## D2N2 LEP BOARD – AGENDA

**Tuesday, 21 September, 2021 (10.00am – 12 noon)**

By dial in via MS Teams (calendar invitation supplied)

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<tbody>
<tr>
<td>1.1</td>
<td>Welcome and Introductions</td>
<td>Verbal</td>
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<td>1.2</td>
<td>Declarations of Interest</td>
<td>Verbal</td>
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<td>1.3</td>
<td>Minutes of meeting 07/07/21 and matters arising</td>
<td>Paper</td>
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<td>2.</td>
<td><strong>Strategic discussion</strong></td>
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| 2.1 | Chair’s Report, including:  
- The road to net zero: proposed hydrogen task force  
- Reviewing the impact of D2N2 since 2011  
- LEP review update  
- Mental Health in the workplace  
- Partner engagement | Elizabeth Fagan, Chair | Paper | 10.10 – 10.25 |
| 2.2 | D2N2 Interim Chief Executive’s Report, including:  
- Advisory Boards  
- Inclusion  
- Marketing and Communications Update  
- ESF Update | Will Morlidge | Presentation | 10.25-10.40 |
<p>| 2.3 | Brexit: is the impact becoming clear in economic data | Will Morlidge | Paper | 10.40 – 10.45 |
| 2.4 | Presentation on Mental Health and Productivity Pilot | Kate Wood, Derby University | Presentation | 10.45-11.05 |
| 2.5 | D2N2’s International Strategy | Frank Horsley | Presentation | 11.05 – 11.25 |
| 2.6 | Capital Projects Update Report | Tom Goshawk | Paper | 11.25-11.35 |
| 2.7 | Midlands Engine Update |   | Paper for information |
| 2.8 | Development Corporation Update |   | Paper for information |
| 2.9 | Freeport Update | Cllr Robinson | Verbal | 11.35 – 11.40 |</p>
<table>
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<tr>
<th></th>
<th>D2N2 Annual report and AGM</th>
<th>Rob Harding</th>
<th>Verbal</th>
<th>11.40 – 11.50</th>
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<td>- Future meetings: in person, remote or hybrid?</td>
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<td>Date of next meeting:</td>
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<td>- Tuesday, 23 November, 2021 (10am – 12 noon)</td>
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Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Wednesday, 7 July, 2021

By Teams Dial-In

Chair

Elizabeth Fagan CBE

Minutes

Sally Hallam

1. Present and Apologies

D2N2 Board Members in Attendance

Cllr Alex Dale Leader, NE Derbyshire DC
James Brand Business Representative
Graham Cartledge Business Representative
Tim Freeman Business Representative
Cllr Keith Girling Nottinghamshire County Council’s representative
Clare James Business Representative
Cllr Barry Lewis Leader, Derbyshire County Council
Jayne Mayled Business Representative
Cllr David Mellen Leader, Nottingham City Council
Cllr Chris Poulter Leader, Derby City Council
Becky Rix Business Representative
Viv Russell Business Representative
Prof Shearer West, CBE HE Representative
David Williams Deputy Chair/Business Representative
Liz Wigley BEIS
Susan Caldwell LEP Sponsor

Also in attendance

Scott Knowles CEO, East Midlands Chamber
Gill Callingham Director at N E Derbyshire DC
Anthony May CEO, Nottinghamshire County Council
Kath Marriott CEO Rushcliffe Borough Council
Rachel North Director at Derby City Council
Nicki Jenkins Director at Nottingham City Council
Emma Alexander Managing Executive Director, Derbyshire County Council

Philip Handley HSKS Greenhalgh Accountants and Auditors
Sarah Wainwright Derbyshire County Council, Snr Finance Officer Abs
Eddie Robinson Derbyshire County Council, Finance Officer

Officer Support

Sajeeda Rose Chief Executive, D2N2
Will Morlidge Head of Policy and Strategy, D2N2
Michelle Reynolds Operations Manager, D2N2
Rob Harding Head of Marketing and Communications, D2N2
Apologies

Apologies were received from Board members Andrew Cropley and Cllr Simon Robinson.

1.1 Welcome and Introductions

Elizabeth Fagan welcomed all to the meeting, in particular Cllr Keith Girling who was attending for the first time in a formal capacity having observed a previous meeting. She also extended a welcome to Philip Handley from HSKS Greenhalgh Accountants and Auditors, who was in attendance with Finance department colleagues from the Accountable Body and to Liz Wigley, who was replacing David Wright as the BEIS representative on Board.

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 19 May, 2021 were confirmed as a true record and the two actions were confirmed as having been completed.

2.1 2020/21 D2N2 Final Accounts

Sarah Wainwright introduced the paper on D2N2’s final accounts for 2020/21 before handing to Philip Handley who spoke to the draft accounts as presented with the Board pack.

He reminded Board that the accounts would remain in draft until final approval and sign off at the AGM.

Three points were noted:

i) Due to core funding allocation still being awaited at this time, an adjustment to disclosure for the going concern would need to be made later;

ii) At time of compilation, funds were awaited from three listed substantial debtors. Of these, the digital boot camp claim had been chased up and business rates had now been received from Infinity Park, leaving just European funding from the Technical Assistance programme to follow;

iii) The £2.8m of a £5m award advanced to Boots EZ/Nottingham City Council was showing as a repayable loan as at 31 March, 2021 but would be recorded as a grant going forward due to a change in disclosure.

In response to a request from Cllr Girling for clarification on the last point, Sarah Wainwright indicated that, following legal advice on the liability of Nottingham City Council to repay in the event that business rate receipts did not cover the debt, a change was made in disclosure to record the award as a grant rather than a loan. However, it was still anticipated that the £5m would be successfully repaid from business rate uplift.
The Chair thanked Mr Handley and Sarah Wainwright for work in preparing the accounts. Member-Directors were asked to consider and raise any further comments prior to a vote on approving.

Board APPROVED the accounts.
The process would now be completed with presentation of the Accounts to the D2N2 AGM later in the year.

2.2 Chair’s Report

Elizabeth Fagan introduced her report updating members on significant developments since the last meeting, including:

i) LEP Review;
ii) Advisory Boards update;
iii) Levelling Up White Paper
iv) Board Member and executive changes
v) Partner engagement

i) LEP Review

The Chair informed Members that work on the Government review workstreams was ongoing, but Government’s original timescales had been delayed, in part due to parallel work under way on the Levelling Up White Paper. Therefore, a statement of direction of travel only was anticipated in August, with likely review completion now by the autumn of 2021.

In addition, no confirmation of core funding had been received in the first 3 months of the financial year, so co-funding discussions had yet to take place with partners. EF asked Liz Wigley if she had any update to share on this. Liz Wigley understood the frustration experienced by the LEP and expressed the hope that news from Treasury would be imminent.

David Williams felt that sympathy and support for the LEP executive team at this uncertain time should be minuted. The Chair added her agreement to this.

LEP Sponsor, Susan Caldwell reported that MHCLG and BEIS teams had met with Whitehall LEP senior sponsors and flagged up the issue of funding for LEPs. She indicated that Government recognised the value and capability provided by LEPs and assured the meeting that Whitehall colleagues were working to resolve this.

ii) Advisory Boards Update

EF referred Board to the notes in her report and welcomed the significant improvement in collaborative working across the region. She invited any additional feedback from the respective Chairs.

Viv Russell for Business Growth and Innovation Board highlighted the newly set up Manufacturing Advisory Panel, under the chairmanship of Martin Rigley, MBE which was receiving good support from business leads in key companies throughout the D2N2 area. The next step would be to focus on supporting SMEs with industrialisation.

David Williams for Place Board drew attention to ongoing work on 3 initiatives, namely on low carbon growth, modern methods of construction and the use of natural capital. He stressed the crucial convening role of the LEP in this work and thanked all parties for their support in progressing it.
iii) Levelling Up White Paper

EF referred Members to notes in her report. There was commitment by the EM LEPs for a regional piece of work on levelling up. Specific cross-cutting issues such as addressing urban and rural needs and embedding social inclusion would be covered under 2.3 below.

iv) Board Member and Executive Changes

The newest Board Member, Cllr Girling had been welcomed at the start of the meeting. Two Members were leaving the Board. Elizabeth Fagan recorded formal thanks to Michele Farmer, who had resigned following her appointment to a new post outside of the D2N2 area and to Jayne Mayled who was attending her final Board today.

