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

**D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING**

Thursday 7 December, 2023

Toyota Burnaston Derbyshire DE1 9TA (and via Teams)

Chair Elizabeth Fagan CBE

Minutes Sally Hallam

**Present and Apologies**

**D2N2 Board Members in Attendance**

Graham Cartledge 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 Manufacturing UK

Natasha Johnson Director of Partnerships, Global Entrepreneurs UK

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

Tony Tinley Regional Officer, Unite the Union

**Apologies from Board Members**

David Williams MBE Deputy Chair D2N2 and Chair, Geldards

Scott Knowles CEO, East Midlands Chamber

Cllr David Mellen Leader, Nottingham City Council

Cllr Keith Girling Portfolio holder, Nottinghamshire County Council

Prof Edward Peck CBE VC and President, Nottingham Trent University

Mandie Stravino OBE Principal and CEO, Derby College Group

**Also in attendance**

Katrina Crookdake Area Lead Nottingham/Notts, DBT

Wayne Bexton Director Green Growth Investment and Assets, Nottinghamshire County Council

Simon Gladwin Executive Director Operations, Amber Valley BC

Philip Handley Director, Audit and Assurance Services, HSKSG

Chris Henning Executive Director Place, Derbyshire County Council

Mark Kenyon Director of Finance and ICT, Derbyshire County Council

Chris Pook Economic Strategy Manager, Nottingham City Council

Jim Seymour Asst Director, Regeneration and Major Projects, Derbyshire County Council

Sarah Wainwright Senior Finance Officer, Derbyshire County Council

**D2N2 Officer Support**

Fiona Baker

Tom Goshawk

Lana Jay

Will Morlidge

Nicola Swaney

* 1. **Welcome and Introductions**

The Chair welcomed all to the meeting and recorded thanks to Board Member, Tim Freeman for kindly hosting the meeting and AGM following it.

**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 meeting on 31 August 2023 were confirmed as a true record and matters arising were covered elsewhere on the agenda.

**2. Strategic Discussion Items**

**2.1 Accounts 2022-23**

Will Morlidge introduced the item on draft Accounts for the year ending 31 March 2023 and invited Sarah Wainwright and Philip Handley to take Board through a short summary.

SW confirmed the reason for the accounts moving from surplus to deficit being due to the overall reduction in funding, notably core funding from Government. Corporation tax had also been paid on interest accrued to the held funds. Although our reserves are now being spent as the LEP moved towards closure at a date to be defined, the auditors were satisfied that the company remains a going concern. Board would be required to consider at a future meeting what should happen to the remaining balance of general fund at company closure.

PH thanked SW for the AB work on managing the accounts, confirming only one minor change to the figures as now presented and echoed no concern as to the company’s viability from an audit perspective. The LEP would be confirmed as a going concern for 12 months from the date of sign off (7 December 2023).

The Chair thanked both for their work, reiterating that the LEP remained in a good financial position due to careful management of funds. EF confirmed that future funding matters would be considered fully into the New Year, with a view to finalising transition plans with the new Mayor and ensuring that residual funds were carried forward for use in economic development.

Board **NOTED** the report and audited draft papers and **APPROVED** the draft financial accounts which would be taken forward to the AGM for a vote on adoption.

SW spoke to her supplementary finance update report and drew Board’s attention to the request for approval to transfer £556,402.29 to Nottinghamshire County Council. This was the remainder of the HS2 Budget which D2N2 held on behalf of the region. Since the cancellation of the HS2 East programme, the region’s HS2 Board had been issued a new mandate by DfT to focus on the redevelopment of key railway stations as the hubs for wider regeneration of their locales. Nottinghamshire County Council would be the accountable body for this work and was therefore the logical budget holder. The Board **APPROVED** the transfer of the remaining funds, subject to confirmation from Nottinghamshire County Council that that the funding would be ringfenced for the purposes intended by DfT.

**2.2 Chair’s Report**

Elizabeth Fagan introduced her report updating Members briefly on devolution, more about which would be said at the AGM following the meeting, and summarising activity by the advisory boards.

In Prof Peck’s absence, Fiona Baker reported under People and Skills that work was under way on a strategic skills plan for the Adult Education budget. The LEP was also part of a coalition to bid for the Fusion Skills Academy and a meeting was due to take place later in the day about this.

On Business Growth and Innovation, Glenn Crocker referred to previously expressed frustration that, despite good quality local universities and a strong employer base in cutting-edge sectors, this region seemed to remain at the bottom of the pile for innovation funding from Government.

