinned by an identified gap in skills provision within this area by employers currently working with the college. In terms of delivery of the scheme, the college have identified that a public sector compliant procurement process will be utilised for this scheme. |

5.0 Summary of Financial Case

The Financial Case presented within the Full Business Case primarily identifies that the D2N2 GBF would be spent on preparing the building for high end visualisation equipment and suites in accordance with plans that have been prepared for delivery of the scheme.

The £375,000 match funding from the college will be sourced from the internal Estates and Infrastructure budgets and will be used to acquire all of the equipment necessary to fitout the completed refurbished space. The Business Case is supported by scheme drawings produced by PDic and we further understand the scheme costs have been estimated by consultants acting on behalf of the college.
Beyond the plans that have been provided, we do not have any further information to substantiate the costs of the scheme. It is therefore recommended as a condition of GBF, that the college provide a copy of all tenders/quotations obtained for the scheme in its entirety, to demonstrate that it is deliverable in accordance with the proposals and programme provided.

With regard to the operation of the completed facility, the college has produced a three-year income and expenditure account for the additional income generated and costs that will be incurred post capital investment.

The income and expenditure profile in year one shows that a small loss is made in the region of £2,394; however, for subsequent years two and three there is a significant surplus generated and on this basis the facility should be sustainable in the very short term.

The college has confirmed that across all of its operational activities, and in order to support group overheads, each facility is expected to reach a contribution to overheads in excess of 40%. Therefore, this project will need to exceed a 40% surplus in order to comply with this requirement. It is noted that the surplus made shows a surplus of £242,052, which is less than the 40% threshold of £265,256, equating to a shortfall of £23,204.

The college do state that the forecast is based on delivery numbers much lower than current profiled numbers throughout the college and that in addition there may be some commercial activity on the back of this project in order to support local business; however, this has not yet been included.

Therefore, it is anticipated that the ongoing costs of delivery for the new facility should be affordable, based on the delivery models outlined.

It is however recommended as condition of any investment that the college confirm that in the event that the new facility does make a loss beyond year one, that the college will underwrite any revenue shortfalls in order to ensure that the facility is sustained and remains operational.

<table>
<thead>
<tr>
<th>Assessor</th>
<th>Comments</th>
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<tr>
<td></td>
<td>The college are well established and are deemed to have the expertise to be able to deliver this project on a sustainable basis. There are recommendations to be attached to any offer of funding specifically in relation to the financial case, which should enable the provision of more detailed information at the time when this is available and also to mitigate any risk to D2N2 of the facility not being retained post funding and construction stage.</td>
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### 6.0 Summary of Management Case

The Management Case for this project as presented in the Business Case is summarised as follows;

#### i. Programme Management and Governance

The project will have input from the following college staff;

- **Director of Facilities and Estates** – to work in conjunction with the design and build team on-site to ensure the build is completed on time, to specifications, meets regulations and is in accordance with budget.
- **Chief Operations Officer** – undertaking the role of project sponsor working with the Director of Facilities and Estates on design and specification and overseeing the project to ensure that all elements meet the needs of the curriculum. The Chief Operations Officer will report to the College Senior Management Team and Corporation in respect of the progress of the project.
- **Chief Finance Officer** – will manage the finances and financial processes of the project, reporting to the Senior Management Team and Corporation.
- **College Senior Leadership Team** – in place to give consideration to the overall Business Case of the scheme, input on design and curriculum requirements. Also undertaking the monitoring of the project during the construction stage through project meetings and reporting on different levels to in respect of project management and governance.

#### ii. Procurement of Specialist Advice

The college employs the services of a design and build team to work alongside the colleges inhouse facilities and estates team in producing designs to meet the technical specifications of the facility as required. In addition, a building control team will be appointed to ensure that all current building regulations are complied with as part of the project also with a responsibility for managing works onsite.