EF informed Board that until the outcome of the LEP review, replacements would not be recruited. This meant that, in common with many other LEPs, D2N2 would not meet government targets on split of the Board in terms of public/private balance and gender as a result. Government was aware and recognised this.

Since compilation of the written report, EF confirmed that the LEP had been made aware of a change of Districts Representative, with Cllr Alex Dale stepping down after this meeting and Cllr Kevin Buttery of Amber Valley BC taking over the seat. The Chair thanked Cllr Dale for being a collegiate and supportive partner. Cllr Dale wished the LEP every success for the future.

EF also noted that this was the final meeting for outgoing Chief Executive, Sajeeda Rose and recorded thanks to her for her significant support in getting the LEP to this point. There had been 8 applications for the replacement interim CEO post and candidates had been shortlisted for interview on 13 July.

v) Partner engagement

The Chair highlighted positive ongoing engagement with the region’s MPs via meetings in their respective political groupings, together with good collaboration with the other regional LEPs and across HE/FE partners.

Board NOTED the Chair’s report.

2.3 Economic Overview and Policy Update

Will Morlidge spoke to summary slides accompanying the paper on D2N2 economic overview.

Data highlights included:

- More live job vacancies than benefit claimants
- No direct correlation between ending furlough and unemployment claims, giving rise to cautious optimism
- Some normality returning to hospitality and retail, though not in terms of spending levels
- Keenness to pursue public health benefits
- Public transport still down 20% on normal levels of usage.

On attitude to business risk, more than one third of businesses surveyed were reporting a positive outlook.
Board noted in relation to the priority on clean growth that the Environment Agency had convened a River Trent partnership which D2N2 would be supporting.

WM recorded thanks to Michele Farmer for her work supporting inclusive growth and drew attention to the fact that all Advisory Boards now had in place specific targets for inclusion and social mobility.

WM also underlined that in its convening and representational role, the LEP relied on support from all partners and thanked everyone for this continued support.

Tim Freeman reminded colleagues of Toyota’s involvement in a number of the initiatives referred to within the overview report and reiterated continued support, including with any new matters as appropriate.

Board RECEIVED the update report and presentation.

2.4 Chief Executive’s Report

Sajeeda Rose presented her report updating Board on items including:

a) People and Skills  
b) Business and Innovation  
c) Place activities  
d) Inclusion  
e) Marketing and Communications

and referred Members to the detailed notes under each item.

She reported that CEC careers hub funding had been confirmed and matched with ESF/partner funds.

Work was underway with HE/FE partners to map skills gaps particularly around levels 4 and 5 and to develop strategies to address these gaps.

Growth Hubs were currently being reviewed for longer-term roles.

On business engagement, gaps had been identified in accessing finance for growth within the region. D2N2 was working with partners and ICAEW to put together a campaign beginning with the life sciences and med tech sectors to address this.

On partnership activity across the LEP Network, D2N2 was working closely with ME9 LEPs on a joint campaign to celebrate the impact of LEPs over the last 10 years and to collaborate on future opportunities.

Board NOTED the report.

2.5 Careers Hub Rollout

Dan Heffernan presented slides on the careers model for D2N2, including expansion plans to extend coverage throughout the region of the careers hubs from September 2021.

Board was informed that DfE had tasked careers hubs with supporting careers education across schools in England, with the ambition that all schools should be part of a hub by 2023. The North Derbyshire Hub, formed in 2019, had been part of the successful national pilot.
DH outlined the work of the Enterprise Co-ordinators in working with teams of schools. He also thanked local authority partners for their support and Enterprise Advisor volunteers and cornerstone employers who provided invaluable support.

Governance would be through the Children and Young People sub-group to the People and Skills Advisory Body. The Children and Young People sub-group was chaired by Board member, James Brand.

The Chair thanked Dan for the summary presentation.

In response to a question from Cllr Mellen on take up and engagement of schools, DH confirmed that all schools in D2N2 had been approached and uptake had exceeded expectation, with 155 out of 163 schools expressing interest, spread evenly throughout the region. Where schools were not engaging, there was usually a reason such as inadequate staffing levels to support.

EF asked James Brand to follow up on which schools were not engaging.

Scott Knowles was invited to add comment from a Chamber perspective. Whilst a lack of progress was noted on the skills accelerator, D2N2 would find out next week whether it could bid for funding to be a trailblazer area. On the matter of schools’ engagement, he noted that free membership to Chamber was offered to all schools but take-up was variable notwithstanding this.

Board NOTED the presentation.

2.6 Capital Programme Performance Update

Sajeeda Rose introduced her report before sharing a video of highlights of the now completed LGF programme.

Board noted that on GBF, 80% of funding allocation – 8 out of 10 projects (subject to final approval at this Board of Smartparc) – had now been approved by Investment Board by its June, 2021 meeting.

The remaining two projects, NAMRC (Derby) and Drakelow (South Derbyshire) were both progressing well and GBF was expected to be fully delivered on them.

Board NOTED the report and LGF highlights.

2.7 Smartparc report

Board considered a confidential report on Smartparc, details and the outcome of which are recorded separately.

2.8 Midlands Engine Overview and Update

AM took Board through a short presentation updating them on the work of Midlands Engine, including the launch of the 10-point plan for green growth.

He highlighted some of the initiatives being driven by Midlands Engine, including inward investment and international trade, and informed Board of plans for a face to face summit in
March, 2022 to showcase £100bn investment opportunities within the region.

Reference was also made to proposals to develop 2 key routes across the Midlands, the A46 and A50/A500 as Strategic Economic Corridors.

In response to a query from Cllr Mellen as to the outcome of the meeting with Minister Pinscher, AM indicated that this had been postponed and was due again imminently. On the Alchemy Board, AM answered a query from Cllr Poulter to confirm that this Board would be meeting again in September to discuss how to continue now that the Dev Corp business case was with Government.

Board NOTED the report.

2.9 Development Corporation Update

Anthony May referred Members to the written report as circulated.

Whilst the business case to develop a statutory corporation was with Government for consideration, work was progressing via the interim vehicle, with a Managing Director appointed and Board members being recruited.

Initial informal feedback from Government had been positive and there had already been significant interest from the investor market.

All steps were being taken to dovetail with Freeport activity which was under way separately and simultaneously.

Cllr Poulter thanked AM and indicated that he would welcome the opportunity to discuss further the role of the Alchemy Board and Development Corporation, with a focus on how funding would be managed in the absence of a Combined Authority.

The Chair confirmed that D2N2 Board and in particular business representatives would consider how best to work with the convened Alchemy Board once its makeup had been determined.

Board NOTED the report.

2.10 Freeport Update

Kath Marriott gave a short verbal update to Board in the absence of Cllr Robinson.

The Freeport Board was now constituted and was meeting every 2 weeks. It comprised 6 public- and 6 private-sector members, with Penny Coates as interim Chair. The Development Corporation’s MD would be invited to be a co-opted member.

Work on the business case was being led by Leicestershire County Council as Lead Body for the Freeport, with Ernst and Young appointed to support.

The outline business case for the East Midlands Global Gateway (re-named Freeport) would be submitted on 10 September, 2021. Government would make decisions by the end of the year.

David Wright of BEIS was responsible for the Freeport policy.
The levers to support the business case were tax- and customs-based, the latter having not yet been fully developed.

KM reported that both she and Will Morlidge were on the working group for the outline business case and reassured Board that the need for the Freeport to bring additionality to the region was repeatedly flagged up, as were the concerns of city council colleagues. The Chair thanked KM for the comprehensive summary report.

Board NOTED the update report.

3 Any Other Business

None.

