## D2N2 LEP BOARD – AGENDA
### Wednesday, 26 January, 2022 (10.00am – 12 noon)

By Teams videoconference (separate calendar invitation)

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### 2. Strategic discussion

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<td>Date of next meeting: Wednesday, 23 March, 2022 (10am – 12 noon) - joining details tbc</td>
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Item 1.3:  DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Tuesday, 23 November, 2021
By Teams Dial-In

Chair    Elizabeth Fagan CBE

Minutes    Sally Hallam

Present and Apologies

D2N2 Board Members in Attendance

Cllr Kevin Buttery    Leader, Amber Valley BC
Graham Cartledge    Business Representative
Andrew Cropley    F E Representative
Tim Freeman    Business Representative
Clare James    Business Representative
Cllr Chris Poulter    Leader, Derby City Council
Becky Rix    Business Representative
Viv Russell    Business Representative
Cllr Simon Robinson    Rushcliffe Borough Council, N2 representative
Liz Wigley    BEIS Area Lead Derbys and Notts
Katherine Cousins    BEIS

Also in attendance

David Fletcher    Director at Derby City Council
Nicki Jenkins    Director at Nottingham City Council
Simon Gladwin    Director at Amber Valley Borough Council
Joe Battye    Executive Director, Derbyshire County Council
Peter Handford    Director of Finance, Derbyshire County Council
Eddie Robinson    Finance Officer, Derbyshire County Council

Officer Support

Will Morlidge    Interim Chief Executive, D2N2
Tom Goshawk    Interim Head of Place, D2N2
Michelle Reynolds    Operations Manager, D2N2
Rob Harding    Head of Marketing and Communications, D2N2

Apologies
Apologies were received from Board members David Williams, Prof Shearer West and Cllrs Mellen, Lewis and Girling.

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.

Cllr Buttery declared an interest in item 2.2 accounts due to a family connection with HSKS Greenhalgh and took no part in this item.

1.3 Minutes of last meeting and matters arising

The Minutes of the previous meeting held on 21 September, 2021 were confirmed as a true record and actions were confirmed as having been completed.

2.1 D2N2 as a going concern in 2022/23

Will Morlidge introduced this item, prefaced with thanks to auditor, Philip Handley for his work.

WM reminded Members of the requirement for all companies limited by guarantee to demonstrate that they were a going concern before signing off accounts. He drew attention to the report figures showing net reserves at the end of 2022/23 of approximately £31.769m. This was broken down as core funding £0.853m, general reserve £0.595m, other reserves £24,452m and retained earnings £5.869m.

Board CONFIRMED for the purposes of its accounts that D2N2 LEP meets the requirements of a going concern in 2022/23.

2.2 Submission of 2020/21 Accounts for Board approval

The Chair invited Eddie Robinson from Derbyshire County Council to introduce himself to the group before passing to Philip Handley, Director of Audit and Associated Services.

Mr Handley talked Board through a summary of the papers, reminding them of reporting requirements and highlighting minor adjustments on the accounts that had been issued to the Board and which were now presented for approval.

Elizabeth Fagan thanked PH for the summary and also thanked WM for working with the Accountable Body and Auditors in preparation of the draft accounts. Member-Directors were asked to consider and raise any comments prior to a vote on approving.
Board APPROVED the financial accounts and other documentation required by the auditors. The process would be completed with presentation of the accounts to the AGM on 24 November, 2021.

2.3 Chair’s Report

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

- Hydrogen Taskforce;
- Advisory Boards: summary feedback;
- LEP review update;
- Partner engagement

and drew Members’ attention to the detailed notes under each item.

EF thanked Derby City Council for its work as a catalyst for the use of new technologies. She invited Becky Rix/WM to add any further comments on the Hydrogen Taskforce.

WM thanked Tom Goshawk for picking up operational work on this. The first meeting had taken place with D2N2 in the chair. Work was under way by Cadent, who were working to install a proposed hydrogen pipeline from the North Sea to serve areas including the East Midlands and East Anglia. D2N2 was working with the company to identify and contact the top 50 users of gas and invite them to signal interest in adopting hydrogen, to de-risk the proposed investment.

