

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

James Brand	Business Representative
Graham Cartledge	Business Representative
Cllr Alex Dale	Leader, NE Derbyshire DC
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
Rob Harding
Dan Heffernan
Frank Horsley

Operations Manager, D2N2
Head of Marketing and Communications, D2N2
Senior Careers Hub Lead, D2N2
Head of Business and Innovation, 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).