4. Date of next meeting

Tuesday, 21 September, 2021 (10.00am – 12 noon).
1. INTRODUCTION

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

   a. The journey to net zero
   b. Reviewing the impact of D2N2 since 2011
   c. LEP Review
   d. Mental Health in the Workplace
   e. Partner engagement

2. RECOMMENDATION

2.1 Board is asked to
   2.1.1 NOTE the report
   2.1.2 Agree to the setting up a Hydrogen Taskforce

3. THE JOURNEY TO NET ZERO

As you know, we deliberately positioned low carbon growth as the first key proposition in our recovery and growth strategy. We agreed to ensure that low carbon and supporting the region, especially our businesses, to hit net zero, was a theme running across our work. For example:

- Viv is leading a group looking at how we can help the minerals sector, not just in D2N2 but in the wider Midlands, to decarbonise their operations
- Frank and Tom are leading work to identify the support available to businesses to decarbonise from across our business representative organisations, the Growth Hub and D2N2’s other funding streams. If we want businesses to invest in low carbon, we need to make it as simple as possible for them to find the right support.
- We’ve agreed with the Careers and Enterprise Company to have a stronger focus in our careers work with schools on future careers in low carbon

But probably the most important development since we last met is the publication of Derby City Council’s report “Establishing a Regional Hydrogen Roadmap in Derby and the Wider Region”. I would suggest that the key are:

- We are incredibly well placed to adopt hydrogen as a key solution to decarbonise key sectors such as manufacturing and logistics
There is strong synergy with the region’s key growth plans such as the Freeport, HS2 and the Development Corporation. We have the business, academic and political leadership to drive adoption of hydrogen as a key part of our future energy mix.

From D2N2’s perspective, a key recommendation is to set up a regional Hydrogen Task Force to coordinate and drive delivery. We are of course delighted to be asked to help create and support the Task Force.

We already have a Low Carbon Growth Group co-chaired by Becky, and Wayne Bexton from Nottingham City. It has a developing work programme which includes issues like low carbon housing, agriculture, business support and energy. It seems sensible to slot in the proposed task force under this group rather than have two regional strategy bodies. Our proposal would be that the Hydrogen Task Force would also be co-chaired, by Derby City and another private sector partner, potentially from one of the utilities involved. I’d like to ask the Board to support these proposals.

We will of course need to ensure that we’re compliant with our Articles of Association and the Local Assurance Framework, but I don’t anticipate that being an issue.

Again, I’d like to ask for your support on these new arrangements.

4. REVIEWING THE IMPACT OF D2N2 SINCE 2011

As you know, LEPs have now been in existence since 2011, and whatever the future holds, there are many programmes and projects which we have enabled which have delivered significant economic benefit to the region. I’ve asked Will and Rob to pull together some of our signature achievements over the last decade, which we’ll share through different media and as part of our Annual Report and AGM.

From an entirely personal perspective, some of my highlights at D2N2 have been:

- Our investment in cultural assets including Nottingham Castle and Derby’s new Museum of Making. Both assets have opened – or re-opened – in 2021 and have welcomed great numbers of people through their doors to showcase the region.
- The Chesterfield Higher Level Skills Centre, which has delivered university-level provision to over 1,200 students since opening in 2017.
- And the East Midlands Freeport, where our leadership and convening power was crucial in getting the bid shortlisted and in with a strong chance of securing final approval from government.

But there are many more, and I hope there will be many more to come.

We will work with you and your teams to ensure that in everything we do we celebrate the genuine spirit of partnership that has seen the LEP deliver significant economic benefit to the region through the business, local authority and education partnership that is so important to the success of the LEPs.
5. **LEP REVIEW**

That inevitably takes me on to the LEP review – and I’ll ask Sarah to jump in here if there is anything else to add.

At the moment there’s not a huge amount to update you on since last time. We continue to expect an announcement from Government, wrapped up at part of the Levelling Up White Paper in the autumn. We also expect issues like the Growth Hub Review, the review of support for the visitor economy through Destination Management Organisations, and further ideas around devolution to be part of the white paper or its supporting communications.

That means that at the moment the future role of the LEP and Growth Hub remain uncertain, as does our funding from Government for the remainder of the year. One thing I want to stress here is that we are not hearing from Government any criticism of how LEPs are performing. This is much more about how economic development is organised. Indeed, we are confident that some key programmes such as the Enterprise Adviser Network will have to continue whatever the future roles of LEPs. Planning for contingencies such as how we ensure we continue to deliver excellence during a time of change will continue to be a key focus.

You may well already have seen that the LEP Network is running a national campaign on the value that LEPs could have in the future, focused on five core key themes:

- **Net Zero** – encouraging businesses to invest in Net Zero technologies and practices
- **Business Support** – helping businesses to improve leadership and management
- **Access to Finance** – enabling business to find the right solutions to grow
- **Innovation** – adopting and diffusing new technology among businesses
- **Skills** – ensuring skills provision aligns with local employer needs.

6. **MENTAL HEALTH IN THE WORKPLACE**

In previous meetings we have referred to the work we have been involved with on mental health with the NHS – using real time data to track the impacts of Covid-19 on Mental Health – and with our business representative organisations on identifying the support that already exists for mental health in the workplace. I’m delighted that D2N2 LEP has signed up for support from the Midlands Engine’s Mental Health in the Workplace Pilot, and that Kate Wood from the University of Derby will join us later to update us on the progress of the pilot across the Midlands. I think it’s true to say that we are only starting to identify the long-term impacts of Covid-19, lockdowns and remote working on mental health, and if we are not able to put in place systemic support to address them, the knock-on impact on productivity could be significant.
Will is also going to cover the early findings of research by Public Health England into how we’re approaching mental health and other social, environmental and economic inclusion issues in his report.

7. PARTNER ENGAGEMENT

Since the last board meeting, I have as usual been meeting partners to continue to champion and advocate the work of the region and D2N2. We continue to meet regularly with our MPs, neighbouring LEPs and Midlands partners.

We said in our strategy that we wanted to lever in more institutional investment into the region. This is something I’ve asked Will to focus on, and he’ll add some detail later, but I think there are exciting possibilities emerging around the increased availability of private sector finance for low carbon developments. There are investors specialising in things like on- and off-street electric vehicle charging, low carbon vehicle fleet management and battery-electric and hydrogen fuel cell engines. As part of our commitment to develop compelling investment propositions for the region, we’re in early-stage discussions with a number of potential investors and we will of course bring colleagues into those discussions as soon as is sensible. We see this as a key part of our convening role.

Elizabeth Fagan
Chair
21 September 2021
DATE: 21 September 2021
REPORT LEAD: Will Morlidge
AGENDA ITEM: 2.2

TITLE: Interim Chief Executive Officer’s Report

1. INTRODUCTION

1.1 This report updates Board on the following
   - Advisory Boards
   - Inclusion
   - ESIF
   - Marketing and Communications

2. RECOMMENDATION

2.1 Board is asked to NOTE the report and to agree.
   2.1.1 The delegation of the National Skills Fund consultation response to the
   People and Skills subgroup

3. ADVISORY BOARDS

3.1 PEOPLE AND SKILLS BOARD UPDATE

Skills for Growth

The bid for a pilot Local Skills Improvement Plan for the D2N2 area submitted by
the East Midlands Chamber of Commerce was unsuccessful. However, two
consortia applications from the D2N2 area for the Strategic Development Fund
pilots were successful.

The two successful bids were:
   - Derby College Group with Nottingham College, Burton and South Derbyshire
     College, The University of Derby and Nottingham Trent University
   - West Nottinghamshire College with Chesterfield College, RNN College
     Group, Lincoln College Group, Futures and Inspire.

The Strategic Development Fund pilots will explore how providers can work together
more effectively, alongside employers and other partners, to respond to local skills
and innovation priorities. Key aims include:
• supporting the development of a high-value curriculum offer in support of longer-term skills priorities
• enabling better and more efficient use of the existing facilities and investment in further education (FE)
• strengthening the relationship with employers

This is, of course, very closely aligned to work that our People and Skills Board has been pursuing. The added benefit of the SDF is that there is additional funding for dedicated analytical and staff support to accelerate and focus the work.

Our Skills for Growth subgroup continues to map delivery pathways across a range of sectors, most recently providing analysis on routes into the creative industries.

