

Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Tuesday, 24 November, 2020

By Teams Dial-In

Chair Elizabeth Fagan

Minutes Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

David Williams	Deputy Chair and Business Representative
Andrew Cropley	F E Representative
Cllr Kay Cutts, MBE	Leader, Notts County Council
Michele Farmer	VCS and Inclusion Representative
Tim Freeman	Business Representative
Cllr David Mellen	Leader, Nottingham City Council
Cllr Chris Poulter	Leader, Derby City Council
Emma Rigler	Business Representative
Viv Russell	Business Representative
Cllr Simon Robinson	Rushcliffe Borough Council, N2 representative
Jayne Mayled	Business Representative
David Wright	Area Lead D2N2, BEIS
James Brand	Business Representative
Susan Caldwell	LEP Sponsor, DIT

Also in attendance

Gill Callingham	rep for N E Derbyshire DC
Anthony May	CEO, Nottinghamshire County Council
Kath Marriott	CEO, Rushcliffe Borough Council
Gerry Dawson	rep for Derby City Council
Scott Knowles	CEO, East Midlands Chamber
Nicki Jenkins	rep for Nottingham City Council
Philip Handley	Accountant, HSKS Greenhalgh (auditors)
Philip Hancock	Accountant, HSKS Greenhalgh
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
Michelle Reynolds	Operations Manager, D2N2
Rachel Quinn	Head of People and Skills, D2N2
Rob Harding	Head of Marketing and Communications, D2N2

Apologies

Apologies were received from Graham Cartledge, Prof Shearer West, Cllr Alex Dale and Cllr Barry Lewis.

1.1 Welcome and Introductions

Elizabeth Fagan welcomed all to the meeting.

1.2 Declarations of interest

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

No Declarations were made.

1.3 Minutes of last meeting and matters arising

The Minutes of the previous meeting held on 23 September, 2020 were confirmed as a true record and actions were confirmed as having been completed.

2.1 Approval of draft Accounts for D2N2

Sarah Wainwright introduced this item before passing to Philip Handley, Director of Audit and Associated Services at HSKS Greenhalgh and Audit Manager, Philip Hancock. Mr Handley took Board through the requirements of the process of reporting, highlighting particular points from the final draft accounts now presented for approval and summarising the audit adjustments and information on the report to management.

Board was advised that in compiling the accounts, a decision had been taken to include all funding going through the LEP and Accountable Body rather than recording only administrative income as some LEPs had elected to do. For this reason, large companies' accounts rules applied.

PH highlighted the operating income shown as £26m and confirmed that this figure represented funds transferred from the old, unincorporated LEP on 1.4.19. Reserves amounted to £27m.

The Report to Management included four points:

1. No formal signed document for the GPF loan to Boots, but no issues as to recoverability which was expected in one year; this was being finalised with Nottingham City Council as the former accountable body of the GPF programme.
2. The loan to Lime House had not been adjusted for;
3. Accountants were going to contact HMRC to check possibility of recovering corporation tax on loan interest;
4. Maximum accrual included for possible annual leave outstanding.

The Chair thanked Mr Handley and the audit team for the comprehensive summary and also recorded thanks to Sarah Wainwright for her work in preparing the accounts. Member-Directors were asked to consider and raise any comments prior to a vote on approving.

In response to a request for an update on the Boots paperwork, SW confirmed that this was in train, with a draft Agreement and Schedule currently with Nottingham City Council for approval and return.

Board **APPROVED** the financial accounts and other documentation required by the auditors. The process would now be completed with presentation of the Accounts to the AGM on 2 December, 2020.

2.2 Chair's Report

Elizabeth Fagan 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) Advisory Boards update;
- iv) Partner engagement.

i) Economic Recovery and Growth Plan

Work was continuing on the Economic Recovery and Growth Strategy (ERGS), the latest version of which was attached to the papers for approval. The Strategy continued to evolve taking into account priorities within the Government's now published 10-point plan.

Cllr Poulter raised an issue under low carbon objectives, noting that Derby's ambition to be a future fuel city had not been referenced. EF responded that we would be fully supportive and would incorporate that into the plan. Directionally, the LEP was working on proposing fewer, bigger asks of Government and focusing on those that would differentiate us as a region. This programme along with others would be the subject of further consideration by each of the Advisory Boards and the outcome would be reported back to the next Board.

