**Item 1.3: CONFIRMED Key Decision/Action Points from Board**

**D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING**

Thursday 31 August 2023

Pavilion Building, Nottingham Trent University, NG11 8NS (and via MS Teams)

**Present and Apologies**

Chair Elizabeth Fagan CBE

Minutes Sally Hallam

**D2N2 Board Members in Attendance**

Graham Cartledge CBE Chairman, Handley House Ltd

Dr Glenn Crocker MBE Executive Director, The Pioneer Group

Cllr Chris Emmas-Williams Leader, Amber Valley Borough Council

Tim Freeman Deputy MD, Toyota UK

Cllr Keith Girling Portfolio Holder, Nottinghamshire County Council

Natasha Johnson Director of Partnerships, Global Entrepreneurs UK

Prof Edward Peck CBE VC and President, Nottm Trent University

Cllr Matt Relf Portfolio Holder, Ashfield District Council

Cllr Carolyn Renwick Portfolio Holder, Derbyshire County Council

Becky Rix Marketing Director, Roadgas

Viv Russell CEO, Minerals Products Qualifications Council

Cllr Baggy Shanker Leader, Derby City Council

Mandie Stravino OBE CEO, Derby College Group

Tony Tinley Regional Officer, Unite the Union

Liz Wigley Area Lead Derby/Derbys, DBT

David Williams MBE Chair, Geldards, Deputy Chair D2N2

**Apologies from Board Members**

James Brand MD, United Cast Bar Ltd

Scott Knowles CEO, East Midlands Chamber

Cllr David Mellen Leader, Nottingham City Council

**Also in attendance**

Katrina Crookdake Area Lead Nottingham/Notts, DBT

Joelle Davies Group Manager, Nottinghamshire County Council

Simon Gladwin Exec Director Operations, Amber Valley BC

Chris Henning Exec Director Place, Derbyshire County Council

Mark Rogers Interim Chief Officer (Devolution)

Sarah Wainwright Senior Finance Officer, Derbyshire County Council

**D2N2 Officer Support**

Tom Goshawk

Will Morlidge

Nicola Swaney

Maureen Vieyra

* 1. **Welcome and Introductions**

The Chair welcomed all to the meeting and extended an individual welcome in particular to new Board members joining today for the first time.

**1.2 Declarations of interest**

Viv Russell declared an interest in the exempt business under item 2.6 and took no part in the discussion.

**1.3 Minutes of last meeting and matters arising**

The Minutes of the meeting on 8 June, 2023 were confirmed as a true record and matters arising were covered elsewhere on the agenda.

**2. Strategic Discussion Items**

**2.1 D2N2 Chair’s Report**

Elizabeth Fagan introduced the Chair’s Report updating Members on significant developments since the last meeting and drew Members’ attention to the detailed notes therein.

She drew attention to the selection by the Labour Party since the last Board meeting of their Mayoral candidate, Claire Ward. As the Independent and potential Conservative candidates were already well-known to the LEP, for completeness and balance, Elizabeth reported that she would be meeting Claire later in the day after this meeting.

The Chair drew attention to confirmation that had been given at the meeting on 4 August of no further Government funding for the LEP beyond next year. Although D2N2 was in a much stronger position than many due to previously reported sound financial management, there was still a lack of clarity on the future for LEPs generally.

A discussion and decision on the future direction for D2N2 would be considered in more detail under item 2.4.

EF re-stated the Board position on backing devolution in principle, reiterating that business was behind a strong Mayor to get investment for this part of the country. The LEP would have a role to play within this, in support for skills, innovation etc and would work to continue to ensure this happened as the transition took place.

David Williams echoed the comments on the LEP’s ongoing role, adding that the LEP and any successor advisory board to the Mayor should lobby for financial devolution from central government for this region and should be involved in supporting decisions as to where and how funds were best spent.

