



Derby
Derbyshire
Nottingham
Nottinghamshire



Annual Review 2021/22

Low Carbon Productivity Connectivity

Our region and key projects



Glossop Town Hall
Glossop

Nuclear Advanced Manufacturing Centre
Infinity Park, Derby

Smartparc
Derby

Digital Turbine Centre
Worksop

The Bridge Skills Hub
Worksop

UK Electrification of Aerospace Propulsion Facility
University of Nottingham

Nottingham Southside Regeneration
Nottingham

Lindhurst Spine Road
Mansfield

Over the past 10 years we have secured £1.5 billion investment and 20,000 jobs for our region.

Who are we? What do we do?

We help our **BUSINESSES** access finance, improve productivity and trade globally.

We help people and employers access **TRAINING** to improve **SKILLS** they need to thrive.

We inspire **YOUNG PEOPLE** to make more informed decisions about their future **CAREERS**.

Our ambition is to improve the productivity of our economy and the standards of living of our residents.

We convene the skills and experience of some of the region's most successful businesses, its academic institutions and our local authorities to identify opportunities for low carbon growth to exploit and risks to be tackled.

We work with partners in industry and academia to help to turn even more of our world class research and development into new product development.

We support the levelling up of our region by providing robust evidence and analysis to support our partners in targeting their investments for maximum impact.

In addition to these vital strategic roles, we also have three key areas of delivery:

The **D2N2 Capital Programme** supports investments in physical assets including projects for business support, energy, transport, housing, innovation and education.

D2N2 Careers Hubs work with schools and colleges to improve the quality and relevance of careers education.

D2N2 Growth Hub works to support businesses direct or to signpost to more suitable sources of help and advice.



Projects delivered in 2021/22

During 2021/22 our key capital programme was the Get Building Fund (GBF). We were awarded £44.4m for GBF, an allocation considerably higher than a nominal pro-rata share, and this was explained by HM Government as a result of our excellent track record of delivery and of identifying the most impactful projects. This work is steered by our Investment Board, to whom we owe huge thanks, and monitored by our colleagues in Derbyshire County Council who equally deserve our thanks.



Glossop Town Hall, Glossop

At Glossop Town Hall we are co funding work to bring this iconic complex of public buildings back into community use with High Peak Borough Council. Projects to replace the rooves at the Town Hall, the Municipal Buildings and Market Hall have now been completed, and further modernisation work continues.



Nuclear Advanced Manufacturing Centre, Infinity Park, Derby

Work began at the end of March 2022 on the Nuclear Advanced Manufacturing Centre on Derby's Infinity Park. D2N2 awarded £9m from GBF and our Growing Places Fund and will support 100 companies in its first five years through the Fit for Nuclear supply chain development programme.



Smartparc, Derby

At Derby's Smartparc our GBF funding is supporting the creation of a unique business park promoting low carbon advance food manufacturing. We were delighted to learn in January 2022 that Hello Fresh were to become the first operator on site, bringing with new 400 jobs, and further units continue to be snapped up by other major investors.



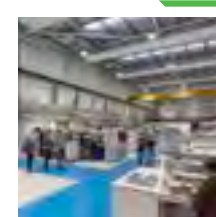
Digital Turbine Centre, Worksop

Worksop's Digital Turbine Centre - £592,000 of GBF investment facilitated a comprehensive upgrade the existing digital IT infrastructure of the centre, boosting the productivity of the more than 40 businesses already on site, and creating new high-skilled jobs.



The Bridge Skills Hub, Worksop

The Bridge, Worksop, is co-funded with Bassetlaw District Council and enabled the RNN College Group to begin delivering further and higher education courses in the town in April 2022, supporting up to 300 learners. The project has brought back into life a long vacant iconic building and created 50 new jobs.



UK Electrification of Aerospace Propulsion Facility, University of Nottingham

The University of Nottingham was awarded £7.6million towards the development of the £16.8M UK Electrification of Aerospace Propulsion Facility. Hosted within the new Power Electronics and Electrical Machines Centre, the facility is hosting 150 new learners and supports the East Midlands vision to be the world's foremost location for low carbon aerospace innovation.



