

Item 1.3: CONFIRMED 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 – Business Rep
Dr Glenn Crocker, MBE	Exec Director, The Pioneer Group- Business Rep
Katrina Crookdake	Area Lead Nottm/Notts, BEIS
Tim Freeman	Deputy MD, Toyota UK- Business Rep
Natasha Johnson	Director of Partnerships, Global Entrepreneurs UK – Business Rep
Scott Knowles	CEO, East Midlands Chamber- Business Rep
Cllr David Mellen	Leader, Nottingham City Council
Prof Edward Peck	VC and President, Nottm Trent Uni – HE Rep
Cllr Chris Poulter	Leader, Derby City Council
Becky Rix	Marketing Director Roadgas - Business Rep
Cllr Simon Robinson	Leader, Rushcliffe BC – Notts Districts Rep
Viv Russell	CEO, Minerals Products Qualifications Council- Business Rep
Mandie Stravino, OBE	CEO, Derby College Group – FE Rep
Tony Tinley	Union Official Unite - Business Rep
Liz Wigley	Area Lead Derby/Derbys, BEIS
David Williams	Chair, Geldards, Deputy Chair D2N2

Accountable Body in attendance

Sarah Wainwright	Senior Finance Officer Accountable Body, Derbys County Council
------------------	---

Apologies from Board Members

James Brand	CEO United Castbar – Business Rep
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 again 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 D2N2 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 to address the meeting.

Cllr Bradley summarised the opportunity presented by a devolution deal for attracting more funding to the region and increasing 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 LEP transition plan would be developed to enable the LEP to join the new organisational structure, with a working group set up by Nicki Jenkins and co-sponsored by Will Morlidge now in place in order to produce a completed LEP transition plan for submission to Government alongside full proposal documentation at the end of Spring, 2023.

Initial activity for the working group was focusing on understanding the functions, roles and assets of the LEP and how these would fit into the CA. Guidance on Boards was not prescriptive. Options could include retaining the LEP Board as a sub-Board of the CA or 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 CA.

David Williams thanked Cllr Bradley and the officers for the summary points and welcomed the positive approach in respect of transition over to the CA 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 CA would be in the form of a Mayor plus cabinet, of which 8 member places would be for local authority representatives together with a further 8 places, the make-up of which had yet to be decided. This region had the advantage in the design stage of looking at existing models of CA 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, but indicated that the universities would not necessarily look to be represented on such a board, seeking rather to be engaged with the new MCA in their own right. 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 likewise raised the question of how the proposed changes would impact on the voluntary sector.

Cllr Mellen echoed the wish to retain the experience and expertise within the LEP but at the same time signalled the need to be mindful of concerns raised in consultation responses 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.

In terms of detail on which to base decisions, Will Morlidge pointed to the need to clarify the role of the shadow authority, ie would this be focusing on strategy and/or delivery? The latter would need to factor in Growth Hub and Careers Hubs if so. Until the answer to that was confirmed, transition planning would be difficult. 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.

2.2a EXEMPT ITEM Capital Programme update: Early-Stage Angel Investment Fund

Sarah Wainwright introduced an exempt report on the Early-Stage Angel Investment Fund and GPF.

Board **NOTED** the report and the contents provided.

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, half the allocation from 2 years ago. He drew attention to work under way to review core costs, with savings on contracts of £10k having been identified, together with a recruitment freeze on any further posts.

David Williams noted that the biggest increase in costs had come from staffing and tax. The staffing figures were explained by the fact that some posts had not been filled for the whole of the present 12-month period but had been projected forward for the full year.

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 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 GH.

Cllr Poulter expressed the view that both business and skills support were major strands of the MCA, but referred to co-ordinating activity across the whole area.

Simon Gladwin on behalf of Amber Valley confirmed that, whilst valuing the work of GH, their competitive procurement processes had to date prevented progress on any funding commitment.

Board **NOTED** the report and **AGREED** for the LEP to work with EM Chamber on a possible funded solution.

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

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 Towns Fund boards and officer working groups would 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).