**Careers and Young People**

We are pleased to announce that the four Careers Hubs became operational from 1st September across D2N2, with a Steering Group in place for each Hub. DANCOP, (the Derbyshire and Nottinghamshire Collaborative Outreach Programme) is match funding two Hub Enterprise Coordinator posts which will align the work being undertaken across the region to ensure young people receive good quality careers advice and information.

**Employment**

The Employment subgroup is developing an event focusing on progression routes once an employee leaves the Kickstart Programme so that we maximise positive outcomes from the programme.

We intend to submit a response to the Department for Education National Skills Fund Consultation which will be reviewed by the People and Skills Board prior to submission. One of the themes we’ll be pushing is for more consistency and communication across the many government initiatives separately talking to businesses about skills and training.

The Board is asked to agree to the People and Skills Advisory Board signing off the response on behalf of D2N2.

**Digital bootcamp update**

Following the success of the first round of Digital Skills Bootcamps, a further £2m has been awarded to us to deliver a second phase which started in September 2021. Delivery partners have been confirmed and delivery will be extended to Lincolnshire and Leicestershire.

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<td>Coding and Software development</td>
<td>£280,040</td>
<td>141</td>
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<tr>
<td>Digital Marketing</td>
<td>£808,058</td>
<td>367</td>
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<td>Cyber and Security</td>
<td>£258,090</td>
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All learners who successfully complete the bootcamp qualification will acquire new digital skills and 75% of participants will show career progression as a result of undertaking the Bootcamp. The Digital Bootcamps will be delivered by 12 delivery partners ensuring reach and impact across the D2N2 LEP area. Delivery will commence at the start of the 2021-22 academic year.

In the first round we have achieved 407 starts with 327 learners achieving their qualification aims. Although no formal target was set by DfE, we understand that they are very happy with this 80% success rate.

Data for the extension and second round will be available from October onwards.

**Information on the People and Skills Dashboard can be found via this link:**

https://eastmidlandschamber.sharepoint.com/:p:s/msteams_af09f8/EXq4gkle169MuDGDA-ANVcUBaoWxXr-Mxwb2ZDXXYga-Wg?e=CthMe0

### 3.2 BUSINESS AND INNOVATION UPDATE

**D2N2 International Trade Strategy**

At the meeting on 2nd September, Business Growth & Innovation Advisory Board endorsed the D2N2 International Trade Strategy, supported by the Department of International Trade (DIT). The strategy sets out a series of recommendations to increase exporting levels across the D2N2 LEP region by identifying a range of emerging markets (that match the strengths in the region), that D2N2 businesses can explore further.

The strategy has three functions:

- **ensure** that services are in place so that D2N2’s exporting environment supports all businesses throughout their export journey.
- **encourage** and provide support to those companies seeking to start trading internationally.
- **support** existing exporters to access new markets and increase the value of their exports.

The strategy will align local priorities with the DIT’s Regional Growth programme which includes the Internationalisation Fund, Export Academy programme and dedicated International Trade Advisors. The strategy will be published shortly, and a new partner steering group established to drive forward the action plan.

**Manufacturing Advisory Panel**
The Panel’s purpose it to influence and champion the digitalisation agenda, spearheading collaboration and lobbying the government for greater support and investment. The Panel will also work with partners across the East Midlands to develop joint activity to raise the profile of manufacturing and its key role in delivering sustainable growth.

Two early activities being led by the Panel are the development of a “Future is Now” campaign, a single branded narrative for all partners to use to encourage SMEs to adopt digital tools and technologies to improve their bottom line, and the development of a region wide Training Needs Analysis focusing on equipping managers and business leaders with the capacity and capability required to embrace digital change.

**UK Innovation Strategy**

The strategy focuses on how the Government and key institutions can support businesses innovate by making the most of the UK’s research, development, and innovation system. It builds upon the commitment in “The Plan for Growth” to affirm the UK’s global position as a “science superpower” and sets out delivering the ambition through 4 key pillars: unleashing business; people and talent; institutions and places; and missions and technologies.

A briefing note summarising the strategy is appended for reference and the full document can be found at UK Innovation Strategy: leading the future by creating it - GOV.UK ([www.gov.uk](http://www.gov.uk)).

**3.3 PLACE BOARD UPDATE**

There has been no meeting of the Place Board since the last update to the LEP Board was presented in July 2021, this section of the report will therefore focus on the work of the Low Carbon Growth Group.

The group heard a presentation from Nottingham City Council on their ambitions around Carbon Neutrality by 2028. The City Council outlined their ideas around how this will be achieved and the strategic interventions that the Council are proposing to achieve this.

The lead up to COP26 was a key theme of the meeting and the Midlands Energy Hub (MEH) spoke of the upcoming events that were due to take place ahead of the and during the event locally. MEH are hosting an event on the 24th of September at the Motorpoint Arena in Nottingham called the ‘Race to Zero’ which will bring together leadership from the private and public sector to galvanise momentum around the shift to a decarbonised economy ahead of COP26. D2N2 are being represented by Becky Rix as co-chair of the Low Carbon Growth Group who will deliver a presentation to the event. We are also working with Nottinghamshire
County Council and neighbouring LEPs on a potential Regional Green Zone event which will showcase the work of our region on low carbon to date and in the future.

As Elizabeth mentions in her paper, Derby City Council published its regional hydrogen strategy on the 1st of September which illustrates the huge potential for the development of a hydrogen economy in the city and the wider region. We are now working with Derby City Council (Verna Bayliss leading) to set up the Task Force and move the actions forward.

### 3.4 INCLUSION UPDATE

As you know, Michele has stepped down from her role on the Board. As with the vacancy left by Jayne, we have decided not to fill the role until we know the outcome of the LEP review.

Our Inclusion Group continues to meet. On Friday 10th September we took a paper from Public Health England, who have reviewed our Strategy and Delivery plan against their “inclusive growth framework” and identified how we can improve our performance. Overall, we were judged as doing well but with improvements across all categories (12 “domains” covering social, economic and environmental factors). However, the area on which most work was identified, was on how we support people with mental health issues into the workplace. This confirms a concern we’d previously identified, hence our links into the Mental Health in the Workplace Pilot.

We are the first LEP to pilot this approach, and shared initial learning across the East Midlands on 14th September. We are now developing an action plan to address the issues being identified, with a view to delivering a paper to the next Board meeting.

### 3.5 ESIF UPDATE

**European Social Fund (Reserve Fund)**

D2N2 officers have worked with DWP to secure £8 million of additional ESF from the national Reserve Fund to develop local programmes to address employment and skills issues emerging from the Covid 19 pandemic.

The following calls were made in early 2021 and have now closed for applications.

**Priority Axis 1**

- Covid 19 employment programme for adults - £2m of ESF
- Covid 19 programme for young people - £2m of ESF

**Priority Axis 2**

- Apprenticeship and Jobs Hub - £2m of ESF
Skills for Productivity - £2m of ESF

Information from the Managing Authority

LEP officers have worked with prospective applicants and the Managing Authority to bring forward applications and we have received information from the Managing Authority for the Priority Axis 1 calls which closed in May 2021.

For the Covid 19 employment programme for adults call 2 applications totalling £2.561m of ESF have been received which is more than the call value of £2m.

LEP officers have worked with the Managing Authority to assess the applications and make recommendations to the ESIF subcommittee. This includes a request for additional funding from the Managing Authority to allow both projects to proceed to grant funding award as both applications are high quality and non-duplicative.

We have received one application for the Covid 19 programme for young people for the £2m call value. The assessment has not yet been sent to ESIF subcommittee for comment, but the applicant is experienced in delivering D2N2 youth programmes and has in place a strong local delivery partnership.

We are still awaiting information from the Managing Authority regarding applications to the Priority 2 calls which closed in June 2021.

3.6 MARKETING AND COMMUNICATIONS

We are pleased to report continued positive coverage across the region’s main local media outlets and regional business news sites. Of highlight was the launch of our Manufacturing Advisory Panel (MAP), which was covered by over 15 outlets, including BBC East Midlands, who interviewed Martin Rigley (MAP Chair) and Sajeeda Rose (former LEP CEO).