#### iii. Change Control

Any changes to the project will be managed through the project governance channels and agreed or otherwise at all levels before being actioned. As this is a design and build scheme, very little change is anticipated and should any arise it would be risk assessed for costs and timescales that primarily the responsibility of the contractor.

#### iv. Risk Management

The college has a robust risk management and mitigation risk management policy and framework in place, which applies across all the college’s activities, internal control and corporate governance arrangements.
The policy has been provided as part of the Business Case supporting information and no issues are noted in this regard.

The college has also procured a risk register for the subject project which was prepared for the initial design process which commenced in December 2019 and will operate, be monitored and updated throughout the duration and delivery of the project. The risk register has been reviewed as part of this assessment along with the estates project plan and no concerns or issues have been identified in this regard.

| Assessors Comments | The Full Business Case and supporting information demonstrates that the college have established project management, risk management subject to a formal risk register that has been in place since the inception of the project. No issues are therefore identified in relation to the management case. |

### 7.0 Assessors Recommendation

The recommendation is for £500,000 of GBF to be approved for this project, subject to compliance with the following conditions;

i. An updated programme for the delivery of the scheme to be provided confirming the final arrangements for delivery with the contractor and equipment suppliers.

ii. A revised profile for the drawdown of GBF to be provided to D2N2 once the programme for delivery has been finalised.
8.0 Officer’s Recommendations

Strategically the project aligns with various parts of the D2N2 Emerging Recovery and Growth Strategy and looks to contribute to multiple aims of this. In particular the investment will deliver on Guiding principle 1, proposition 3 to enable a focus on skills for life and an inclusive and productive workforce for the D2N2 Economy. The new centre and capital equipment will enable Chesterfield College to offer specialised training to not only provide skills to new learners but also to reskill and upskill the existing workforce of D2N2 to higher educational standards which will be key to covid recovery. This in turn relates directly to Guiding principle 3, proposition 2 by providing access to these skills and employment opportunities right across the D2N2 Region and focusing on a key town of Chesterfield for this provision.

The project has been tested against the conditions of the Local Assurance Framework and fully complies with the document and is therefore eligible for funding to be released.

Following a review of the business case alongside the independent assessment, officers would recommend the Investment Board to approve the request of £500,000 of Getting Building Fund to be released to Chesterfield College.
## Getting Building Fund Checklist

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<tr>
<td>1.</td>
<td>A detailed ‘Green Book’ compliant business case has been completed detailing the project and its alignment to the 5 case model. ‘The Checklist’ published by HM Treasury is a useful one page guidance paper.</td>
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<td></td>
<td>The promoter has submitted a compliant business case which aligns with HM Treasury’s 5 case Green Book Model.</td>
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<td>2.</td>
<td>A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of ‘High’.</td>
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<tr>
<td></td>
<td>The projects Value for Money has been independently scrutinised by Amion Consulting and has been confirmed to provide High Value for Money.</td>
</tr>
<tr>
<td>3.</td>
<td>Details confirming that all planning consents have been granted and that all prestart conditions have been met.</td>
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<tr>
<td></td>
<td>The project does not require planning permission as this project works under permitted development.</td>
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<tr>
<td>4.</td>
<td>Confirmation that any Section 106 or other agreements have been entered into.</td>
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<tr>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>5.</td>
<td>Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)</td>
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<td>The Project sponsor has confirmed the procurement arrangements for the project. Both the equipment purchases, and main contracts of work have been procured using single supplier arrangements which aligns to the College’s and public procurement regulations.</td>
</tr>
<tr>
<td>6.</td>
<td>Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs</td>
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<td>Chesterfield College have agreed the construction contracts for the development and purchase of equipment. The construction works will begin in November 2020 and are scheduled to last until February 2021. The Capital Equipment purchases for the project are due to take place in January 2021.</td>
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7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent. | The promoter has confirmed that they will be responsible for any cost overruns on the project.

8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent. | The project has completed all designs for the works associated.

