

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD – AGENDA

Date: Wednesday 12 June 2024 (10am – 12 noon)

Venue: Derbyshire County Council, Matlock
(and hybrid using Teams link as circulated)

1.1	Welcome and Introductions	Elizabeth Fagan	Verbal	10.00
1.2	Declarations of Interest	Elizabeth Fagan	Verbal	10.03
1.3	Minutes from 07/03/24	Elizabeth Fagan	For decision	10.05
2.	Strategic discussion			
2.1	Chair's Report <ul style="list-style-type: none"> • Meeting with the new Mayor • Skills Bootcamps • Early-Stage Angel Investment Fund • UKREIIF • Inclusion Research project 	Elizabeth Fagan	For discussion	10.20
2.2	D2N2 Transition <ul style="list-style-type: none"> • D2N2 staff • D2N2 programmes • D2N2 as a company 	Will Morlidge	For decision	10.40
2.3	Capital Programme Update <ul style="list-style-type: none"> • Seeking permission to delegate sign off two projects to the Investment Board • Low Carbon Growth Fund 	Tom Goshawk	For decision	11.00
2.4	Finance update <ul style="list-style-type: none"> • No substantive items to discuss 	Sarah Wainwright	Verbal	11.20
2.5	Chief Executive's Report <ul style="list-style-type: none"> • Matters not otherwise covered 	Will Morlidge	For information	11.25
3.	AOB	All	Verbal	11.45
4.	Date of next meeting: Thursday 12 September 2024 (venue tbc)			

Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Thursday 7 March, 2024

BioCity, Pennyfoot Street, Nottingham NG1 (and via Teams)

Chair Elizabeth Fagan CBE

Minutes Sally Hallam

Present and Apologies

D2N2 Board Members in Attendance

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
Cllr Keith Girling	Portfolio holder, Nottinghamshire County Council
Natasha Johnson	Director of Partnerships, Global Entrepreneurs UK
Scott Knowles	CEO, East Midlands Chamber
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	Principal and CEO, Derby College Group
Tony Tinley	Regional Officer, Unite the Union
David Williams MBE	Deputy Chair D2N2 and Chair, Geldards

Apologies from Board Members

Cllr David Mellen	Leader, Nottingham City Council
Prof Edward Peck CBE	VC and President, Nottingham Trent University

Also in attendance

Wayne Bexton	Director Green Growth Investment and Assets, Nottinghamshire County Council
Katrina Crookdake	Area Lead Nottingham/Notts, DBT
Simon Gladwin	Executive Director Operations, Amber Valley BC
Nicki Jenkins	Director Economic Development and Property Division, Nottingham City Council

Chris Henning Executive Director Place, Derbyshire County Council

Sarah Wainwright Senior Finance Officer, Derbyshire County Council

Liz Wigley Area Lead Derby/Derbyshire, DBT

D2N2 Officer Support

Fiona Baker

Kiran Birring

Tom Goshawk

Lana Jay

Will Morlidge

Nicola Swaney

1.1 Welcome and Introductions

The Chair welcomed all to the meeting and recorded thanks to Board Member, Dr Glenn Crocker for kindly hosting the meeting.

1.2 Declarations of interest

The Chair reminded all Members that Declarations of Interest should be stated to be recorded where an interest arose.

Cllr Relf declared himself as a Mayoral candidate in the forthcoming election and took no part in decision-making in respect of item 2.3 on the future of D2N2.

David Williams declared his new role as business representative on the interim Board of the new EMCCA. In response to an invitation from the Chair to say a few words about it, he explained briefly that the role included assisting with assembling a business board for the new mayor, including advising on the makeup and structure of that board.

1.3 Minutes of last meeting and matters arising

The Minutes of the meeting on 7 December, 2023 were confirmed as a true record and matters arising were covered elsewhere on the agenda.

1.4 Inclusion Presentation

Board Member, Natasha Johnson took the group through a slide presentation updating the group on activity undertaken since the last Board meeting in relation to inclusion.