A representative from Cadent would be invited to update a future Board on developments.

On the LEP review, Government had now confirmed payment of £500k core funding to March, 2022.

A decision on the future of LEPs was still awaited as part of the Levelling Up White Paper, publication for which was expected now before the end of the calendar year. EF confirmed that she represented the East Midlands on the LEP Network Board and a meeting was to take place in the near future with the Secretary of State to explain in greater detail the work that LEPs currently do. A paper on the impact and benefits to the D2N2 area would be shared when available.

EF made reference to headline points from the publication of the Integrated Rail Plan, with its implications for economic activity for this region. The Chair confirmed that she had attended a meeting of the HS2 Executive Board, which was chaired by Ben Bradley. Slides from that meeting would be circulated to the group.

A short general discussion took place. All agreed that connectivity across the area was an important driver of economic regeneration. Reference had been made within the Plan to connectivity between Toton and the airport/East Midlands Parkway, but with no specifics. Electrification of the Midland Main Line was again confirmed and
would require all bodies across the region to work together to ensure delivery of this significant structural project.

Clare James on behalf of East Midlands Airport acknowledged the announcement as both an opportunity and a threat, with potential shorter journey times to Birmingham.

The Chair indicated that D2N2 would work further with EMA and regional businesses to better understand and support EMA to continue to be successful for the region.

EF again reiterated the importance of the continuing good engagement with MPs from both sides of the House, acknowledging their influence in wins to date with .

Board NOTED the Chair’s report.
Board AGREED that infrastructure to enable low carbon travel to and from the Airport should be the subject of a future discussion.

ACTION: Invite Cadent representative to future Board (WM)
ACTION: circulate HS2 presentation (SH)

2.4 Interim Chief Executive’s Report

Will Morlidge presented his report updating Board on items including:

- Advisory Boards update;
- Inclusion update;
- Marketing and Communications update;
- ESF update;
- Analytical update;
- Mental health update

and referred Members to the detailed notes under each item.

Under the People and Skills update, WM drew attention to the requirement by DfE for a refresh of the Skills Report, focusing attention on 5 shortage areas, namely adult social care, digital and technology, construction, haulage and logistics and manufacturing.

Andrew Cropley noted that there had been a significant reduction in numbers of young people joining lower-level apprenticeship courses post-covid, with West Nottinghamshire College currently showing more than 100 vacant places. He underlined the importance of educating young people about the benefits of developing higher level skills to take them through their working lives.

ACTION: AC and WM to liaise on details/ WM to commission a landscape map of the current position on apprenticeships.

Under ESF, WM reported that a £2m allocation for and apprenticeship and jobs hub had been reclaimed by DWP due to no bids having been received in response to that call.
WM paid tribute to work by D2N2 data analysts, Vlad Epuri and Dave Tuer and drew Board’s attention to the new funding tracker tool which highlighted investment funds available within the region and which had been developed by the D2N2 team.

On mental health, WM advised Members that all managers would have completed training in mental health first aid by Christmas, 2021 in order to support the whole workforce at this difficult time in the LEP’s history.

Board NOTED the report.

2.5 GPF Review Report (exempt item)

Board considered a confidential report on next steps to address remaining GPF underspend.

Board AGREED to set up two repurposed funds, details for which would be considered for approval at Investment Board, as follows:

- D2N2 Low Carbon Growth Fund - £6.5m of capital grants, match funded and capped at £1.5m per project: to support innovative approaches to growth that support the move to net zero
- D2N2 Early Stage Angel Investment Fund - £4m of revenue funding to be recycled through support for SME growth through loans and equity investment.

2.6 Freeport Update

Cllr Robinson advised Members that the final submission date for the Freeport final business case had been put back to January, 2022.

A new Chair was to be recruited for the Board.

Clare James noted that an announcement regarding tax site designation was expected imminently.