Nottingham Southside Regeneration, Nottingham

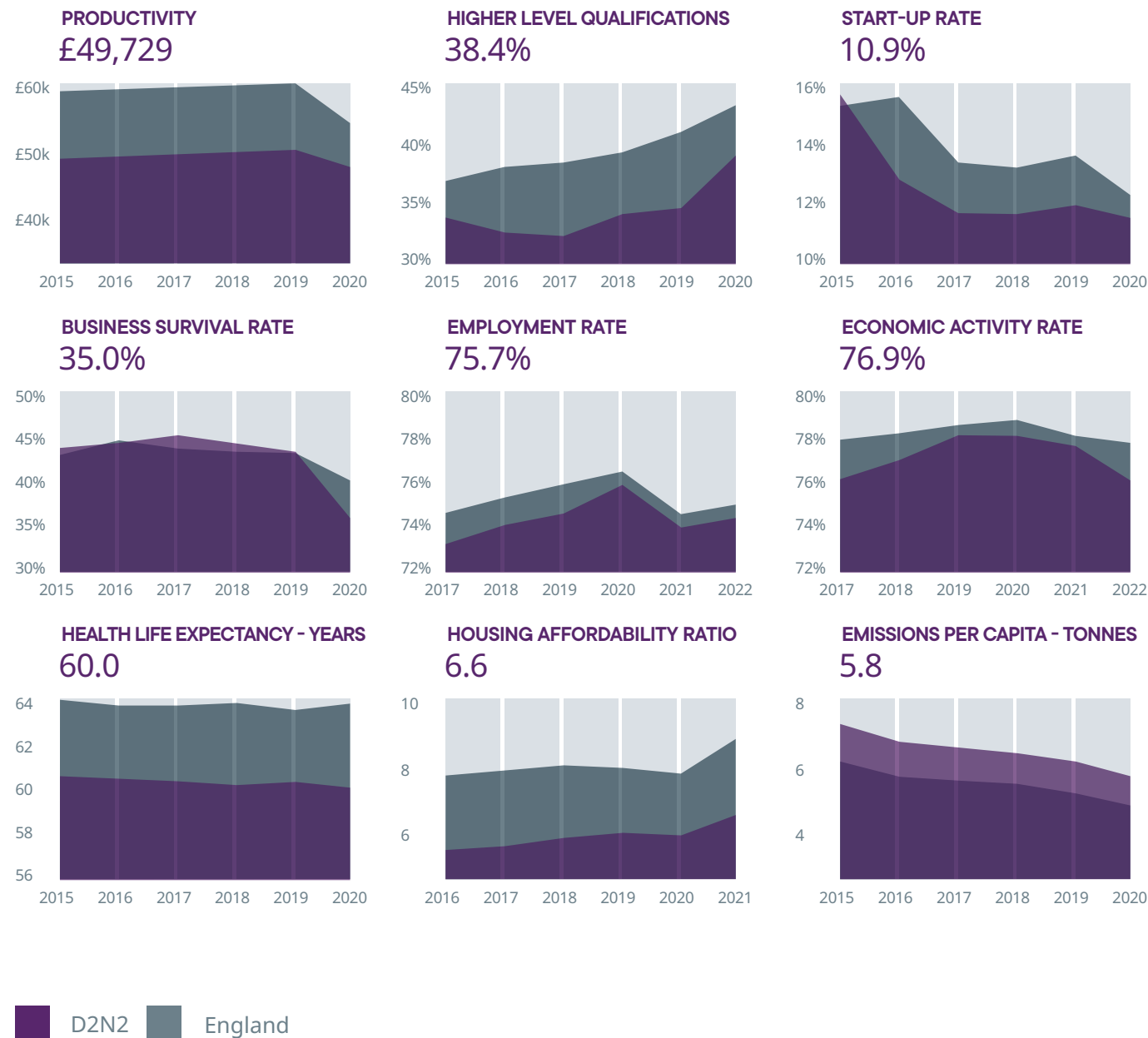
Transforming Nottingham Southside, we supported the works to demolish the old Broadmarsh shopping complex to enable ambitious new plans to redevelop Nottingham's southside, which has already enabled the development of the new Broadmarsh Car Park, which hosts the largest number of electric vehicle charge points in one location in the whole of the UK.