We continue to collaborate with marketing and communications teams across the region to maximise opportunities to highlight and champion key issues. For example, to amplify the role of LEPs across the Midlands, D2N2 led the coordination of a joint campaign to highlight ME9 LEPs impact over the last ten years. The campaign included video, social media, and region-wide press release. The ME9 communications group will continue to collaborate on future opportunities. More widely, D2N2 is playing a key role in supporting the work by LEP Network that Elizabeth mentioned. We have led specifically on the elements around Growth Hubs and business support and have provided targeted support on ensuring maximum impact for the #LEPFutureValue campaign.

The D2N2 AGM has been confirmed for 24 November 2021. The meeting will be in person, with the venue to be confirmed shortly. The meeting will include a summary of our projects and achievements over the last year and the previous decade.
Alongside keynote speakers, we will also be hosting a panel discussion with our Advisory Board Chairs, answering questions put to them by our audience. Rob will update you on the thinking so far later in the meeting.

Will Morlidge
Interim Chief Executive
21 September 2021
Context

Published by BEIS on 22nd July 2021, The UK Innovation Strategy builds upon the commitment in “The Plan for Growth” to affirm the UK’s global position as a “science superpower” by investing and developing national performance and reputation in science, research, and innovation. The strategy builds upon the previous Industrial Strategy and the Government’s R&D Roadmap released in July 2019.

The strategy outlines key actions across 4 pillars that will “make the UK a global hub for innovation by 2035”.

- **Pillar 1: Unleashing Business** – ensuring access to private and public investment and streamlining regulation to better fuel businesses who want to innovate.
- **Pillar 2: People** – creating the most exciting place in the world for talented innovators through enhanced high skill visa routes and investment in management and leadership.
- **Pillar 3: Institutions and Places** – ensuring R&D institutions serve the needs of businesses and promoting innovation in places across the UK through Government funding programmes, private sector investment and university-business collaboration.
- **Pillar 4: Missions and Technologies** – tackling major UK and global challenges through a new Missions programme to stimulate innovation and improving technological capability in key sectors.

The strategy recognises four factors that will influence delivery:

- EU Exit and new global trade environment “Global Britain”
- Building back from the pandemic “COVID-19 is our Sputnik moment”
- Increasing global competition in innovation
- Industrial transformation (IR 4.0)

The strategy focuses on improving the innovation eco-system (see below) and the flow of talent/finance/knowledge as the key to success both nationally and within a global dimension “how we support private sector innovation by making the most of the UK’s research, development and innovation system”. The strategy identifies innovation as the “lifeblood of businesses” which enables firms to compete in new markets, develop products and services to meet customer need and driving down costs and improving efficiency.

The strategy highlights several challenges that need to be addressed:

- Business investment in R&D has fallen relative to our international peers.
- There are low rates of technology adoption by firms that lead to underutilised knowledge.
- We are at risk of a ‘brain drain’, the UK being a net exporter of talent.
- Our workforce has skills gaps in some key areas which are at risk of growing in the coming years.
- Our regulatory system often favours incumbent businesses over innovative new ones.
- Growth is increasingly due to consumption, not due to investment.
- Data, research, and IP must be safeguarded to maintain competitiveness.

However, it is recognised that the UK is ranked 4th on the Global Innovation Index identifying our leading position based on industrial heritage, leadership in key S&I sectors and technologies (including AI, life sciences and quantum), global R&D excellence and strong venture capital markets/tech finance investment.
Alongside building on existing strengths, the strategy references “building back better” and learning the lessons from the pandemic and in particular the Vaccine Taskforce model, highlighting ten core innovation lessons including ensuring innovation is at the heart of UK Government policy making; embracing risk and looking at investment beyond VFM and monetary considerations; reforming procurement to drive innovation; enhancing private-public sector partnership at the international level; and better connecting discovery and engineering to speed up the process.

Achieving the Vision (Pillar Summary)

Pillar 1: Unleashing Business

- Increase direct public sector expenditure on R&D to £22bn per year to stimulate greater private sector investment.
- Modernise financial regulation and improve access to finance to encourage more innovative high growth companies including:
  - unlocking the UK pensions market to better support venture capital/equity investment.
  - UK Finance to devise training to upskill lenders.
  - improving best practice and brokerage across the Catapult network.
- Further enhance British Business Bank role including £200m Life Sciences Investment Programme and £375m Future Fund.
- Improve accessibility to public support by developing and integrating a new online innovation and finance hub through Innovate UK and British Business Bank.
- Review R&D tax credit system including R&D expenditure credit and R&D tax relief for SMEs.
- Invest £50m into a portfolio of critical infrastructure projects via UKRI and consult on improving the UK capability for digital twinning.
- Commission the new Regulatory Horizons Council to develop options to better enable regulation to support innovation and publish a joint Action Plan on Standards for the Fourth Industrial Revolution.
- Publish a new AI Strategy in Autumn 2021 to drive business adoption of AI to effectively capitalise on data.
• Reform intellectual property system to support research and develop innovative products and processes and launch new international IP service.
• Introduce “innovation chapters” within Free Trade Agreements to strengthen technological collaboration with key strategic allies and develop cross government “innovation to export pathway”.
• Reform public procurement to take a broader view of value for money and recognition that innovation has a role to play in wider social wellbeing including HMG departments and delivery bodies working to priority outcomes.
• Improve market access through establishing a UKRI wide Commercialisation Funding Framework to drive research investment and strengthen Innovate UK role in boosting commercial capability and diffusion.
• Deliver Help to Grow programmes (Management & Digital) to drive innovation adoption and capability amongst SMEs and further expand Innovate EDGE to work with Growth Hubs locally to boost scale up support.
• Invest £8m rolling out Made Smarter to drive IDTs in the manufacturing sector
• Establish the Government Office for Technology Transfer to support public sector adoption of innovation to support wider societal and economic outcomes.

Pillar 2: People

• Promote and extend science and technology skills pipeline to support innovation eco-system:
  - Implement the R&D People & Culture Strategy including cross-sector training and support to encourage researchers to acquire skills beyond their existing discipline.
  - Build upon the Emerging Skills pilot to enhance the skills value chain approach to supporting future skills development.
  - Invest 290m to expand Institutes of Technology (IoTs), STEM Ambassador scheme and increase technician workforce supporting R&D.
  - Support 30,000 SME leaders and managers through Help to Grow: Management.
  - Provide support to early career researchers.
• Become a global hub for top talent:
  - Implement a dedicated Office for Talent.
  - Introduce new High Potential Individual and Scale-up visa routes to attract and retain high-skilled, overseas talent.
  - Revitalise innovator route to fast-track overseas entrepreneurs and enhance Global Entrepreneur Programme.
• Tackle excess bureaucracy and ensure responsive regulatory system:
  - Implement Tickell Review to reduce unnecessary research bureaucracy.
  - Ensure innovation is open to everyone by targeting support to under-represented groups especially young people (NESTA working with BEIS).

Pillar 3: Institutions & Places

• Improve interaction between innovation institutions (catapults, universities etc) and business:
  - Encourage new business research partnerships (including KTPs) and develop simpler way for businesses to interact with UKRI.
  - Undertake an independent review (Led by Professor Sir Paul Nurse) to review R&D/innovation organisational structures across the UK
• Establish UK Advanced Research and Invention Agency (ARIA) based on the US ARPA to drive future technological research and development.
• Support the Levelling Up agenda:
  - Roll out £127m second wave of Strength in Places Fund (SIPF) across 5 major projects including £18.3m to support Midlands Industrial Ceramics Group.
  - Investing additional £25m to extend Connecting Capability Fund (CCF)
  - Implement eight Freeports and establish UKSPF to include focus on supporting local innovation and R&D excellence.
Pillar 4: Missions & Technologies

- Establish new Science & Technology Council and launch 8 new Prosperity Partnerships – business led projects to develop transformational new technologies.
- Build on the success of the Vaccine Taskforce and Industrial Strategy Challenge Fund (ISCF) establish a UK Innovation Missions Programme to tackle key Government policy challenges such as Net Zero and enhancing trade and investment ambitions.
- Support seven strategic “technology families” to build upon existing UK competitive advantage:
  - Advanced Materials & Manufacturing
  - AI, Digital and Advanced Computing
  - Bioinformatics and Genomics
  - Engineering Biology
  - Electronics, Photonics and Quantum
  - Energy and Environment Technologies
  - Robotics and Smart Machines

Next Steps

Implementation will include the establishment of a new Office for Science & Technology Strategy (linked to BEIS) and Business Innovation Forum to ensure the voice of business is at the heart of innovation policy and delivery. The Strategy also includes a timetable of activity to support high growth sectors that demonstrate:
- Current competitive advantage
- Future growth potential
- Support to key HMG strategic objectives (Net Zero, Global Britain and Levelling Up)
- Require government intervention to overcome market failures
Introduction

This paper gives an initial response to the question posed at the last Board on whether or not it is becoming possible to see the impact of Brexit in data. It focuses on working papers, data-based policy analysis, business survey data and national statistics. This summary details some of the data and literature covering the effects of Brexit from the June 2016 Brexit referendum to the most recent sources of data detailing business expectations and experiences.