Natasha had been joined by Board Members, Tony Tinley and Becky Rix and a review had been undertaken of evidence from recent reports including D2N2's 2017 Inclusion Report and the 2023 Social Mobility Commission Report.

She asked Board consider next steps in respect of three matters:

1. Bringing together an Inclusion sub-group with a wider remit than before and set Terms of Reference.
2. Commissioning work to refresh the region's evidence base, providing statistics for use by the new EMCCA.
3. Working to ensure that inclusion would be driven by EMCCA as a key strategic theme.

A discussion took place.

Mandie Stravino spoke about the work of the Opportunity Area initiative in Derby, which had been created to address social mobility based on educational attainment. She indicated that she would be happy to provide practical input alongside other Board members over the proposed next steps.

Will Morlidge reported that the D2N2 universities were ready to support evidence-gathering once it was known from the new CA what inclusion questions were to be addressed.

Chris Henning confirmed that inclusive growth was being built into the plans for the new CA, referring particularly to the link between social inclusion and mobility and how to prevent future brain drain as people sought to progress their careers.

The Chair summarised the general conclusion that a new working group could be set up to review current and proposed evidence bases to ensure gaps around inclusion were plugged and duplication of effort was prevented, In particular it would need to work with the Combined Authority team and their working group on skills and education, which also had a remit on inclusion.

Board **AGREED** to convene an Inclusion working group comprising Natasha Johnson, Becky Rix, Tony Tinley and Mandie Stravino.

ACTION: Nicola to convene the first meeting.

2. Strategic Discussion Items

2.1 Chair's Report

Elizabeth Fagan introduced her report and referred Members to the detailed notes therein.

She drew attention to the summary results within the report of the deep dive into the impact of the Careers Hub over the past 18 months.

Lana Jay informed Members that D2N2 had been one of four areas selected to run the “Start Small, Dream Big” pilot for primary schools and it was hoped that this would be extended into 2025/26.

On plans and progress towards the UKREIIF event on 22 May, WM reported that all Mayoral candidates had been alerted to the planned East Midlands-wide presence of delegates including representatives from East Midlands DevCo, Freeport and the Mayor together in one place to engage with businesses.

Board **NOTED** the report.

2.2 EXEMPT Finance Update Report

Sarah Wainwright introduced her report, summarising income and expenditure for the final position for 2023/24 for the main LEP budgets.

Board **NOTED** the report.

Board **NOTED** the reclaim of £50,267.15 by the Department for Education (DfE) for the Wave 2 extension of the Skills Bootcamp programme.

Board **NOTED** the transfer of £556,402.29 to Nottinghamshire County Council (NCC), being the remaining balance of the Department for Transport (DfT) grant allocated to HS2 Toton work.

2.3 Future of D2N2

Will Morlidge spoke to his report on the future of D2N2, updating Board on the outcome of the LA Leaders’ meeting on 29 January 2024 and proposals for the transition of LEP staff and assets to the new EMCCA.

A discussion took place around ensuring that the new entity would have the resources to support the new roles for staff, which were being worked up currently, as well as the ability to pay contracts. WM reminded Members of the promised incoming funding of £38m for 30 years as evidence of funding availability for the new organisation, some of which would be available to fund the team. East Midlands Chamber as the current employer would liaise with the new HR team, which was being commissioned, over transfers of staff. New job descriptions would be shared with staff prior to the start of the formal TUPE process. In the meantime, ongoing support was in place for the staff team.

The working assumption was that LEP resources would transfer later than staff. The LEP Board would probably need to meet until at least the end of this calendar year. Agreement had been reached with the EMCCA team that staff time from the current LEP team would be reserved to support the LEP Board through the transfer of assets, the production of its final accounts and the closure of the business. Derbyshire County Council would remain as the Accountable Body for the foreseeable future.

Cllr Relf expressed concern over an inherent conflict of interest if staff transferred employer but the work of the LEP continued after this transfer, so that the Directors of the company would then effectively be being advised by an external third party.

