

Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Thursday 9 March 2023

Derbyshire County Council, County Hall, Matlock DE4 3AG
(with hybrid Teams dial-in)

Chair	David Williams
Minutes	Sally Hallam

Present and Apologies

D2N2 Board Members in Attendance

Cllr Kevin Buttery	Leader, Amber Valley BC
Graham Cartledge	Chairman, Handley House Ltd
Dr Glenn Crocker, MBE	Exec Director, The Pioneer Group
Katrina Crookdake	Area Lead Nottm/Notts, BEIS
Tim Freeman	Deputy MD, Toyota UK- Business Rep
Natasha Johnson	Director of Partnerships, Global Entrepreneurs UK
Scott Knowles	CEO, East Midlands Chamber
Cllr David Mellen	Leader, Nottingham City Council
Prof Edward Peck	VC and President, Nottm Trent University
Cllr Chris Poulter	Leader, Derby City Council
Becky Rix	Marketing Director Roadgas
Cllr Simon Robinson	Leader, Rushcliffe BC
Viv Russell	CEO, Minerals Products Qualifications Council
Mandie Stravino, OBE	CEO, Derby College Group
Tony Tinley	Regional Officer, Unite the Union
Liz Wigley	Area Lead Derby/Derbys, DBT
David Williams	Chair, Geldards, Deputy Chair D2N2

Accountable Body in attendance

Sarah Wainwright	Senior Finance Officer, Accountable Body, Derbyshire County Council
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Apologies from Board Members

James Brand	CEO United Cast Bar – Business Rep
Elizabeth Fagan CBE	Chair, D2N2
Cllr Keith Girling	Portfolio Holder, Nottinghamshire County Council
Cllr Barry Lewis	Leader, Derbyshire County Council

Also in attendance

Emma Alexander	MD, Derbyshire County Council
Ben Bradley, MP	Leader, Nottinghamshire County Council
Simon Gladwin	Exec Director (Operations), Amber Valley BC
Tom Goshawk	Associate Director, Faithful and Gould
Nicki Jenkins	Director Econ Development and Property, NCC
Kath Marriott	CEO, Rushcliffe BC
Adrian Smith	CEO, Nottinghamshire County Council

Nicola Swaney Observer

Officer Support

Fiona Baker	D2N2 Head of People and Skills
Lana Jay	D2N2 Strategic Careers Hub Lead
Will Morlidge	D2N2 CEO
Derrick Mugerwa	D2N2 Digital Marketing and Communications Officer
Maureen Vieyra	D2N2 Head of Corporate Services

1.1 Welcome and Introductions

The meeting was chaired in Elizabeth Fagan's absence by Deputy Chair, David Williams, who welcomed all to the meeting and extended a particular welcome to Dr Glenn Crocker who was attending Board for the first time.

Apologies were recorded from Board members James Brand and Cllrs Lewis and Girling.

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 by members present.

1.3 Minutes of last meeting and matters arising

The Minutes of the previous meeting held on 7 December 2022 were confirmed as a true record.

Will Morlidge drew attention to the requirement for Board members to demonstrate up-to-date training on GDPR requirements and asked those members who required training or a refresher to come forward so that this could be arranged for them.

2.1 Chair's Report

David Williams introduced the Chair's report updating members on significant developments since the last meeting and drew Members' attention to the detailed notes under each item.

Following on from references in the report to devolution plans, he invited guest speaker, Cllr Ben Bradley MP to address the meeting.

Cllr Bradley summarised the opportunity presented by a devolution deal, which would attract more funding to the region and enable powers for local decision-making tailored to local circumstances. He referred to the importance of having a clear business voice throughout to provide input to shape the process. Board saw a slide presentation accompanying the presentation.

Adrian Smith informed Board that the results of the public consultation into devolution would be made public on Friday, 10 March, 2023. Work was continuing in the background to put in place transitional arrangements for a shadow combined authority to commence once legislation had been passed in June/July 2023.