Lindhurst Spine Road, Mansfield

The £250m Lindhurst mixed use development, being built to the south of Berry Hill, aims to provide shops, a health centre, a new primary school, a nursery, care homes, and offices. Enabled by the funding of a 1 km link road financed by D2N2, the 480 acre site is delivering up to 1,700 new houses and 31,000 square metres of commercial space.

D2N2 Economy - Statistical Review



Notes:

Productivity is measured by GVA per job, adjusted for inflation using chained volume measures. Source: ONS, Subnational GVA and Productivity. Higher level qualifications are measured by the proportion of the working age population with National Vocational Qualification at level 4 and above. Source: ONS, Annual Population survey. Start-up rate is the number of new business registrations as a proportion of active businesses. Source: ONS, Business Demography. Business survival rate shows the percentage of businesses still active 5 years after registration. Source: ONS, Business Demography. Employment rate is the number of employed residents as a percentage of people aged 16-64. Activity rate is the number of economically active residents as a percentage of people aged 16-64. Source: ONS, Annual Population Survey. Healthy life expectancy is an estimate of the average number of years people would live in a state of 'good' general health. D2N2 values are based on upper tier local authority averages. Source: Public Health England. Housing affordability ratios are calculated by dividing house prices by gross annual earnings, based on the median values. Higher ratio means lower affordability. Source: ONS. The earnings data (gross full-time individual earnings on a place of residence basis) are from the Annual Survey of Hours and Earnings. The house price statistics come from the House Price Statistics for Small Areas. Emissions per capita show average levels of CO2 emissions reported in tonnes of carbon dioxide equivalent (tCO2e) per resident. For consistency of the trend figures, CO2 emissions exclude agricultural and waste management emissions. Source: Department for Business, Energy and Industrial Strategy.

Review of the Year



Elizabeth Fagan CBE
D2N2 Chair

It would be an understatement to say that 2021/22 was a turbulent year in terms of political, economic and social developments. We were battling Covid-19 and feeling the economic impacts of lockdowns while welcoming numerous support schemes from local and central government. We were still beginning to understand the impact of Brexit and Climate Change on our region, and the very end of the financial year tragically saw the beginning of the war in Ukraine. Throughout the year, our Board ensured that the D2N2 team remained focused on executing our Delivery Plan while managing the inevitable economic changes being driven by these world events.

For LEPs, one of the most significant changes of 2021/22 was the conclusion of many months of uncertainty over our future. The resolution began to emerge in February 2022 with the publication of the Levelling UP White Paper which led to the news in September 2022 that our region had made a successful bid to create the East Midlands Mayoral County Combined Authority. That indicates a clear pathway for the LEP's function to merge into that new body, and for the LEP Board to transition to a key advisory board for the new Combined Authority. The opportunities for our region from devolution are huge, and D2N2 LEP is playing its part in ensuring that we seize them, including leading on the skills elements of the deal negotiations.

2021/22 was a period of relative stability for our Board. We welcomed Becky Rix of Roadgas, who brings with her a wealth of experience in the low carbon agenda, and Councillor Keith Girling as the elected representative of Nottinghamshire County Council, and we thank them and our other Board members for their guidance throughout the year. We also said goodbye

to our Chief Executive Sajeeda Rose, who has joined the team at Nottingham City Council. Sajeeda's contribution to turning around the performance of D2N2 to a position where we are now recognised as one of the strongest LEPs in the country cannot be overstated.