9. Details of any outstanding points preventing/delaying the start-up of the construction contract. | There are no outstanding issues which would delay the start of the Contract

10. Details of any changes for the project form the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC. | The project has made no substantive changes from the EOI submitted in Summer 2020.

11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales. | The promoter has confirmed that all match funding for the project is in place and the College’s Finance Committee and Full corporation Board approved the match funding contributions on the 15th of October.

12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project | Chesterfield College have confirmed they own the freehold for all the land associated with the development.

13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis. | A phasing plan for the development has been included within the Final Business Case. This sets out both the funding by quarter for the development and the build timelines for both phases of the development.

14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan. | The project promoter has provided an up to date risk register which sets out the main risks to the project and a subsequent RAG rating and mitigation.
1. Introduction

Significant progress continues to be made on the next steps set out in the Summary Business Case for a new type of development corporation for the East Midlands. At its meetings in July and October, the ‘Alchemy Project’ Board which is overseeing the work agreed to the:

1. Establishment of an interim vehicle in principle subject to the approval of the five directly affected local authorities.
4. Work on a Prospectus for the regional applications of some of the emerging themes including connectivity, energy, natural capital, skills and health.

2. Establishment of an Interim Vehicle

It is intended to establish an Interim Vehicle as the new model of Locally Led Urban Development Corporation (LLUDC) proposed for the East Midlands will require legislative change. The establishment of a Company Limited by Guarantee, to be known as EM DevCo, will enable essential work to progress and momentum to be maintained. The five local authorities with administrative responsibilities within the current scope of the programme (Toton, Chetwynd Barracks, East Midlands Airport and the power station at Ratcliffe on Soar) will be the owners of the company; namely:

- Broxtowe Borough Council
- Leicestershire County Council
- North West Leicestershire District Council
- Nottinghamshire County Council
- Rushcliffe Borough Council

Detailed discussions are now underway between the 5 local authorities with a series of reports being presented to their respective committees between now and the end of the calendar year. Once established the interim vehicle will take forward the intense strategic planning and early delivery work required, before transitioning into a statutory development corporation.

3. Engagement with Government Officials & Progress on the Business Case

Strong engagement with Government has been maintained since the submission of the Summary Business Case. The engagement with Government analysts and policy specialists has been vital to the continued development and strengthening of the business case for a new type of LLUDC.

In a letter from the Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government to Sir John Peace members will recall partners were congratulated
on the progress made through the challenging period of the Coronavirus pandemic. He also confirmed his support for the establishment of an interim vehicle and continuing momentum. These words have been followed through in the publication of the Planning White Paper consultation "Planning for the Future", which includes positive reference to the Development Corporation work on page 69 with the following statement:

"As we bring forward planning reform, we also want to ensure we have in place the right delivery mechanisms, including development corporations. A good example that we are already progressing is development at Toton in the East Midlands, where we have announced our intention to support the establishment of a development corporation to maximise the area's international links and create tens of thousands of new homes and jobs. We want to see more schemes of this kind, backed by modern delivery models, around the country."

Our consultant team prepared a response to the consultation, working with a small working group comprising some of our key partners, which was submitted on 29th October.

Good progress continues to be made in relation to work on the wider business case for the development corporation being developed for Spring 2021. Specialist economists, Amion Consulting, are now working with the team to bring the story together. They will continue to work with the Arup Team (Strategic and Economic Cases) and Grant Thornton & Pinsent Masons (Financial, Commercial and Management Cases) over the next few months to work up the detailed five case business case. Grant Thornton have developed a financial model which is currently being tested. This is based on the economic case and in turn will help shape the emerging commercial and management cases.

4. Develop further proposals to describe the future role of the Alchemy Project.

Further consideration is being given to the potential regional application of some of the emerging themes including connectivity, energy, natural capital, skills and health was endorsed at the October Board meeting. This will be taken forward through the Executive Group for further development.