David Williams added that he did not wish to be part of a company wind-up but rather would wish to ensure that the essential business of the LEP continued into the new organisation. He also noted that having support from staff formerly employed by the LEP to transfer assets into the EMCCA could be a conflict of interest.

The Chair acknowledged the technical conflict of interest, but sought to reassure Members that work to date with the Shadow CA had been progressing smoothly and gave no cause for concern over conflicts arising in practice. DBT representatives were asked to liaise with other CAs that had already been through the process for feedback on lessons learned. Elizabeth Fagan also thanked Scott Knowles for HR support being provided for the staff team by East Midlands Chamber.

Board **NOTED** the report.

Board **AGREED** to authorise the CEO to:

- a. Formalise discussions with the Combined Authority and East Midlands Chamber (as the LEP staff's legal employer) on the transfer of staff, with a view to enabling a TUPE process to be undertaken and for those staff who wished to transfer to the CCA to do so before the next LEP Board.
- b. Prepare a report for the June board meeting on options for the transfer of the LEP as a going concern into the EMMCCA, for discussion thereafter between the Chair, the CEO and the Mayor.
- c. Work with the EMMCCA team to secure in the new job descriptions for LEP staff transferring into the CCA a clear role to support and report to the LEP Board through the 2024/25 financial year until the next steps for the LEP are agreed and delivered.
- d. Work with Chamber HR to develop a severance package for staff who did not wish to transfer.

2.4 EXEMPT Key Account Management Update

Kiran Birring spoke to an exempt paper, updating Board members on the LEP's Key Account Management Programme.

Board **NOTED** the report and the progress of the KAM programme.

2.5 Board Members' Expenses: new policy

Will Morlidge introduced a paper setting out the proposed policy on Board Members' expenses and the process for claiming for the avoidance of doubt. The policy provided clarity for Board members on what constituted the "reasonable" expenses stated in the Local Assurance Framework.

All agreed that it should be possible to claim reasonable expenses. A debate took place about whether or not it was appropriate for Board members to seek the prior approval of the CEO before incurring expenses on the LEP's behalf. There was broad agreement, however Natasha expressed the view that it had not been her experience to seek prior approval and after further discussion it was agreed to vote on the policy adoption.

Natasha also proposed the creation of an online form for Board Members to submit expenses.

Board **APPROVED** the policy as annexed to the paper - the vote was carried with Natasha abstaining.

ACTION: WM to identify the most appropriate mechanism for online submission of expenses.

2.6 Chief Executive's Report

WM introduced his report and referred Members to the detailed notes therein.

With reference to the annual pay award for staff, he reported that he would be working with SW on a proposal for final review by the Chair before the end of March.

Board **NOTED** the report.

3. Any Other Business

WM thanked Board Member, Dr Glenn Crocker for offering expertise in building a hydrogen cluster. Work was under way with the 3 universities as well as with Loughborough University on two bids.

The preferred bidder to the Early-Stage Angel Investment Fund had asked for contract changes. Legal opinion had recommended not accepting them. If this resulted in a withdrawal, further advice and instructions would be sought at a future Board.

4. Date of Next Meeting

Date of next meeting: Wednesday, 12 June 2024 (Derbyshire County Council, Matlock).

DATE	12 June 2024
REPORT LEAD	Elizabeth Fagan
AGENDA ITEM	2.1

TITLE	Chair's Report
--------------	-----------------------

1. INTRODUCTION

1.1 This report updates from our governance groups and other key activity.

2. RECOMMENDATION

2.1 The Board is asked to **NOTE** the report

3. KEY HIGHLIGHTS

- Report back from my initial meeting with the new Mayor
- Skills Bootcamp Wave 6 secured
- Early-Stage Angel Investment Fund launched
- Successful UKREIIF for D2N2 and EMCCA
- Inclusion Research project commissioned

4. FEEDBACK ON MY FIRST OFFICIAL MEETING WITH THE MAYOR

4.1 As you know, Claire Ward was elected as the first Mayor for the East Midlands on 2nd May. Will and I had previously briefed or offered to brief all candidates for the mayoralty and we were pleased to be invited to discuss the Mayor's plans for the region and our plans for the future of D2N2 on 16th May. The Mayor was supported by her interim CEO Mark Rogers on that call.