Board RECEIVED and NOTED the report.

3.AOB

Under levelling up, David Fletcher reported that Derby City Council was looking to bid for the Great British Railways Head Office to be located in the city.

The Chair and D2N2 had already sent a letter of support.

ACTION: D2N2 to pick up with David Fletcher following the meeting.

Rob Harding reminded all of the details for the AGM on 24 November, 2021.
Date of next meeting
Wednesday, 26 January, 2022.
1. INTRODUCTION

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

1. Advisory Boards: summary feedback
2. LEP Review
3. Partner engagement

2. RECOMMENDATION

2.1 Board is asked to NOTE the report.

3. ADVISORY BOARDS

Business Growth and Innovation

- **Meeting date:** 13 January 2022
- **Chair:** Viv Russell
- **Next meeting date:** 14 February 2022

The Advisory Board received two presentations at the January meeting. Ian Harrison from Department of International Trade (DIT) outlined the key features of the recently published HM Government Export Plan “Made in the UK, Sold to the World.” You will recall that we launched our own International Trade strategy in November 2021 to coincide with UK Trade Week. We are now working with DIT and local partners in aligning local export promotion activity with a policy to open up new markets for new and existing exporters in our most competitive sectors.

The second presentation was to present findings and recommendations from the independent D2N2 Growth Hub review. The focus of the review was to measure development against original strategic objectives, assess service delivery and develop options for further development post-ERDF. Overall, the review was positive about the performance of the Growth Hub but provided clear recommendations for enhancement in the areas of service delivery and access, data management and grant provision (via the D2N2 Business Improvement Fund). We are now developing action plans to implement the review findings.

People and Skills
The Advisory Board received a presentation on the proposed amendments to the Local Skills Report Refresh, including the further development of linked skills strategies relating to digital skills, low carbon skills and apprenticeships. The recommendations were accepted. A first draft of the refreshed Local Skills Report was agreed to be circulated to members for comment by 5 January 2022.

The Advisory Board received presentations on the progress of one of the two Skills Development Fund pilots within the D2N2 area and from Tom Goshawk on the Hydrogen (H2) Taskforce for consideration of future skills needs of the sector.

I am delighted to report that, given our successful delivery on the first two rounds of Digital Boot Camps we have been asked both to extend our second-round delivery and to lead a joint bid for the third round which will include both Lincolnshire and Leicestershire.

**Place**

- **Chair**: David Williams
- **Next meeting date**: TBC

The Place Advisory Board has not met since the last meeting of the LEP Board. It is currently being internally reviewed to determine the appropriateness of this Advisory Board given the proposed changes to the LEP’s role in the economic development of the region. Any new direction for the advisory board will be brought to the attention of the LEP Board well in advance to discuss and agree any proposed changes.

The subgroups of the advisory board, namely Low Carbon Growth Group 9and Hydrogen Task Force), Rural Reference Group, Housing and Decarbonising Minerals Groups have continued to meet and are progressing their workstreams.

The Hydrogen Taskforce continues to meet monthly and brings multiple partners from the public and private sector as well as academia. Key strands of activity include working with the Energy Research Accelerator on the HyDEX programme to make available their hydrogen facilities and expertise to the region’s businesses and with Midlands Connect to help secure significant capital investment in new hydrogen refuelling infrastructure.

4. **LEP REVIEW**

We continue to await the results of the LEP review as part of the Levelling Up White Paper, now expected in early February 2022. The uncertainty of future plans into the next financial year continue to prove challenging in the absence of clear direction on the future of LEPs.
We remain committed to delivery of the LEP services such as our Careers Hubs which will all have been formally launched by the end of this quarter.

In the meantime, we keep our finances under close review, and I can confirm that, as set out at the AGM, we remain a sound and ongoing concern.

5. PARTNER ENGAGEMENT

Since the last board meeting, we continue to meet with partners to champion and advocate for our region, ably supported most recently by David Williams throughout December and into the start of this year in my absence for health reasons.