A transition plan was being developed to prepare for the potential merger of the LEP into the new Mayoral Combined Authority (MCA). The work was being led by working group chaired by Nicki Jenkins of Nottingham City Council, attended by Will Morlidge and other Local Authority officers. The plan needed to be finalised by a date yet to be confirmed in Spring 2023. The group's first task was to define all functions, roles and assets of the LEP to enable consideration of if and how these could become part of the MCA.

Cllr Bradley reported that there was no definitive guidance on MCA governance. In terms of the role of a business board, options ranged from including retaining the LEP Board as a sub-Board of the MCA to creating a new Business Board or number of Boards. The views of Board members were sought on development of the integration plan and how to ensure a strong business voice within the new MCA.

David Williams thanked Cllr Bradley and the officers for the summary and welcomed the positive approach in respect of transition over to the MCA for the LEP staff. He sought clarification as to the intended nature of the 'voice' of business within the process, as well as that of HE/FE, referring specifically to whether it would be advisory or have decision-making power.

Cllr Bradley replied that Government's expectation for the accountable person (Mayor) would be that they were genuinely accounting for the views of local people, including the business community.

Cllr Poulter added that the governance structure for the new MCA would be in the form of a Mayor plus cabinet, of which 8 member places would be for local authority representatives together with further members to be confirmed. This region had the

advantage in the design stage of looking at existing models of MCA already in operation elsewhere in the country.

David Williams highlighted Elizabeth Fagan's reference to the Tees Valley model as a useful guide for the East Midlands.

Prof Edward Peck acknowledged the need for a business board voice. In addition to engagement through the business board, the universities would also seek to be engaged direct with the new MCA through other groups and mechanisms. He also expressed the view that insufficient detail was currently available to D2N2 Board to enable it currently to make informed decisions on exactly how to be involved going forward. Form should therefore follow function once this was more clearly defined.

Natasha Johnson asked of how the proposed MCA would engage with the voluntary sector.

Cllr Mellen was keen to retain, where possible, the experience and expertise within the LEP but at the same time signalled the need to be mindful of concerns raised in consultation responses. In particular he noted concerns that additional funding should be spent on improving the local economy not supporting a big administration around the Mayor.

Adrian Smith summarised the structure for setting up the MCA as a prescriptive requirement in respect of the mayoral cabinet, with flexibility around that for potentially a range of boards feeding in the voices of business, colleagues in the skills sector and possibly another for the voluntary and community sector.

Will Morlidge noted that, before the detail of LEP transition could really be addressed, the proposed function of the MCA needed to be known, echoing Prof Peck's observation. LEP staff were involved in strategy, commissioning and delivery and until it was known whether the MCA would have a similar remit, D2N2 could not begin to discuss transition of work, staff or assets. This also held true for the D2N2 Growth Hub. WM thanked local authority colleagues for being as inclusive as possible during this transitional period.

Scott Knowles raised a practical issue for the transition working group to take on board, namely the need for contact with East Midlands Chamber HR as current employer of LEP staff to deal with TUPE arrangements.

Cllr Bradley thanked the Board for sharing its views. He summarised his take-away points for further work as:

- Important practical implications on the transfer of staffing from the LEP
- Consideration of exactly what functions of the LEP should be transferred over
- Create board(s) to give genuine opportunity to shape policy and influence decision-making and strategy. Specifically on this point, such board(s) should be fit for purpose and agile, not mired in standard local-authority style processes.

David Williams highlighted other matters within the Chair's written report, notably good news on a successful Annual Performance Review for the LEP and funding for Made Smarter for the coming year, with 2 roles around digital skills in business confirmed with East Midlands Chamber as a result.

Under People and Skills Advisory Board, Prof Peck referred to new policy developments emerging around degree apprenticeships and work to understand why low numbers actually complete these. Details of the lifelong loan entitlement had been published by Government on 7 March, giving a model for L4/5 technical provision.

Board **NOTED** the report.

2.2 Capital Programme Report

Sarah Wainwright introduced her report summarising the meeting of the Investment Board on 1 February 2023 and referred to the detailed notes therein.