Summary of findings

- The absence of a credible counterfactual (a version of the UK economy that could have been expected in the absence of the Brexit vote and the subsequent withdrawal from the EU) makes answering this question very challenging.
- Estimating the current and long-term effects becomes even more uncertain because the official economic data are swamped by the impact of the coronavirus crisis.
- Although we can see Brexit-related impacts in some datasets, what we are really seeing is the impact of the Brexit process, notably the political and economic uncertainty between the Brexit vote and the UK leaving the EU, rather than any positive or negative impact of Brexit itself.

Brexit: is the impact apparent in economic data?
Brexit effects before the official withdrawal (31 January 2020) and the onset of the Covid-19 pandemic

In September 2019, a paper on the impact of Brexit on UK firms\(^1\) identified three key impacts:

- The UK’s decision to leave the EU has generated a large, broad and long-lasting increase in uncertainty;
- Anticipation of Brexit is estimated to have gradually reduced investment by about 11% over the three years following the June 2016 vote; This fall in investment took longer to occur than predicted at the time of the referendum, suggesting that the size and persistence of uncertainty may have delayed firms’ response to the Brexit vote;
- The Brexit process is estimated to have reduced UK productivity by between 2% and 5% over the three years after the referendum.

The Decision Maker Panel (DMP) data give further detail on the trend of the business uncertainty and subsets of businesses affected by the persistent uncertainty:

- Businesses within Trade (wholesale & retail), Manufacturing, Finance & Insurance, Construction and Accommodation & Food reported the highest Brexit uncertainty.
- Large businesses (250+ employees) and those with higher levels of productivity reported higher than average Brexit uncertainty.
- Issues with supply chains, customs and demand were among the top sources of uncertainty.
- Brexit uncertainty was estimated to be highest in the East Midlands and lowest in Scotland (region was defined as where the business is headquartered). Excluding large businesses, given that such firms do not operate in just one region, changes the picture: the share of firms citing Brexit as an important source of uncertainty is estimated to have been much higher in Northern Ireland than anywhere else in the UK\(^2\).

Centre for Economic Policy Research has estimated that the Brexit Vote has led to a 12% (£8.3 billion) increase in the number of new investments made by UK firms in European Union (EU) countries\(^3\). To the extent that increased investment in the EU would otherwise have taken place domestically, this potentially represents lost investment for the UK. At the same time, new investments in the UK from the EU27 have declined by 11%. The results are consistent with the idea that UK firms are offshoring production to the EU27 because they expect Brexit to increase barriers to trade and migration, making the UK a less attractive place to invest and create jobs.

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This paper is based on the Decision Maker Panel (DMP) set up in August 2016 by the Bank of England, Stanford University and the University of Nottingham. It provides direct insight into business expectations and uncertainty, for example Covid-19 and Brexit. The panel draws information from Financial Officers in UK companies operating in a broad range of industries and is designed to be representative of the population of UK businesses.


The Centre of Economic Performance has examined long-term foreign direct investment (FDI) flows onto s between 34 OECD countries over the last three decades concluding that EU membership has raised FDI by about 28%. Their assessment also showed that a conservative estimate of the impact of Brexit – a 22% fall on FDI – could cause a 3.4% decline in real income.

Recent data and analysis

*The Office for Budgetary Responsibility* estimates that:

- In the **near term**, trade disruption associated with the implementation of the new trading relationship (the ‘Trade and Cooperation Agreement’ or TCA) will **temporarily reduce GDP by 0.5 per cent** in the first quarter of 2021. OBR also assume the disruption will generate some cost pressures for UK importers, **adding around a quarter of a percentage point to CPI inflation** by the end of 2021.
- The new trading relationship will **reduce long-run productivity by 4%** relative to remaining in the EU. This largely reflects the OBR view that the increase in non-tariff barriers on UK-EU trade acts as an additional impediment to the exploitation of comparative advantage.
- **Both exports and imports will be around 15 per cent lower in the long run** than if the UK had remained in the EU. The size of this adjustment is calibrated to match the average estimate of a number of external studies that considered the impact of leaving the EU on the volume of UK-EU trade.
- **New trade deals with non-EU countries** will not have a material impact. This is because most of these largely replicate deals that the UK already had as a member of the EU and, in any case, they are likely to have only a very small and gradual impact on GDP.
- The Government’s new post-Brexit migration regime will **reduce net inward migration** to the UK. It is assumed these changes will reduce the future size of the population and also result in a small reduction in the labour market participation rate (due to the population effect being concentrated among those of working age). The combined effect is a reduced forecast for total employment, partly offset by a small increase in productivity as some low wage – and, therefore, lower productivity – workers will no longer be able to enter the country, thereby raising average productivity relative to the current regime.

**Headline trade statistics**

ONS annual (seasonally adjusted) data shows that:

- **UK exports decreased by 17.8%** from 2019 to 2020. Exports to the EU decreased by 15.2% and exports to the rest of the world decreased by 20%.
- **UK imports decreased by 15.5%** from 2019 to 2020. EU exports decreased by 15.8% and exports to the rest of the world decreased by 15.1%.
- Our estimates suggest that D2N2 exports to the EU could have declined by £1.1bn and imports from the EU by £1.2 bn.

**Trade statistics based on the ONS assessment of the impacts of EU exit and the coronavirus on UK trade in goods**

- Total trade in goods (imports plus exports) from non-EU countries surpassed that from EU countries in Quarter 1 (January to March) 2021. This is because the total **trade in goods with

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4 OBR (May 2021), Brexit Analysis
5 ONS (May 2021), *The impacts of EU exit and the coronavirus on UK trade in goods.*
EU countries decreased by 23.1% and with non-EU countries decreased by 0.8% comparing Quarter 1 2021 with Quarter 1 2018.

- Exports to Ireland saw the greatest proportionate fall (47.3% between December 2020 and January 2021) of the UK’s top exporting partners after the EU transition period. Imports from Ireland fell by a lesser 4.4% over the same period.
- Imports from Germany, the UK’s largest EU trading partner, have declined since April 2019, coinciding with increased uncertainty around EU exit and, later in 2020, the coronavirus pandemic.
- The UK has imported more goods from China than from any other country since Quarter 2 (April to June) 2020.

Business Surveys

- While the Brexit Uncertainty Index (BUI) has decreased since its peak in February 2019, Brexit is still one of the top three drivers of uncertainty for 34.6% of businesses. Brexit is the largest source of uncertainty for 4% of businesses.
- Covid-19 was in the top three drivers of uncertainty for 68.3% of businesses in the latest survey. Covid-19 was the largest source of uncertainty for 25% of businesses.

According to June 2021 DMP results, business leaders expect that Brexit has on average:
  - Reduced investment (capital expenditure) by 4.8%, 2.5% and 0.9%, respectively in 2020, 2021 and 2022.
  - Increased unit costs by 1.4%, 3.0% and 3.2%, respectively in 2020, 2021 and 2022.

Survey data from the Confederation of British Industry (CBI) shows that 24% of exporting firms report that Brexit caused exports to the EU to fall and 33% of importing firms report.