We continue to work closely with our MPs and the LEP Network to make the case for the ongoing value of LEPs. We are working with Midlands Connect, Midlands Energy Hub and their partners on a joint approach to attracting institutional investment into fuelling stations for hydrogen transport, with a view to exploiting and cementing our position at the centre of UK logistics to ensure we are seen as the place for the first national-scale hydrogen refuelling station.

Finally, I have asked Will to review the role of our Economic Recovery Analytical Group. We commissioned the group to help us understand and forecast the impact of Covid 19 on the region. It did so successfully thanks to great partnership working from our universities, councils, colleges, and the Trades Unions. Given that we are two years through the pandemic and continuing to live with covid, the time now feels right to review the group’s role in the context of the ongoing financial uncertainty and pressure of the LEP’s future funding, notwithstanding that we are in a strong financial position today. We will report back to the next board on the outcome of the financial review and the review of this group’s function.

Elizabeth Fagan
Chair
26 January 2022
1. INTRODUCTION

1.1 This report updates Board on the following
- People and Skills Update
- Business and Innovation Update
- Marketing and Communications Update
- ESF update

2. RECOMMENDATION

2.1 Board is asked to NOTE the report.

3. ADVISORY BOARDS

SKILLS UPDATE

Local Skills Report Refresh
As the chair outlined the D2N2 Board and the People and Skills Advisory Board have received the first draft of the refreshed Local Skills Report for their feedback prior to final endorsement by the People and Skills Advisory Board and publication at the end of January 2022. I would like to bring to your attention that the data has been updated and supplementary information requested by DfE added. It is our intention to supplement the Local Skills Strategy with linked strategies to provide specific analysis in Digital Skills, Low Carbon Skills and Apprenticeships during 2022. I want to stress that this report will continue to evolve and is increasingly the evidence base that DFE looks to when making decisions about other local programmes and funds, so your support in ensuring it is comprehensive and relevant is vital to ensuring the D2N2 skills system gets the investment that it needs.

Careers Hubs
Our Careers Hubs are now fully operational and will be fully staffed by the end of February. The impact of the structure and the support and guidance provided by the Steering Groups has been evident in a pleasing set of results from schools' completion of the Compass Directory, which measures progress against the eight Gatsby Benchmarks. In particular, Benchmark 1, a stable careers programme, which is the foundation of progress for all the other benchmarks, has shown at time of writing 30% improvement.
Skills Bootcamps
The government has announced a Wave 3 call for Skills Bootcamps and officers are currently working with partners to identify potential sectors where additional bootcamps could meet a need in D2N2. As in Wave 2, we will work with neighbouring LEPs where sensible, and are in discussion with Leicestershire about if and how boot camps could be used to help build foundations for the new Institute of Technology to build on.

BUSINESS AND INNOVATION UPDATE

Manufacturing
The D2N2 Manufacturing Advisory Panel (MAP) continues to focus on supporting our broad manufacturing sector in driving productivity by embracing modern technology, enhancing skills, and working towards net zero. Following on from the soft launch at the recent Innovate Local East Midlands event on 15th December, plans are being completed for the delivery of “The Future Is Now” campaign. The campaign aims to support and encourage our makers, notably SMEs, to maintain their competitive edge by promoting digital tools and technologies as the pathway to greater productivity and growth. This campaign is rooted in business support employing partnership approach, bringing together all key partners and stakeholders to agree an over-arching branded campaign across existing and new activity that incorporates a narrative that businesses understand. “The Future Is Now” will feature at the East Midlands Chamber Manufacturing & Engineering Conference in March and further campaign branded events and workshops will follow throughout 2022.

In addition to the campaign, MAP is leading on the development of a new sectoral Training Needs Analysis to identify further skills needs and fostering better links between manufacturing networks across the region. This analysis will feed into our proposed bid for the next round of Digital Boot Camps, given that the exposure of many parts of our region to automation is also a huge opportunity to re- and upskill our workforce.