2022/23 will be another year of continued delivery as we launch our first Low Carbon Growth Fund projects and our Angel Investment Fund. Our Careers Hub continues to growth in strength and delivery, and we became the first LEP ever to be inspected by Ofsted due to our key role in delivering Skills Boot Camps. We led the work to secure a £3m Made Smarter programme for manufactures across the East Midlands and are the lead LEP for the national Smart Manufacturing Data Hub project. I am confident I will be reporting on many more successes in next year's Annual Review.

Low Carbon Growth

In the intervening decade we had become far more aware of the need for us all to increase our efforts to tackle climate change. The D2N2 Board took the bold decision to re-purpose that funding to focus on low carbon projects.

One key role has been in giving clear leadership to businesses and investors about the importance of the agenda and its potential for GVA and job growth. This has included convening a strategic group on Low Carbon Growth to steer our work and a targeted task force, with our partners in Derby City Council, focusing on the specific opportunities around Hydrogen. We know from feedback from our partners how valuable these groups are, and that developments like Cadent's ambitious East Coast Hydrogen programme are being accelerated because of our ability to convene businesses, investors, utilities and local authorities.

We have also offered input to a number of low carbon funding bids. The most significant was our lead role in developing the strategic business case for the bid from EDF, Notts County Council and Bassetlaw District Council to host the world's first nuclear fusion plant at West Burton. We also supported the bid through showcasing our close partnerships with business and academia to the UK Atomic Energy Authority who commended our convening role as national best practice. In September 2022, the Government announced that our bid had been successful, and we will cover the work now underway to support the project in next year's report.

Probably the most creative approach we took this year, however, was to repurpose our Growing Places Fund. This was originally allocated to us in 2011 as a loan fund which had returned around £11m from our investments by 2021.

In the intervening decade we had become far more aware of the need for us all to increase our efforts to tackle climate change and took the bold decision to re-purpose that funding to focus on low carbon projects. We were not surprised to be hugely oversubscribed when we launched our Low Carbon Growth Fund and are taking forward seven projects from across our region and promoting a variety of technologies. In each case we are funding projects that were too risky for the market to support, so we are playing a key enabling role to de-risk future investments in a series of scalable, replicable innovations which could collectively have a huge impact on our ambition to have the biggest carbon turnaround in the country.



Will Morlidge
D2N2 Chief Executive

CASE STUDY

The Nuclear AMRC Midlands facility is scheduled for completion by early 2023 and will work with companies of all sizes to help them win work in carbon-neutral supply chains as part of the global drive to achieve net zero emissions by 2050. It is located close to Rolls-Royce and within 20 minutes' drive of global manufacturers Toyota, Alstom and JCB.

Development of the new Nuclear AMRC facility follows a successful pilot programme at Infinity Park's Connect iHub, which is now home to 15 engineers and support staff. The new research site will support 35 collaborative research and development projects within the first five years, in high-value sectors such as aerospace, automotive and rail as well as nuclear and other low-carbon energy technologies.

Andrew Storer, CEO of the Nuclear AMRC said: "The new Nuclear AMRC Midlands facility will play a vital role in helping manufacturers seize the opportunities and tackle the challenges of the national transition to net zero emissions.

"As the first High Value Manufacturing Catapult facility in the East Midlands, we will continue to work closely with local industry, academic and government partners to deliver sustainable growth for decades to come. The coming years will see increasing investment into clean energy and low-carbon technologies, and the region is well placed to capitalise on the opportunity thanks to its wealth of experience, innovation and engineering expertise. We have already helped dozens of Midlands-based manufacturers to develop their capabilities for the nuclear sector and want to work with even more to support their ambitions across other growing low-carbon sectors."

The government-backed Infinity Park Derby (IPD) collaboration includes the University of Derby, Derby City Council, Wilson Bowden, Peveril Securities, Harpur Crewe Estate and Rolls-Royce, with over £9 million from D2N2.