4.2 My feeling is that there was very close strategic alignment between our visions for the region. While the Mayor will of course take on additional responsibilities such as strategic transport, housing and public health, on skills, business and net zero we were able to demonstrate that she has a firm foundation to build on. We explained that, even before LEP staff or programmes transfer to the EMCCA, we consider ourselves to be a part of the EMCCA virtual team. In that spirit, the Mayor gave us two interesting and important challenges.

4.3 Firstly the Mayor has asked us to work with her team to present options for a future business support landscape that is more visibly coordinated across the region. This includes not just the direct support from the Growth Hub and the local support that our local authorities provide, but also to take a closer look at the support given by various organisations on inward investment, investor development and innovation. As expected, the work led by Lucie Andrews to

map the business support landscape has proved timely, and we are working with the EMCCA and other partners on a paper for the EMCCA business board.

- 4.4 The second challenge gives our team the opportunity to break new ground. The Mayor has asked us to develop options for an all-age careers strategy. She has identified the fragmented nature and inconsistent coverage of the current support but has also identified our excellent Careers Hub as a platform to build out from. Our experience on the careers in schools agenda will be critical here, as we have already spent nearly a decade helping to put a more robust and evidence-led careers system in place for schools, and I want us to apply a similar rigour to understand the wider careers system and helping to shape it to better serve the region's residents and employers.
- 4.5 We did not discuss in any detail issues around the transition of the LEP, where the Mayor and I are giving our CEOs the lead on the team transfers which we will cover in full. The board will then discuss and agree the transfer of the LEP as a company limited by liability.

5. SKILLS UPDATE

- Meeting Date: 24th April 2024
 - Chair: Edward Peck
 - Next Meeting Date: 16th July 2024
- 5.1 The latest People and Skills Board focused on regional skills strategy, and specifically on how the group can support the EMCCA to deliver a strategy that balances the needs and opportunities for the region with strong prioritisation of what we can realistically be delivered. I will hand over to Edward for his reflections.
- 5.2 I am delighted to confirm that we have been successful in securing funding for Skills Bootcamp Wave 6, keeping up our record as the only LEP to secure funding in every round. We have had an unprecedented response to our tender process and we aim to have selected the successful partners by the end of June.
- 5.3 Performance on the Careers Hub remains strong. All targets for school and business engagements continue to be hit, and the business engagement element of our pilot in primary schools has been completed. We will report our findings to the next People and Skills Board.
- 5.4 The Connected Futures project on barriers to the workplace for young people with autism spectrum disorders continues to grow. We are in the process of taking on two more "Youth Ambassadors" to take the number to six. I know from talking to Fiona that the performance of the first four ambassadors has been hugely impressive. We are exploring how we can learn from this success

to support other projects, such as the inclusion research, to be covered later in this report.

6. BUSINESS GROWTH AND INNOVATION UPDATE

- Meeting Date: 16th April 2024
- Chair: Tim Freeman
- Next Meeting Date: 10th July 2024

6.1 East Midlands Chamber gave an update on the progress of the Growth Hub and its activities in the current financial year. £760,000 has been confirmed for the project and will allow the East Midlands Chamber to continue delivery of the service to the whole area up to March 2025. The Growth Hub has also been granted over £4m of funding from UKSPF across the region and is using this to deliver its programmes such as the accelerator programme which provides targeted support to businesses across the area. I will call upon Scott Knowles to provide comments from the Chamber's perspective during the meeting.

6.2 Potter Clarkson, a Nottingham-based legal firm, delivered an update on their work on innovation in the D2N2 area which focuses mainly around Intellectual Property protection. They raised some familiar challenges around the region's strength on innovation but relatively poor performance on commercialisation. The LEP and CA team will take forward ongoing engagement with Potter Clarkson about how they may assist in the delivery of innovative clustering across the area.