5. Making the case for investment

The Development Corporation Programme made a submission to the Government Comprehensive Spending Review (CSR) in September 2020. The submission and discussions with government set out the projected costs of the interim vehicle for a 3-year period (£18.6m) and other early intervention projects for consideration.

6. Legislative Process for a new type of Development Corporation

There has been an ongoing dialogue with government since our response to the MHCLG 'Development Corporation Reform: Technical Consultation' at the beginning of this year. This dialogue has been supported by colleagues from Pinsent Masons and we have continued to make the case to include a LLUDC into the most appropriate parliamentary process. At present this looks likely to be through the passage of the Planning White Paper and associated Bill. Meetings are taking place with officials in the Development Corporations team of MHCLG to consider the detailed recommendations drafted by Pinsents Masons on behalf of the programme.
7. Working Groups and Other Developments

Several working groups have been established and in addition to the three initial sites will likely also consider the wider application of the Alchemy Project across the region. These groups (listed below) are made up of a diverse range of partners and cover a range of topics, some of which are core to the development corporation, and others which are aligned. The focus of the groups is to explore the respective projects and/or issues from the perspective of both the development corporation, and the wider East Midlands region. Details of specific proposals that emerge from the groups will be provided to future Executive meetings.

- **Connectivity**
  This working group brings together statutory transport bodies, public sector and economic stakeholders to address connectivity issues and drive infrastructure delivery across the region, most recently demonstrated through the launch of ‘Access to Toton’.

- **East Midlands Freeport Enterprise Zone**
  Jointly chaired by the two Local Enterprise Partnerships (LEPs) the group brings together the public and private sector. This includes East Midlands Airport (EMA) and major landowners. The work is looking at EMA and the surrounding area and the Ratcliffe-on-Soar power station site. Technical support is being provided by specialist consultants Vivid.

- **Communications and Engagement**
  Communications teams are collaborating with Baker Baird involving local authorities, LEPs, Midlands Connect, Universities, the Chambers of Commerce as well as private sector stakeholders such as EMA. This group is overseeing the delivery of the communications and engagement strategy, ensuring consistent messaging and alignment with other regional and national strategic priorities.

- **Centre for Zero Carbon Futures**
  A group set up to take forward work to develop an International Centre for Zero Carbon Futures. The group brings together the university sector; industry partners and local authorities.

- **Natural Capital Net Gains**
  This is a group focused on ensuring the programme delivers net gains in natural capital across and between the three sites, and that developments are shaped and planned to maximise the benefits to natural capital. The Group brings together a range of stakeholders including the Wildlife Trust with representation from the Environment Agency, local authorities and industry partners.

Other areas of interest and joint working include Planning, particularly in the context of the Planning White Paper, skills and Health with preliminary discussions taking place with NHS leaders in the region with the support of the NHS Confederation. The latter is part of a wider recognition of the potential importance of development and infrastructure to the future of the NHS.

In preparation for the establishment of the interim vehicle, Turner & Townsend are working with the team to support the establishment of a Programme Management Office for the
interim vehicle with an understanding of large-scale planning/infrastructure developments. The target is for the PMO and associated processes and procedures to be fully operational by the end of this year.

Leonard Design have been appointed to prepare several new visualisations for the EM Devco to work alongside the emerging written coms.

Engagement with partners and other stakeholders remains central to the successful delivery of the programme. Alongside the Alchemy Board and Executive Group regular bespoke meetings are also held to ensure that stakeholders are kept up to date with progress and developments and this approach will continue through to and beyond the establishment of the locally led development corporation.

8. Future Project Governance Meetings

   Executive Group Meetings
   Thursday 10 December 2020
   Thursday 11 February 2021
   Thursday 11 March 2021

   Alchemy Board Meetings
   Friday 29 January 2021

9. Further Information

If you require any further information, please contact Ken Harrison. Ken.Harrison@nottscc.gov.uk