Mark Bielby of March Developments, development managers for IPD LLP, said: "Nuclear AMRC is a beacon of excellence and its involvement at Infinity Park Derby is projected to add £71 million to the local economy over five years. The shift to carbon neutral technologies is now an obvious priority for industry, and with the help of our construction partner Stepnell we will deliver a sustainably designed building which will lead by example."

Elizabeth Fagan CBE, chair of D2N2, said: "Our region has a long and proud history of powering the nation. Our investments into Infinity Park and the Nuclear AMRC will play a critical role in developing clusters of highly productive and sustainable businesses that will drive the UK's green revolution."



Productivity: People and Skills

The LEP continues to lead on skills strategy development in D2N2 through continued application of skills analysis, engagement with employers and the education and skills sector, and a focus on improved access to careers guidance and labour market information. Our second Local Skills Report was published in January 2022, providing clear analysis of key issues relating to employment and skills that is driving strategy and delivery across the region.

INCLUSION: DIGITAL SKILLS BOOTCAMPS

The delivery of Digital Skills Bootcamps by D2N2 LEP has continued to grow, with the LEP being awarded contracts for delivery under Waves 1, 2 and 3 of the programme.

Skills Bootcamps were developed in response to employer demand for short, focused courses that equip learners with the technical skills needed to fill immediate skills gaps and shortages that are hampering productivity and growth. Developed in partnership with business, Bootcamps are open to both employed and unemployed people, seeking to learn in-demand skills that employers have struggled to access.

Since 2021, the D2N2 LEP has managed Digital Skills Bootcamps in coding and software development, digital marketing, cyber security and IT networking. These have been delivered across Derby, Derbyshire, Nottingham, Nottinghamshire, Greater Lincolnshire and Leicestershire, through a network of quality-assured training providers. Equipping learners with sought-after digital skills, the extended Wave 1 contract resulted in 81% of learners who completed the programme securing jobs, or progressing into different roles within their existing employment, ensuring that employers have access to the skills they need.



It is also encouraging to learn that:



CAREERS HUB

In 2021-22 the D2N2 Careers Hub became operational across the entirety of the area, with four areas of local focus: Derbyshire North, Derbyshire South, Nottinghamshire North and Nottinghamshire South. The ambition is to make sure every young person can find their best next step out of education and into the world of work.

Core to this is the bridge between employers and schools and colleges. This work has been particularly important as we emerge from the restrictions of Covid-19, when young people were not able to have employer encounters or visits in person and we know that encounters with employers are vital to helping young people understand the options available to them.

We were pleased to establish four Cornerstone Employers groups across the Hub area. These local businesses work together with their networks, the wider business community, and the Hub Leads, to ensure all young people in the area get the opportunities they need to be prepared and inspired for the world of work.

The StartInD2N2 platform was launched in collaboration with the Derby Opportunity Area Twinning fund, as a one stop shop for young people across D2N2 to access current labour market information and sector-related careers advice.

Our team of Enterprise Coordinators continued to work with Enterprise Advisers drawn from the business community

to support the 152 schools in the Careers Hub in 2021-22.

Complementary to this was our wider partnership including Local Authorities, and delivery partners Futures and DANCOP. At the end of the Spring Term, performance across the Hub was showing a marked improvement on the previous year against all eight Gatsby Benchmarks of good careers guidance.

CASE STUDY

A programme designed to support young people exploring a career working in the built environment, including designing, architecture, surveying and structural engineering, has recently been launched at the new Digital Centre at Chesterfield College.

It aims to help students develop their knowledge and understanding of the sector and career opportunities, broaden their horizons and build knowledge and awareness of career pathways. It also helps build their self-confidence and communication skills as well as helping them to learn about planning and organising.