Will Morlidge provided a short summary update from East Midlands Chamber (EMC) on behalf of Scott Knowles who was not able to attend the meeting. EMC had been asked to work with Derbyshire County Council on business engagement, hosting 4 business breakfast roundtables for different business sectors. There was a consensus over the positive nature of proposed devolution, tempered by realism that it would not be a panacea for all issues. Specific interest was noted in how the new system might be more responsive to the skills needs of local business.

Chris Henning gave a short progress update, confirming that key posts to the interim programme team had been filled over the summer, headed up by Mark Rogers who had joined the meeting as an observer.

The Chair also highlighted the excellent work of the Careers Hub as detailed under paragraph 5.1. Prof Peck reported that conversations were taking place around the Local Investment Fund on local skills provision, including levels 4 and 5. WM informed Board that the Careers and Enterprise Company (partner organisation to the LEP) had been asked to research what Ofsted was noting about the impact of the Careers Hub programme.

Elizabeth Fagan also thanked Viv Russell for his work chairing the Business Growth and Innovation Advisory Board, as he handed now to incoming AB Chair, Tim Freeman.

Nicola Swaney was invited to update briefly on arrangements for the upcoming launch event for East Midlands Hydrogen on 22 September. To date there had been a good mix of business representatives, supply chain, universities and politicians signing up, with numbers at 180 confirmed so far. Speakers were being finalised, and we noted that the change in Energy Secretary, which was announced on the day of the Board, might make it more difficult to secure ministerial attendance.

Board **NOTED** the report.

**2.2 Funding Programme Updates**

Tom Goshawk introduced his report updating Members on the D2N2 Funding Programmes, namely Early-Stage Angel Investment Fund (ESAIF) and Low Carbon Growth Fund and referred members to detailed notes within the report.

The procurement contract for ESAIF was out to tender, with responses due by 11 September and due diligence to follow thereafter. He reported that it was difficult to attract suitable applicants, although the Access to Finance Group is helpful in directing engagement with the right businesses.

As expected, further discussions with bidders are required on some of the Low Carbon Fund projects, given the innovative nature of the projects. In response to a question from Elizabeth, TG confirmed that the listed programmes would go on to be approved, since all met the criteria.

Sarah Wainwright confirmed that written procedures would be used for this Board to approve the Low Carbon Fund projects following September’s Investment Board, due to the length of time until the next Board in early December.

Board **NOTED** the report.

**2.3 Finance Update Report**

Sarah Wainwright introduced her report updating Board with a summary of income and expenditure for the final position of LEP budgets for 2023/24 as detailed.

Last year’s accounts were being worked on with HSKS Greenhalgh for approval and sign-off at the December AGM. An audit would be taking place in September.

Board **NOTED** the report.

**2.4 Future LEP Funding and Remit**

Will Morlidge introduced his report outlining 3 potential scenarios for the future role, shape and purpose of the LEP before inviting discussion from Board members to set a clear direction going forward.

Option A to continue as is until the end of FY 25/26 at the latest would give most flexibility in managing residual funds, minimal disruption to functions and staffing and aligned closely with Government policy.

Option B to operate until FY 24/25 before transferring to the MCA or a local authority if no MCA existed was also in alignment with Government policy but would give greater certainty as to end dateIt poses greater risks for staff but bring Directors more certainty more quickly than option A.

Option C to proceed independently as a consultancy using bank interest to fund core services is not well aligned with recently announced Government policy.

A discussion followed, with a general consensus as to the inevitability of uncertainty until such time as Royal Assent to the Levelling Up and Regeneration Bill is achieved. We hope assent will be granted in early November. A range of views were expressed favouring either the certainty of end date under Option B for Directors to wind up the business sooner with remaining assets or the longer run under Option A providing greater certainty for staff. Professor Peck noted that Option B is, in effect, a subset of Option A and the two are not mutually exclusive. Cllr Girling felt Option B was preferable because we get to clarity and certaintly more quickly than Option A. The majotiry of the Board who expressed a view felt that the flexibility of Option A outweighed the certainty of Option B. Option C was acknowledged not to be viable.