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6 Decision Maker Panel data. The BUI is based on responses to the question: "How much has the result of the EU referendum affected the level of uncertainty affecting your business?". The four response categories are: i) not important, ii) one of many drivers of uncertainty, iii) one of the top two or three drivers of uncertainty for our business, iv) the largest current source of uncertainty for our business. BUI shows the percentage of respondents who answered (iii) or (iv).

7 Data are based on responses to the question: “Relative to what would otherwise have happened if the UK had remained a member of the EU, what is your best estimate for the impact of UK’s decision to leave the EU on the capital expenditure of your business in 2020, 2021 and 2022?”
that imports from the EU fell. Additionally, 61% of firms, including those in the services sector, report experiencing at least one Brexit-related issue. The most prevalent issues relate to the border, with 37% of firms reporting delays, 36% reporting additional customs and administration costs and 22% reporting regulatory checks. 33% of firms report that Brexit has affected their costs or prices.8

Population trends

Recent data on population changes is scarce. In particular, demographic estimates from the Annual Population Survey have been suspended until they can be reweighted for recent population movements; the latest demographic projections are 2018-based, pre-dating Covid-19. This suspension applies for the period April 2019 – March 2020 and beyond, and affects estimates based on country of birth, nationality, ethnicity, and disability.

Population data is available to 2019, however, and labour market data continues to be available. It is infeasible to claim with any confidence that Brexit has caused any identified population changes. Nonetheless, some trends can be observed that may be suspected as being connected to or amplified by Brexit.

*International population flows into and out of D2N2*

Source: [Local Area Migration Indicators](https://www.ons.gov.uk) from the ONS

- In the years before 2016, long-term international migration into D2N2 was slowly rising. Numbers dipped in 2016-17, before recovering to the levels of 2014-15 and 2015-16. Long-term international migration out of D2N2 was largely steady between 2010 and 2016. However, it almost doubled in 2017-18, and in 2018-19 was significantly higher than before the Brexit referendum. This pattern is reflected in the outflows for each of Derby,

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8 Using combined totals for Derby, Derbyshire, Nottingham, and Nottinghamshire.
Derbyshire, Nottingham, and Nottinghamshire. Such a spike seems likely to be connected to Brexit and its social effects.

**Demand in D2N2 for selected occupations**

Time series data of online job postings in D2N2\(^{10}\) gives an indication of how demand has varied for given occupational groups. The number of unique postings provides an estimate of the number of vacancies at any given time. The posting density\(^{11}\) compares the number of vacancies to the number of existing jobs. A high posting density typically indicates high demand for that job type, whether through scarcity of appropriate candidates, growth in the number of jobs, or high staff turnover.

![Graph showing posting density and unique postings for selected SOC groups](image)

**Source:** Emsi Analyst, retrieved August 2021

- Postings and posting density for health professionals (SOC22) had been high and growing for several years before the pandemic. Similarly, caring personal service occupations (SOC61) and transport and mobile machine drivers and operatives (SOC82) show long-term rises in postings and posting density.
- **All three of these groups have had falls in their overall numbers of jobs since 2016.** The number of health professionals in the area fell by 3,000 in 2017, and has remained around 40,500 since. Caring occupations peaked at 73,000 in 2016, and fell to 68,500 by 2019. Transport drivers also peaked in 2016, at 40,000, compared to 36,000-40,000 in the years before and since.
- For all three, these trends demonstrate the **long-term difficulties in hiring and retaining such staff.** With all three known for high numbers of foreign workers, and post-2016 falls in

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\(^{10}\) Jobs postings data is available from Emsi Analyst, going back to January 2016.

\(^{11}\) Posting density = unique job postings / number of existing jobs * 100
employment in each, Brexit seems likely to have exacerbated labour shortages in these areas.

As might be expected from such similar groups, the postings pattern is similar between science, research, engineering and technology professionals (SOC21) and science, engineering and technology associate professionals (SOC31). Each has consistently been seeking to fill more than 10 vacancies per 100 jobs. This shows high demand, although it may also reflect high proportions of fixed-term contracts.

There are two notable peaks in postings for both groups, in March 2017 and in June/July 2019. For the professionals, the 2017 peak coincided with a jump in jobs; the number of professionals jumped by 3,500 in 2017 to 47,000, and has since increased to 49,500. Across the same timeframe, the number of associate professionals has risen gradually from 19,000 to 20,000.

There may be some element of seasonality in these peaks, although there is no clear annual pattern in the graphs. It may be that Brexit has impacted on these occupational groups, though, given their posting density being consistently higher than at the start of 2016 (the earliest data available).

Source: Emsi Analyst, retrieved August 2021
Postings in agricultural occupations\textsuperscript{12} have shown a considerable spike in 2021. Taking seasonality into account, postings and posting density have been fairly steady for the last few years. However, 2020 had more postings than usual in autumn, and summer 2021 has had more than double the number of postings as in previous years.

Some care is needed with this data, as the numbers involved are low; there are typically fewer than 100 online postings per month across these occupations in D2N2, and around 7,500 jobs in total. Furthermore, it is infeasible to disaggregate the effects of the pandemic. However, such a marked spike in postings in 2021 suggests **acute difficulties in recruiting to agricultural occupations**.

\textsuperscript{12} Combined totals of SOC121: Managers and proprietors in agriculture related services; SOC511: Agricultural and related trades; and SOC911: Elementary agricultural occupations.
Appendix:

The following additional information is from the Decision Maker Panel based on national survey data for the reference dates indicated in the chart notes, where available.

Impact of the Brexit process on investment, employment and productivity in the three years following the EU referendum

![Chart showing impact of Brexit on investment, employment, and productivity](chart.png)

**Source:** Bureau van Dijk FAME dataset, Decision Maker Panel and authors’ calculations

**Notes:** Results presented here are based on regression analysis and difference-in-difference estimator. Productivity is defined as real value added (operating profits plus total labour costs) divided by the aggregate GDP deflator per employee in accounting data. Productivity estimates include both within and between-firm effects. Lower productivity estimates assume within-firm effects to vary by firm size; the higher estimates assume the effects are the same for firms of all sizes.

**Brexit as a source of uncertainty by region**

![Bar chart showing percentage of firms with Brexit in top three uncertainty sources](bar_chart.png)

**Note:** The question asked ‘How much has the result of the EU referendum affected the level of uncertainty affecting your business?’ Large firms are defined as those with 250 or more employees. Region is based on the location of head office. DMP data from August to October 2018 surveys.

**Source:** DMP and authors’ calculations.
Brexit uncertainty by industry

Brexit uncertainty by firm size

Brexit uncertainty by industry
Brexit exposure and uncertainty

Source: Bureau van Dijk FAME dataset, Decision Maker Panel and authors' calculations

Notes: All EU exposure measures are for 2016 H1 just before the Brexit referendum. Charts show the average uncertainty per firm reported in the three years after the referendum. Missing individual uncertainty in a given year is imputed from a regression using time and firm fixed effects. See footnote to Figure 1 for definition of the Brexit Uncertainty Index (BUI).

Sources of Brexit uncertainty

Source: Decision Maker Panel and authors' calculations

Notes: The results are based on the question: How important are the following factors as sources of Brexit-related uncertainty for your business at present? Please select one option for each from Not important/One of many/One of top 2 or 3 but not largest current source/Largest current source: Uncertainty about demand for your goods/services; Uncertainty about regulation; Uncertainty about customs arrangements/Import duties other than labour; Uncertainty about supply chains/availability of inputs other than labour. Uncertainty about availability of inputs other than labour is imputed from labour uncertainty. Data were collected between February and April 2019. All values are weighted.
Productivity and Brexit uncertainty

Brexit and investment

Notes: The results are based on the question 'Could you say how the UK’s decision to vote Leave in the EU referendum has affected your capital expenditures since the referendum? Please select one option for each type of investment: Training of employees; Software, data, IT; research and development; Machinery, equipment, and buildings. A large positive influence adding 5% or more; a minor positive influence adding less than 5%; no material impact; a minor negative influence subtracting less than 5%; a large negative influence subtracting 5% or more. 'Net balance' is defined as the share who say that Brexit has reduced investment minus the share saying that increased investment. Data were collected between February and April 2019. All values are weighted.
Brexit as a source of uncertainty for own business.