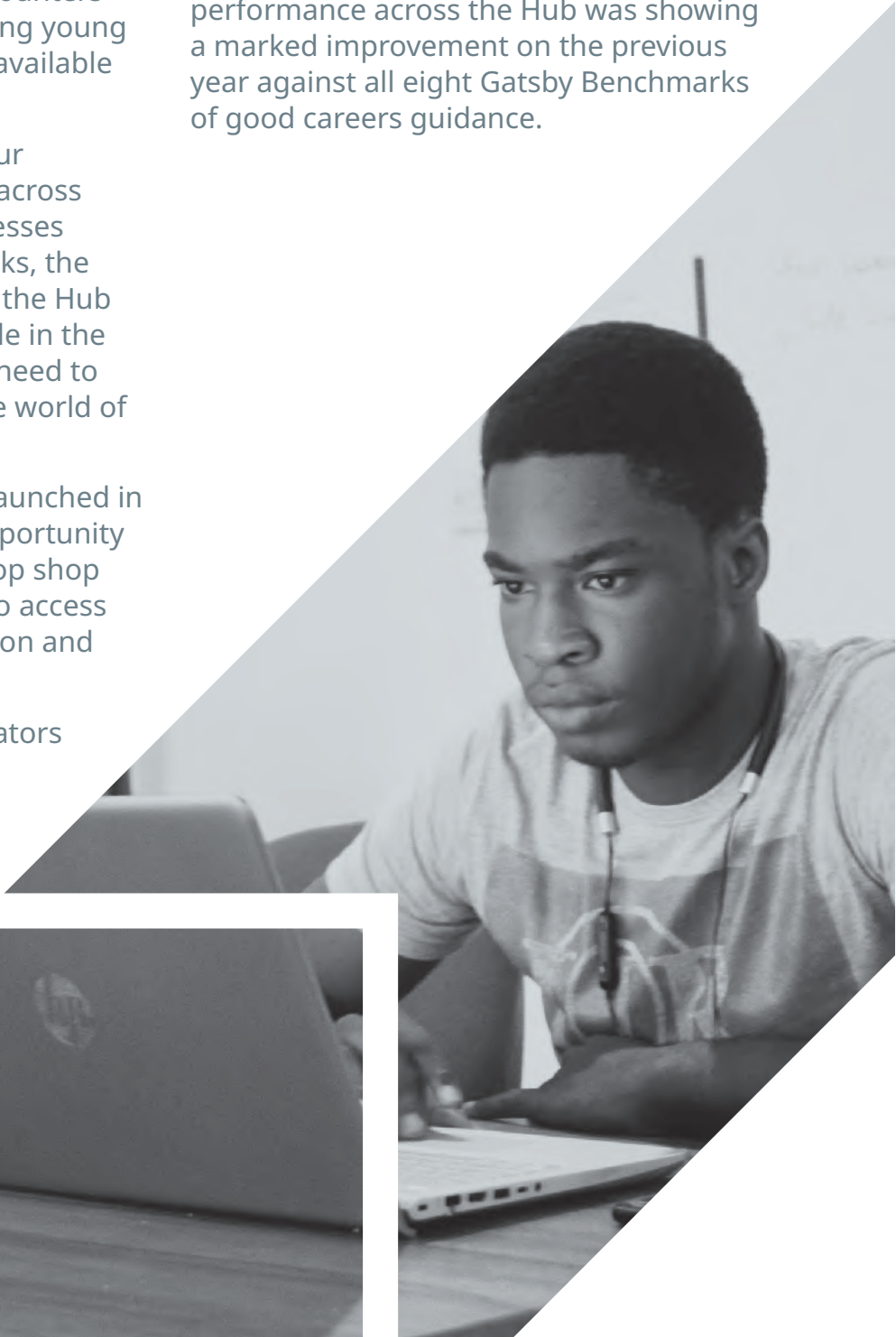
Championed and supported by the D2N2 Careers Hub, led by the D2N2 Local Enterprise Partnership (LEP) and funded by the Careers & Enterprise Company, the work builds on a successful pilot run in 2021 in partnership with the Chesterfield Property and Construction Forum and Chesterfield Borough Council.

Supported by mentors and role models from local companies, including Whitham

Cox Architects, Harworth Group, Henry Boot Construction, Barratt Homes, Mascot Management and Airmaster, students got to meet their mentors, interview them and learn about their companies. Each student was set an individual bespoke project by their mentor.