Board **AGREED** by a majority show of hands to support Option A, with the company continuing to the end of FY 25/26 at the latest.

**2.5 Chief Executive’s Report**

Will Morlidge introduced his report updating Members on Devolution Working Groups, UKREiiF 2024 and inward investment.

He confirmed that the LEP was fully engaged in sub-groups working behind the scenes on devolution and thanked all local authority senior officers for their engagement.

On UKREiiF and inward investment, WM updated Board on plans for this annual showcase for cities, local authorities and regions to showcase themselves to potential investors. This year’s event had been very successful, with the only downside being some duplication and overlaps in events hosted by East Midlands bodies. For 2024, a decision had been made to go as “Team East Midlands”. WM informed Board that in addition to Elizabeth, the LEP had secured the Chairs of EM DevCo and Freeport to be speakers and was hopeful that a new Mayor, if in post by then, would also join the line-up. This would demonstrate clear and joined-up thinking in promoting the inward investment message. It also gives the LEP for the first time the mandate to ensure that there is a clear, compelling and agreed vision for the East Midlands on our approach to inward investment.

On Skills Bootcamps, WM spoke briefly in Fiona Baker’s absence to the new round of bootcamps which had more flexibility to include, in addition to green and digital training, provision for care training and potentially other local priorities under the Local Skills Improvement Plan, such as health and logistics.

In response to a question from Natasha Johnson about marketing Bootcamps to marginalised communities, WM confirmed that these were currently about retraining people already in the workforce. WM also noted that the procurement work undertaken on D2N2’s behalf by Derbyshire County council includes a social value dimension. He recommended a separate conversation between Natasha, Tony Tinley and Fiona Baker to discuss potential future involvement of other communities, and to introduce Natasha and Tony to the detail of the social value clause to test if they feel it is strong enough for our purposes.

Board **NOTED** the report.

**ACTION**: Fiona to meet with Natasha Johnson and Tony Tinley.

Observer, Mark Rogers exited the meeting at this point.

**2.6 EXEMPT Economic Growth Fund**

Tom Goshawk spoke to an exempt paper, updating Board members on the Economic Growth Fund pipeline call.

In response to several Board members asking why the parameters for the funding call were so narrow, Sarah Wainright explained that, because the funding is recycled from the Government’s Get Building Fund, any allocations must meet the criteria set out by Government. The scoring criteria are around housing and/or job creation and/or increased skills provision, and each scheme must also demonstrate a contribution towards net zero. There is no requirement in this programme for innovation.

Board **NOTED** the report and **APPROVED** one of the three proposed projects (Infinity Park Derby Nuclear Skills Academy) onto the D2N2 Capital Programme, subject to subsequent agreement by the D2N2 Investment Board.

The Board asked the executive to **REVIEW THE ADVICE** on the other two recommended projects to better bring out their additionality. In particular the Board seeks clear evidence that the projects would either not go ahead or would have significantly reduced impacts without D2N2’s match funding. The Board also asked for the scoring for projects which were close to being approved to be reviewed on the same basis. The Investment Board would be asked to give their view on which projects should subsequently be returned to the LEP Board for approval.

**3. Any Other Business**

Natasha Johnson reiterated the importance of progressing the inclusion agenda. Unfortunately, due to work commitments she had been unable to meet with Tony Tinley as had been envisaged following the last Board meeting. Nicola Swaney confirmed that contact had been made with West Midlands colleagues as previously suggested to provide background information on which to build a proposal.

The Chair confirmed that she would be happy to take on recommendations made to a future Board.

Liz Wigley was invited to provide any updates from Government’s side. She confirmed that they were monitoring Ministerial changes being announced today and welcomed both the opportunity to continue working with LEP and other stakeholders on the devolution deal and the information given today on sensible contingency planning. More guidance was expected from Government in the near future.

**4. Date of Next Meeting**

Date of next meeting Thursday, 7 December 2023 (Board followed by AGM) at Toyota Burnaston, Derbyshire.