Andrew Copley queried how priority work linked in with Towns bids, noting that overlaps had been identified between his own area of Mansfield and that of Newark. He sought support from the LEP in checking overlaps.

Sajeeda Rose confirmed that all 7 Towns Fund teams had been brought together and additionally, Loughborough had been invited to join. The aim was to support teams to learn from one another and to provide consistency across all areas with common issues such as HS2.

Board **ENDORSED** the ERGS.

ii) East Midlands Freeport Update

EF drew Members' attention to the Freeport prospectus bid information that had just been published, highlighting pertinent changes that would shape the local bid. Under previous guidelines, Government had proposed one contiguous site, which had been potentially problematic with the airport and power station sites intersected by the M1 motorway. Now following lobbying, the current report provided for up to 3 sites within 45km of the main site, together with scope for enhancing the proposition. Sites would need to be able to demonstrate a clear strategic and economic rationale for coming together clustered around the airport as the primary port. The Chair confirmed that work would be undertaken with the local authorities to promote this potential opportunity to large landowners.

Cllr Poulter welcomed this clarification, which could bring sites in South Derbyshire as well as Derby's Infinity Park into consideration.

The Freeport would have a governing body comprising the local authorities who were

planning authorities with landowners, LEPs and local MPs. The current local authorities have agreed in principle to the freeport but work was being done on the wording of endorsement letters signed by their authority Leaders to ensure that commercial sensitivities and planning considerations were appropriately handled.

EF asked for input from the business representatives on the board – specifically Tim Freeman and James Brand on considering how a freeport in the region might support existing businesses that are heavy import/exporters.

EF informed Board that the final bid had to be submitted by 5 February, 2021. If successful, there would then be a year in which to put a full business case together. The Chair sought confirmation that Board was happy with the way this bid was being progressed including the current proposed sites, developed through the Working Group jointly led by both LEPs, with the local authorities and landowners collaborating together.

Board **CONFIRMED AGREEMENT** that the current operating model and governance arrangements were the best way to take the bid forward.

iii) Advisory Boards Update

The Chair invited those Advisory Board Chairs present at the meeting to add any comments to link in and show how the LEP was working through its ABs to put priorities into the Recovery Plan.

Viv Russell, Chair of the Business Growth and Innovation Advisory Board, confirmed that the Recovery Plan represented the 'golden thread' linking all activity from BGIB to its 5 key themes and further consideration would be given to it at the December meeting.

David Williams, Chair of the Place Advisory Board, confirmed that positive discussions at Place Board had resulted in prioritisation of projects. The task now was how to deliver on them.

iv) Partner Engagement

Michele Farmer was invited to update the meeting on work with engaging communities through the voluntary sector. A meeting had been held for more than 60 delegates discussing recovery from the impact of Covid-19. A good initial strategy for inclusion had been developed and further work would take place with a team to formulate a tighter structure. Details would be brought back to a future Board.

Andrew Cropley offered support via links into the college network for this exercise.

Positive meetings had been held with District leaders as well as the region's Conservative and Labour MP groups. EF highlighted that Mansfield MP, Ben Bradley had raised the Freeport bid in the Commons during the past week.

Board **NOTED** the Chair's report.

2.3 Chief Executive's Report

Sajeeda Rose presented her report updating Board on items including:

- a) Skills Update;
- b) Business and Innovation Update;
- c) ESIF Update;

d) Marketing and Communications Update.

and referred members to the notes under each item.

On Skills, SR drew Board's attention again to the importance of digital skills that form part of Government's lifetime skills guarantee. She informed Members that an offer had now been received from DfE to launch the 12-week digital boot camp pilot in the coming days, which would ensure that digital skills were embedded across all work areas. Further updates would be brought back to future Boards.

Under Business and Innovation, the CEO underlined the continued importance of the Growth Hub in supporting businesses including start ups and a particular current focus on transition arrangements as the UK exited the EU.

Work was under way with DIT on supporting inward investment to the region, whilst for export a dedicated International Trade Advisor post, funded by DIT, was now starting to deliver tailored export support and events across D2N2.