Katie Burnham, a mentor from Henry Boot Construction Limited, said **“It’s been a brilliant opportunity to network as well as participate in the mentoring programme”**.

Will Morlidge, Chief Executive of D2N2 LEP, added: **“Providing young people with meaningful encounters and showcasing opportunities to inspire them into a sector and career is central to the work of the D2N2 LEP Careers Hub”**.



Connectivity: Engaging with business

Working closely with partners across government and commerce, D2N2 has facilitated the development of the regional economy using several tools at its disposal.

Our **Investor Development Service** has strengthened and consolidated relationships with key companies by having a regional perspective, enhancing engagement and closer partnership working with local authorities, academic support and investment promotion agencies. This customer focused and flexible service responsive to individual need has been crucial in identifying key companies and connecting them to market, sector intelligence and export support to enable them to reach their potential. For the first part of this year, this programme has successfully uncovered projects with an investment value in excess of £145 million and creation of over 500 jobs. These high value projects with a focus on rail and low carbon food manufacturing are key sectors for this region and align themselves to the Green Growth Strategy focused on low carbon growth and sustainability. This programme demonstrates the value we can add through our engagement in a region with high growth potential and at a time when it has been needed most.

TO DATE, THE D2N2 GROWTH HUB HAS:

Engaged with over 17,000 SMEs, helping to support SMEs to bolster resilience and achieve their growth ambitions. with a focus on business planning; skills; and access to finance.

Received approx. 50,000 unique website visitors annually.

Delivered 1,400 engagement events.

In the past year, 92% of respondents said they were more likely to access business support as a result of engaging with Growth Hub and 89% said expectations had been met by the Growth Hub.

The **D2N2 Business Investment Fund**, facilitated by the Growth Hub, offers grants of £10k-30k for SMEs to implement projects that step-change their operations, directly leading to improved efficiency and productivity. During 2022, the fund has fully committed its £3m of grant funding, supporting over 200 SME projects across D2N2.

A pilot initiative **Road to Raise** delivered investment readiness support to potential growth businesses. In 2022, we supported 30 SMEs through a programme of dedicated 1-2-1 advice about how to become investment ready with a focus on equity opportunities. The support culminated in two live pitching sessions where 10 businesses were able to pitch their opportunity to investors. As a result of this support two companies secured financial investment and others were actively engaged in conversations with investors. This pilot sets the groundwork for further investment readiness support in future years and bodes well for the successful introduction of the D2N2 Early Stage Equity Fund.

The **Midlands Engine Investment Fund** provides £300m of investment to boost SME growth in the Midlands. The D2N2 ERDF contribution to MEIF is £11.75m. We were delighted to hear in October 2021 that a further £400m will be invested across the Midlands. Business from the D2N2 area benefitting from MEIF funding this year include Chesterfield-based software developers Konektio, restaurant chain Tipu Sultan based in Nottingham, and Ilkeston engineering firm FC Laser.



Summary Accounts 2021/22

INCOME	2020/21	2021/22
Local Growth Fund	£40,086,356	
Get Building Fund	£22,287,500	£43,237,724
Growth Hub	£1,225,223	£988,407
Digital Bootcamp	£846,449	£960,971
Key Account Management	£50,000	£50,000
Freeports	£152,322	
Resource Funding		
Energy Startegy		
Skills Analysis Panels	£75,000	£75,000
Careers and Enterprise	£383,400	£601,194
HS2 Toton	£900,000	
HS2 Growth Strategy		
HS2 Dev Corp	£1,000,000	
Growing Places Fund - Capital	-£180,000	
Growing Places Fund - Revenue	£17,970	£29,001
Core Funding	£1,106,569	£984,180
Enterprise Zones	£174,364	£230,358
TOTAL INCOME	£68,125,153	£47,206,835