Finally, the three East Midlands LEPs have commissioned the preparation of a case for investment for the roll-out of the Made Smarter Adoption programme across the region thereby bringing parity with programmes already being delivered in West Midlands and the North. The case will be presented to BEIS on behalf of the three LEP areas manufacturing bodies by the end of March.

Investment Promotion and Investor Development

D2N2 LEP continue to work with local Investment Promotions Agencies through the ERDF “Invest in D2N2” programme. Current activity includes input to the Midlands Engine’s new “Investment Atlas”, which will promote our major investment opportunities as part of the wider UK offer being led by DIT. This new portfolio of sites and sector opportunities will be published in the Spring.

Funded by Department of International Trade (DIT), the D2N2 Investor Development Service provides a co-ordinated approach to Foreign Direct Investor retention and growth. It identifies potential overseas partners that could, with some support from our service, make capital investments that lead to job creation. The D2N2
Investment Co-ordinator has worked with DIT and local partners to develop a key account portfolio of up to 30 businesses. To date we have delivered four inward investments totalling approximately £15m of new investment, with a further twelve leads being pursued. DIT has indicated that they are impressed with the value for money being delivered and we are in discussion with the department over funding to sustain and develop the service.

MARKETING AND COMMUNICATIONS

Our focus over the last few months has been delivering the D2N2 AGM and production of the Annual Review.

112 people attended our AGM with 98% saying they found the event engaging and useful. As part of the post event survey, funding was the topic most people would like us to cover in the future. A full round-up of the event, can be found on the D2N2 website including a link to our 2021 Annual Review.

2021 was the LEP’s most the successful year for social media and media reach. Our focus continues to be to provide timely communications to build confidence in us and profile our impact. This is particularly important given the ongoing LEP Review. In summary:

- **MORE PEOPLE**: Website traffic has increased by 18% as result of targeted and relevant content
- **MORE INTERACTIONS**: Our social posts have received 30% more likes, shares, and comments than in 2020
- **MORE VALUABLE**: The monetary worth of our media (digital and press combined) is up by 9.9%

The full report of our digital and media impact can be found [here](#).

ESF RESERVE FUND UPDATE

We are still awaiting information from the Managing Authority regarding applications to the final call made using national ESF Reserve Fund procedures – The COVID-19 youth employment programme.

The Managing Authority has no further ESF Reserve Fund calls planned at this time. If any funding becomes available between now and the end of Dec 2023 it will be made available to existing projects who meet performance criteria to extend the value of their contracts to allow for more individuals, communities, and employers to be supported by ESF provision.

To support this shift to a focus on delivery of the ESF programmes we will convene 2 ESF provider groups. One group will be for ESF Priority Axis 1 Employment providers and the other for Priority Axis 2 Skills providers. These groups will support providers delivering in the D2N2 area to help meet their contractual targets and develop a ‘no wrong door’ focus for individuals and employers wanting to access recruitment, employment, and skills provision.
CORPORATE UPDATES

I am sorry to say that our head of operations Michelle Reynolds will be leaving us in February. Unsurprisingly, given her excellent track record, she has been offered a new role with substantially more seniority by one of our partners. I would like to thank Michelle for her significant contribution to the development of how the LEP operates and for her support of the team more widely and wish her every success in her new role. I confirm that recruitment is under way for a replacement but may be challenging in the uncertain times for LEPs.

On a more positive note, our Career Hub team is almost up to full capacity as Lana Jay and Helen Guyatt have joined us to support N2 and Derbyshire South respectively.

As Elizabeth mentioned, we are reviewing the role of our analytical group. We continue to use the collective knowledge of the group to support partners, such as through providing evidence for the N2 County Deal proposals and the bid from Derby City to be the home for Great British Rail. The government’s AI strategy of 2021 will be followed-up by an action plan, and we have reached out to BEIS’s Office for AI to discuss how we can evolve the group.

Finally, we are continuing to keep our income and outcome under review and to develop forecasts for various potential scenarios and will bring a paper to a future Board meeting once the levels of Government funding we can expect for 2022/23 are confirmed.

Will Morlidge

26 January 2022