WM reported that at a recent meeting with the UKRI regional manager, high level feedback had suggested that the region was not good at talking with one voice about shared innovation priorities. On the back of this, Tom Goshawk added that research universities and business groups would be brought together with a view to aligning business strengths more closely with bids in the future. The Chair noted in answer to Cllr Renwick’s query about including small businesses alongside the bigger regional players that the involvement of the universities was the way in which SMEs could also benefit.

**ACTION**: Tom Goshawk to convene a group drawn from universities, businesses and public sector partners to propose a new partnership approach to innovation for the LEP, with a view to shaping the innovation approach of the MCA.

For low carbon, Becky Rix reported that the last quarterly meeting had been postponed and a meeting was due to take place on 8 December. The Director of the Institute of Technology would be speaking on the subject of low carbon and the green offering.

A discussion took place on how best to work to promote and encourage upscaling of some good small-scale innovations to make a big impact regionally and beyond.

Board **NOTED** the report.

**2.3 D2N2’s role in inclusion**

Natasha Johnson took Board through a slide presentation giving her overview on inclusion and highlighting two areas for attention, notably digital exclusion and the importance of STEM training to help more girls and women into those jobs. She also referred to the need for increased digital connectivity across the area.

The Board agreed that Option 1 (maintaining the status quo) was not appropriate. The majority were minded to agree to an inclusion board being created as per option 3, but felt that they needed to understand better what impact an inclusion board could have. Prioritisation of work for D2N2 LEP must demonstrate why we had a role and what we could achieve. Board members were in alignment that the output from an Inclusion Board should be both deliverable by the LEP organisation and that the outcomes/impact from these deliverables should be measurable. It was also agreed that through this review of options for governance it would be important to identify those elements of inclusion which the region should address but which sat outside our remit and/or capacity.

Board **NOTED** the report and **AGREED** that Natasha and Tony would bring back a revised paper with (1) clear, deliverable outcomes for the LEP, and a recommendation on the governance model we should adopt and (2) advice to the shadow MCA team on other priorities they may wish to consider.

**2.4 EXEMPT Capital Programme Update**

TG spoke to an exempt paper, updating Board members on the LEP’s capital programmes, including the tender exercise for the Early Stage Angel Investment Fund (ESAIF) and Low Carbon Growth Fund.

Board **NOTED** the report and the written procedures papers that had been approved since the last meeting, including the approval of the Nuclear Skills Academy project and the adoption of the Hill Crest Business Park units onto the capital programme.

With regard to the recommendation in s6, Board **DEFERRED** a decision to write off the bad debt pending receipt of clarifying information and **AGREED** that the LEP Team would work with Newark and Sherwood District Council to ensure that, if our charge was transferred to them, they would still attempt to reclaim the maximum possible value for the public purse.

**2.5 Chief Executive’s Report**

Will Morlidge introduced his report updating Board on matters not covered elsewhere on the agenda and referred Members to the detailed notes therein.

He drew attention in particular to the reported concern from the Education and

Skills Funding Agency (ESFA) about the alleged fraud by Skills Bootcamp contractor, GBS Learning that had resulted in a request from DfE to return £50,265.15 that had been paid out.

WM informed Members of the audit scrutiny that had been requested from Derbyshire County Council as Accountable Body and their conclusion that at all times the LEP had been compliant with processes, and in fact had undertaken more assurance work than was required. Whether or not there had been any criminality or other inappropriate practice by the provider was currently being investigated by the ESFA’s fraud team. Derbyshire County Council’s legal team had advised the LEP to challenge the request for repayment on the basis that it had acted in good faith and been deceived.

Members discussed the need to ensure a robust paper trail for audit purposes going forward, which the executive team confirmed had already been strengthened further as a result of this matter. Board was happy for the LEP to pursue the legal route to resolution.

**ACTION**: LEP team, in discussion with Derbyshire CC and DfE, to consider if more robust approaches could be identified for future funding rounds.

Board **NOTED** the report.

**3. Any Other Business**

TG gave a verbal update on the Investment Zone, confirming that the whole of D2N2 had been IZ designated. £160m of flexible funding (60% capital, 40% revenue) had been granted to deliver on sites within the area.

Currently, there were 3 sites - Infinity Park Derby, the Centre of Excellence construction site at Bolsover-Bassetlaw and Hartington-Staveley, the latter now attracting a strong argument for support given the discontinuation of HS2 Toton.

All should be ready to progress by April, 2024 provided that the 5 gateway processes were completed successfully. The projects were therefore being lined up for the new EMMCCA to take on and progress thereafter.

**4. Date of Next Meeting**

Date of next meeting Thursday, 7 March 2024 (venue tbc).

**ACTION** – in the light of Nottingham City Council being unable to attend on Thursdays, the LEP team would canvas members on suitable alternative dates and notify them of any change, if applicable.