EXPENDITURE	2020/21	2021/22
Local Growth Fund	£41,865,364	
Get Building Fund	£22,277,683	£38,187,724
Growth Hub	£1,246,008	£988,598
Digital Bootcamp	£846,449	£960,971
Key Account Management	£51,108	£46,468
Freeports	£152,322	
Resource Funding		
Energy Startegy		£12,500
Skills Analysis Panels	£90,403	£82,732
Careers and Enterprise	£349,465	£505,474
HS2 Toton	£276,579	£78,079
HS2 Growth Strategy	£20,000	£13,076
HS2 Dev Corp	£1,000,000	
Growing Places Fund - Capital		£5,000,000
Growing Places Fund - Revenue	£14,202	£10,840
Core Funding	£942,812	£1,053,330
Enterprise Zones		
TOTAL EXPENDITURE	£69,132,394	£46,939,792

YEAR END CLOSING BALANCE	2020/21	2021/22
Local Growth Fund		
Get Building Fund	£9,817	£7,406,367
Growth Hub	£20,784	£20,975
Digital Bootcamp		
Key Account Management	£1,109	£2,423
Freeports		
Resource Funding	£113	£113
Energy Startegy	£13,287	£787
Skills Analysis Panels	£3,882	
Careers and Enterprise	£89,538	£185,258
HS2 Toton	£853,893	£775,813
HS2 Growth Strategy	£121,405	£108,329
HS2 Dev Corp		
Growing Places Fund - Capital	£22,209,965	£8,363,415
Growing Places Fund - Revenue	£786,270	£804,431
Low Carbon Growth Fund		£6,500,000
Core Funding	£834,258	£765,108
Enterprise Zones	£394,873	£675,231
General Reserve	£595,218	£591,369
TOTAL	£25,890,626	£26,157,669.54

This information provides a summary of the funding that D2N2 LEP is directly responsible for overseeing. The figures are provided by Derbyshire County Council, D2N2's accountable body.

[Companies Act 2006 S.172 \(1\) statement](#)

The Board continues to have regular engagement with stakeholders, both through representing D2N2 in external meetings and engagement and, for several members, as chairs of subgroups which draw members from businesses, public sector employers and the education sector in our region. All Board members have signed a code of conduct, and should any escalation be required, our nominations and appointment committee would be asked to review. No such action has been required.

In terms of principle decisions taken by the Board, we continue to be advised by our impartial Investment Board on any issues relating to capital investments. To date all Investment Board recommendations have been agreed by the main LEP Board.

The Chair and Vice Chair have regular meetings (minimum fortnightly) with the Chief Executive and quarterly meetings with the senior leadership team to ensure they can gauge the mood and steer the culture of the organisation. They have taken a particular care this year to encourage all staff to consider their mental health. This has included authorising funding for all managers in the organisation to undertake mental health awareness training and for six members of staff to be trained as mental health first aiders.

D2N2 Board 2021/22



1. Elizabeth Fagan - CBE, Chair
2. David Williams, (Deputy) Chair of Geldards LLP
3. James Brand, Managing Director of United Cast Bar
4. Graham Cartledge - CBE, Chairman of Handley House
5. Tim Freeman, Deputy Managing Director of Toyota Motor Manufacturing (UK) Ltd
6. Councillor Mike Introna, Vice Chairman of Nottinghamshire County Council's Economic Development and Asset Management Committee
7. Clare James CBE, Managing Director of East Midlands Airport
8. Scott Knowles, Chief Executive at East Midlands Chamber
9. Councillor Barry Lewis, Leader of Derbyshire County Council
10. Councillor David Mellen, Leader of Nottingham City Council
11. Councillor Chris Poulter, Leader of Derby City Council
12. Becky Rix, Owner and Marketing Director of Roadgas Limited
13. Councillor Simon Robinson, Leader of Rushcliffe Borough Council. Nottinghamshire Districts Representative
14. Viv Russell, Group Managing Director for The Longcliffe Group
15. Andrew Cropley, Principal at West Notts College
16. Professor Shearer West - CBE, Vice-Chancellor at The University of Nottingham



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□D2N2LEP November 2022