- **Article 50 Invoked**
  - **Not important**: 21%
  - **One of many**: 44%
  - **Top two or three**: 26%
  - **Largest source**: 10%

- **Chequers Plan**
  - **Not important**: 16%
  - **One of many**: 44%
  - **Top two or three**: 30%
  - **Largest source**: 11%

- **Brexit**
  - **Not important**: 11%
  - **One of many**: 44%
  - **Top two or three**: 33%
  - **Largest source**: 11%

Percentage of Respondents

- April 2017
- April 2018
- April 2019
- April 2020
- April 2021
1 Introduction

This paper provides an update on the performance of the D2N2 Capital Programme since the Board meeting of 7 July, 2021.

2 Recommendation

The Board are recommended to note the report and the contents included.

The Board are also recommended to approve the MRC Midlands and Drakelow Park Getting Building Fund projects.

3.0 Getting Building Fund - Progress Update

Following the last meeting of the Investment Board on the 14th of September we have now approved the 10 projects in the Getting Building Fund allocation. We continue to monitor the progress of the all the approved projects to ensure their prompt delivery and ability to use funding before March 31st, 2022.

Overall progress of the projects that have been approved so far is good, with projects progressing to schedule and in line with the original spend profiles agreed at the time of approval. We have to date spent £9.6m of the GBF and expect this figure to accelerate rapidly in the next financial quarter. LEP officers are still confident that the spend targets can be achieved.

4.0 Growing Places Fund Review

The LEP are currently working to undertake a review of the Growing Places Fund to find a new way to utilise the funding that was granted in 2011. The LEP was originally awarded £24.3m of funding to generate economic activity across the D2N2 area and has utilised £17.4m of that to date. As the fund has previously been used for loan awards the money will continue to be recycled back in to the LEP and this has resulted in £10m of funding now being available to be utilised.
The LEP is currently engaging with partners and has consulted other LEPs across the country to look for lessons learnt about how any funding may be utilised in the future. Officers will continue to work with partners on the scoping of potential future funding pots and will also await the outcome of the LEP review before putting a set of recommendations before the LEP Board and Investment Board.

5.0 Project for Approval – NAMRC Midlands

Derby City Council presented a project to the September 2021 Investment Board requesting £9.075m of funding for the development of the new Manufacturing Research Centre to be based on Infinity Park Derby. The funding ask is made up of £6.875m from the Getting Building Fund and £2.2m from Growing Places Fund which will be repaid through retained business rates on Infinity Park Enterprise Zone.

The project will deliver a new Nuclear Advanced Manufacturing Research Centre (NAMRC) which brings together the Nuclear AMRC and the University of Derby’s Institute for Innovation in Sustainable Engineering (IISE). The facility will carry out research, innovation, supply chain development and teaching with the purpose of developing the skills and capability of businesses in the region and nationally to support the UK Government objectives for Net Zero by 2050 and growth in manufacturing from 11% GDP to 20% GDP by 2030.

The total project cost is £17.865m with the match funding contributions coming from Derby City Council, University of Derby and the NAMRC/IISE who have confirmed their allocation for the project is secure. Works are due to start in November 2021 and practical completion is in November 2022.

The project will deliver 70 new jobs, 50 learners, engage with 100 supply chain businesses and assist with 35 collaborative research projects in its first 5 years.

Following an independent assessment and testing of the projects Final Business Case, the Board is recommended to approve the release of £9.075m of funding from the Getting Building Fund and Growing Places Fund to Derby City Council.

6.0 Project for Approval – Drakelow Park

Countryside Properties presented a project to the September 2021 Investment Board requesting a total of £7.6m of funding for the creation of new highways infrastructure including a new bridge to unlock a major housing development in South Derbyshire. The funding ask is made up of £2.6m from D2N2 and £5m of Getting Building funds from the Stoke and Staffordshire LEP.

The project has been deemed unviable by the district valuation service and therefore development of housing would not be able to take place without public sector intervention.

Countryside properties are providing the development finance for the works and creation of all housing and other related amenities. Enabling works have started on site with the major construction to take place between February 2022 and May 2023.
The project will deliver 783 new jobs and a further 1,975 homes on the site.

**Following an independent assessment and testing of the projects Final Business Case, the Board is recommended to approve the release of £7.6m of funding from the Getting Building Fund to Countryside Properties.**
Introduction

1. This briefing note provides progress updates on:
   - Midlands Engine
   - The East Midlands Development Corporation

Midlands Engine

2. The Midlands Engine is a collective voice for the region; bringing together public sector partners and businesses to act as a catalyst for change and accelerate growth. Complementing the activity of local and combined authorities, LEPs, universities, businesses and others, the Midlands Engine is a partnership of scale and influence focused on inclusive growth for the Midlands.

3. Recently, core priorities and areas of work include:
   - Green Growth: The Midlands Engine Partnership Ten Point Plan for Green Growth, launched in July 2021, is the first of its kind and will drive green innovation by building on regional strengths and immense capabilities.
   - Digital: Accelerate the delivery of digital connectivity for businesses by complementing programmes such as the Better Broadband for Nottinghamshire programme.
   - Transport: Seeking to secure core investment to enhance strategic transport networks, with a central focus on the HS2 hub station at Toton.
   - Global Britain: Attracting inward investment and expanding export markets to boost the regional economy and grow the global footprint of the Midlands.

4. In addition, the Engine has continued to lead and support work on wider initiatives aimed at powering prosperity for every part of the region and addressing persistent structural barriers to growth, including:
   - East Midlands Development Corporation
   - East Midlands Freeport
   - Midlands Engine Investment Fund
   - Midlands Engine Observatory

5. Currently, the Engine is working with partners on a key report, entitled “Levelling Up for Good”, which sets out future priorities, based on evidence from the observatory. This document will include the Engine’s key priorities for the Levelling Up White Paper and the Comprehensive Spending Review. The Executive Board of the Engine met on 14th September to consider the document.
6. The business case for a Locally Led, Urban Development Corporation (LLUDC) for the East Midlands was formally submitted to MHCLG on 19 March 2021. Since then, strong engagement has been maintained with Government and on 7th September, Minister Luke Hall MP announced Government’s intention to reform the Development Corporation legislative framework through the Planning Bill, to ensure local areas have access to appropriate delivery vehicles to support growth and regeneration. The response to the Planning for the Future White Paper consultation, will set out the way forward and will be published soon.

7. Since incorporation in May 2021, The Interim Vehicle, EM Dev Co Ltd, has been focused on driving forward the proposition and laying the foundations for the LLUDC, whilst the Parliamentary processes are navigated. Whilst EM DevCo is currently focused on the 3 sites within the scope of the business case (listed below), the company has been set up in such a way as to be able to consider new members and sites over time.
   - Toton & Chetwynd
   - Ratcliffe Power Station
   - East Midlands Airport Area

8. In addition to helping work through the propositions for the three areas and supporting the development of the Freeport business case, there is an initial focus on building the team and governance ready for transition to the LLUDC model. This includes, the early on-boarding of a commercial team with a strong track record of delivery at scale, to support master and delivery planning, in an advisory capacity. Discussions also continue with Government regarding funding and wider support.

9. Progress continues to be made with the recruitment of the core team that will drive the proposals forward. As previously reported, Richard Carr has been appointed as the Managing Director of EM Dev Co Ltd and joins the Programme Director, Ken Harrison. Other members of the team are in the process of being appointed and will bring on board crucial capacity and expertise. In parallel to the recruitment of the core team, the process to attract and select six private sector, Non-Executive Directors to join the five already appointed Local Authority Directors on EM Dev Co Board is well underway, with the selection of an Independent Board Chair the first priority.

10. EM Dev Co also continues to co-ordinate several working groups set up to support the delivery of the aspirations, including contributing data and expertise to the programme. These include
   - Connectivity
   - Communications and Engagement
Further Information

11. If you require any further information, please contact Anthony May, Chief Executive, Nottinghamshire County Council.
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