£2.6m had been de-allocated from the Drakelow project through Getting Building Fund and GPF. Subject to BEIS' approval, this would be reallocated to GBF projects meeting the necessary criteria before 31 March 2023 and otherwise to projects under a second round of the successful Low Carbon Fund.

Board **NOTED** the report and endorsed the decisions of the Investment Board.

2.3 Future Funding and LEP Finance

WM introduced a report updating Board on the 2023/24 funding settlement from Government and its implications.

Core funding had been cut to £250k, down a third on last year and half of the allocation from 2 years ago. He drew attention to work under way to review core costs, with savings on contracts of almost £10k having been identified, together with a recruitment freeze on any further posts. The expectation, not yet confirmed by Government, was that local authority match at a pro rata reduced rate would still be required to draw down core funding.

David Williams noted that the biggest increase in costs had come from staffing and tax. The staffing costs for next financial year looked high, but these were based on a maximum projection that all posts would be filled all year, whereas in the current financial year a number of vacancies were carried, which meant the actual costs came in well under forecast.

Board **NOTED** the report.

No discussion took place, and no confirmation was provided by local authorities for the requested match funding.

2.4 Future of the Growth Hub

Will Morlidge introduced a second funding report, following on from 2.3, in relation to Growth Hub.

He drew Board's attention to the fact that core funding had still to be confirmed and that match funding had not been confirmed from local partners to replace the ERDF that was ending on 31 July 2023.

WM drew attention to detail within the report confirming that this was a high-performing Growth Hub whose services would be missed. In order not to lose it and to avoid, in his opinion, the inevitable reinvention from scratch further down the line, WM asked Members to consider how the LEP should work with LAs, Chamber and others to secure its future. He referred to a proposal for a minimum core service to be funded potentially by D2N2, East Midlands Chamber and also the local authorities, the latter to demonstrate the belief in a local mandate for Growth Hub.

Cllr Poulter expressed the view that both business and skills support will be key priorities for MCA and noted that the position is complicated by ongoing discussions around funding for business support also being routed through UK Shared Prosperity Fund (UKSPF).

Simon Gladwin on behalf of Amber Valley confirmed that, whilst valuing the work of Growth Hub, the UKSPF must be allocated through competitive procurement processes. This meant that money could not be simply allocated to the Growth Hub from UKSPF, but the Growth Hub was welcome to bid in to UKSPF where local authorities had decided to allocate it for business support.

Board **NOTED** the report and **AGREED** for the LEP to work with EM Chamber on possible funded solutions from a minimum viable service to ensure no part of the region was left unsupported to a larger service co-funded by Chamber and complementary to UKSPF-funded services.

No further update was provided by local authority members on the likelihood of future match from UKSPF.

2.5 Chief Executive's Report

WM introduced his report covering operational matters not covered elsewhere and referred Board to the details therein.

He asked Members to consider and comment on the latest draft of the Strategy and Delivery Plan, attached as item 2.5a, by 31 March 2023.

WM flagged up that he was asked to prepare a strategy for the LEP organisation but sought clarification now of whether it should actually instead be part of the wider strategy one for the region in preparation for the MCA. Clarification would be needed

from the shadow authority. This was picked up for further investigation by Nicki Jenkins.

Board agreed that, in either case, the D2N2 delivery plan would be separated out from the strategy and should focus on the next two years to steer the organisation's transition and its ongoing business as usual activities.

Board's attention was also drawn to data on continued Government underinvestment in the region, currently running at more than £1bn per annum.

On prioritisation of LEP work, activity was under way with the senior team identifying must-do/should-do work to go forward, whilst other activity such as supporting Towns Fund boards and officer working groups might no longer be continued. Further detail on this would be brought back to a future Board.

Board **NOTED** the report and the request to comment on the draft Strategy and Delivery Plan by the end of the month.

3. AOB

None

4. Date of Next Meeting

Thursday 8 June 2023 (venue tbc)