The ESIF programme was now coming to an end and the LEP was waiting for the Chancellor's announcement on 25 November, 2020 to see what transition funding may be available to support businesses and individuals.

For Marketing and Comms, SR recorded thanks to Luke Stott who had now moved on to work with partner organization, Midlands Engine.

Work was underway led by Jayne Mayled, Rob Harding and Frank Horsley to look at where gaps existed in availability of information on support for businesses and how to plug those and promote appropriately to ensure support reached all of the region's businesses who needed it.

The agenda for 2 December D2N2 AGM was being finalised for publication. 250 delegates had registered to attend.

LEP Sponsor, Susan Caldwell was invited to add any comments from a Westminster perspective. D2N2 was known in Whitehall but received less overt attention compared to some other LEPs. SC would continue to work with SR to ensure that D2N2's profile was raised. Meanwhile a new national Office for Investment had been announced by Government to ensure internationally important capital investment was secured as well as to support business and infrastructure opportunities generally, including those pertinent to the D2N2 area.

David Wright echoed SC comments and reiterated the need to continue to build the picture of what this area had to offer by feeding in to all Government departments as they shaped their strategy for delivering the 10-point plan.

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 Board(IB) on 12 October and 4 November, 2020.

She reminded Board that the IB oversees and approves projects which then come before main Board for final endorsement. Papers from the Investment Board are now sent to all Members for information.

On LGF, Board was informed that spending was on track in the final year of this 5-year programme, with £16m of allocated £40m spent and a contingency overprogramming of £1.8m to allow for slippages.

The mid-year review with BEIS had produced positive feedback on delivery, governance and strategic development.

Four projects were detailed in the report.

The Turbine Innovation Centre project (£572k) and Lindhurst Development (Mansfield project for mixed use including housing - £3m) were approved by the October IB and subsequently ratified by written procedures.

SR invited Tom Goshawk to talk the Board through summary slides including outcomes and numbers of jobs/learners to be created for the other two projects, namely:

1. Chesterfield Centre of Excellence for Modern Construction and Digital Technologies (£500k Getting Building Fund towards a £875k project targeting emerging sectors of growth to upskill the current local workforce and creating 560 new learners including apprentices)
2. Glossop Municipal Buildings Project (£2.2m GBF towards a £5.48m project for renovation of unused buildings in the town centre, creating 105 new jobs and 20 business assists).

On the Local Assurance Framework (LAF), SR reminded Board that this set out how LEP funding was to be managed, as well as governance and scrutiny arrangements. As a number of elements had changed this year, such as the LEP's inclusion approach and commitment to sustainable environment, the version now presented for approval had been tightened and refreshed to reflect updates. Members were invited to consider adopting the refreshed LAF.

Board **NOTED** 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.

Board **RATIFIED AND CONFIRMED** the decision of the Investment Board to invest £2,000,000 of Getting Building Fund to the Glossop Municipal Buildings Project.

Board **RATIFIED AND CONFIRMED** 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.

Board **NOTED** the progress of the D2N2 Capital Programme

Board **ADOPTED** the updated version of the Local Assurance Framework.

2.5 Midlands Engine Development Corporation Strategic Business Case Update

Anthony May introduced this update report. Members were advised that the Development Corporation, a Midlands Engine programme of work to create a single delivery vehicle for strategic sites along the line of HS2, continued to progress well. Public and private stakeholders had been working together on a business case to present to Government early next year.

An interim vehicle, comprising five of the local authorities most affected, was being set up and was to be incorporated as a company limited by guarantee in early 2021, in order to maintain momentum on the project. The links between the work of the Development Corporation and the proposal for a Freeport were understood and acknowledged and AM confirmed that the two would be closely aligned.

A response was now awaited from Government to the request for revenue support for the interim vehicle – this was not expected to figure in the Chancellor's Spending Review on 25 November.

Cllr Cutts commented that that without HS2 assurity, both the Development Corporation and the proposed Freeport would be less viable and for that reason, it was critical for everyone to continue to support all of the projects to lever funds in to the region as part of the levelling up agenda.

Elizabeth Fagan thanked Cllr Cutts for this timely reminder and endorsed her comments.

Board **RECEIVED** and **NOTED** the report.

3. Any other business

None

4. Date of next meeting

Wed 27 January, 2021.