6.3 Dave Tuer delivered an update on the innovation group work he has been undertaking and the development of a strategic approach to innovation across the area. Tim Freeman presented an offer to host the next meeting of the BGIAB at Toyota where the regular agenda items could be paired with a demonstration of how Toyota uses innovative technologies and processes to deliver on their business needs.

6.4 With huge thanks to Glenn and to Lewis Stringer at the British Business Bank, as well as our steering group, I was able to launch the Early-Stage Angel Investment Fund at UKREIIF. There was considerable interest, including Tom Goshawk being invited to talk to Radio Derby about how businesses can access the support, and we have had numerous enquiries from a variety of industrial sectors already.

7. LOW CARBON

7.1 We have postponed the Local Carbon Growth Group for two reasons. Firstly, the most active activity is now being steered through the East Midlands Hydrogen Taskforce and we see no point in duplication. Secondly, the substantive item on feedback from the Low Carbon Growth Fund projects could

not be delivered on time given the staggered nature of the projects' closing date.

- 7.2 The first few projects from our Low Carbon Growth Fund are now beginning to complete, and at the next Investment Board we will receive a full report on progress against our targets. The key issue to be addressed is, of course, to identify which of those projects offer the best opportunity to scale quickly across our region in support of our long-standing ambition for green growth. We will get behind those projects to help them bring in additional investment.
- 7.3 We continue to undertake considerable activity on hydrogen. We are aware of several bids to Government for the second "Hydrogen Allocation Round" which would not have been submitted without the support of East Midlands Hydrogen, alongside others that have gone ahead under their own steam and we will support where we can.

8. EXTERNAL AFFAIRS

- 8.1 Since we first attended in 2023, UKREIIF has quickly become one of the key external events for D2N2 and the region. I would like to thank the teams involved for their hard work and persistence to deliver all elements of the East Midlands' presence so well. Nicola Swaney, Sandra Casey and Kiran Birring from our team who led on strategy, logistics and the promotional video respectively deserve huge credit.
- 8.2 As for the event itself, feedback on the day suggested that the panel session featuring the Mayor, Nora Senior, Sir Chris Howarth and myself, was very well received. It certainly generated numerous follow up conversations, especially on the Angel Investment Fund and hydrogen. The lunch hosted by the Mayor and kindly funded by Notts County Council also appeared to go extremely well, as did sessions supported by Will later in the day for the Freeport and Invest in Notts.

9. INCLUSION

- 9.1 As agreed in March, we have now procured external support to help us deliver the initial phase of refreshed research into the barriers to inclusion in our region. Interestingly, the partner selected is not someone we have previously worked with. They are Nottingham-based B-Global. I understand they impressed the interview panel, led by Becky with their deep understanding of the issues in our region, authenticity through their own lived experience and immense energy and passion for this piece of work.
- 9.2 The first steering group takes place later this month and will be chaired by Natasha. Potential members have been approached, and we aim to identify a

PUBLIC



way to use our Connected Futures Youth Ambassadors to support this project too.

Elizabeth Fagan
12 June 2024

DATE	12 June 2024
REPORT LEAD	Will Morlidge
AGENDA ITEM	2.2

TITLE	LEP Transition
--------------	----------------

1. INTRODUCTION

- 1.1 This paper sets out options for the transition of LEP assets into the East Midlands County Combined Authority (EMCCA).
- 1.2 As the Board has previously agreed against the LEP continuing as a standalone body, that option is not considered here.
- 1.3 The transition of staff is underway, as described in the Chair’s report. At the time of writing, we are aiming to complete the transition of staff to the EMCCA by mid-June, with time reserved from some staff to continue to support the LEP for the time being. Those staff are Nicola, Fiona, Tom, Sandra, Sally and me. If a need to discuss the transition of staff emerges before the Board, I will raise it as a matter arising at the Board. I do not expect to have to do so.
- 1.4 This paper therefore focuses on the transition of LEP assets, namely:

Strategic assets:

- Ongoing programmes: Growth Hub, Smart Manufacturing Data Hub, Low Carbon Growth Fund, Economic Growth Fund, Growing Places Fund and the Early-Stage Angel Investment Fund
- Programmes where on-site work has ended but whose outputs are still being monitored: LGF and GBF
- Financial assets and debts as itemised in our accounts

Operational assets:

- Computer and IT hardware and their peripherals
- Physical records and publicity collateral
- Electronic records including our website

- 1.5 I do not include here programmes that are entirely dependent on and pay for the staff delivering them, ie Key Account Management, Careers Hub and Skills Boot Camps, which will novate across to the EMCCA with the relevant staff.

2. RECOMMENDATION

- 2.1 Across the (former) LEP network there are three models by which assets have been transferred. One includes the continuation of the LEP as an independent body, which the Board has ruled out. The remaining two are:

- A. Assets being transferred (by a variety of legal mechanisms relating to the asset) to the body taking on the LEP's role, ie a Combined Authority (CA) or a Local Authority (CA), with the LEP directors resigning and closing the business once transfers are complete.
- B. The LEP remaining a standalone body but its ownership transferring to the relevant LA or CA. In effect the Mayor becomes chair and an appropriate new Board is put in place.

2.2 I do not make a recommendation here as I believe both are equally workable. The key difference is more philosophical than economic: do you want to hand over the LEP as a going concern to be managed as a distinct entity within the MCA or for its identity to be merged fully into the MCA?

2.3 Pros and cons:

Option A: transfer of assets alone	Option B: transfer of the entire LEP
Pro	Pro
<p>MCA team (largely ex-LEP) in place to ensure continuity of delivery.</p> <p>MCA structures are in place to receive these assets.</p> <p>Likely to be faster as novation of assets is already a feature of LEP/DCC activity.</p> <p>Clarity for partners on closure of the LEP.</p> <p>Needs strong letter of commitment on use of assets from EMCCA board.</p> <p>This is the approach the MCA is expecting.</p>	<p>MCA team (largely ex-LEP) in place to ensure continuity of delivery.</p> <p>Liabilities/responsibilities of existing directors transferred to MCA.</p> <p>Completed in one clean process.</p> <p>Greater control of directing continuing use of assets for economic programme.</p>
Con	Con
<p>Requires further work to be undertaken by (ex-)LEP staff to deliver the Board and AGM and close down the business. D2N2 may require additional support to be bought in on a temp basis to do so.</p> <p>Low risk of minor disruption if different programmes transfer at separate times.</p>	<p>No structure in place in MCA yet to take on the secretariat functions for the LEP: potential for short term and limited impact on service.</p> <p>Likely to be slower and marginally more expensive as legal advice will be needed on structure of the deal.</p>

	<p>Potential confusion over responsibilities and branding.</p> <p>This is not what the MCA is anticipating, which may mean more time is needed.</p>
--	---

3. NEXT STEPS

- 3.1 Board to agree approach to transition of company to MCA and to support Chair liaising with Mayor to align on approach.
- 3.2 Board to agree steps and ideal timeline to finalise agreed proposed transition. Detailed plan to be worked up by CEO for board approval.

Will Morlidge
12 June 2024

DATE	12 June 2024
REPORT LEAD	Tom Goshawk
AGENDA ITEM	2.3

TITLE	Capital Programmes Update Report
--------------	----------------------------------

1. INTRODUCTION

1.1 This report provides an update on the LEP’s Capital Programmes.

2. RECOMMENDATION

2.2 The Board is asked to:

- **NOTE** the report
- **DECIDE** whether to grant permission to delegate sign-off for two low carbon growth fund projects to the Investment Board

3. WRITTEN PROCEDURES – FUNDING DECISIONS

3.1 Due to the General Election being called by the Prime Minister for 4th July, we have now entered the pre-election period of sensitivity which began on 25th May. This period means that publication of decision making should not take place in the period in the lead up to the election and it is generally held that decision making at official forums like the Investment Board is not advised.

3.2 I have sought advice from Derbyshire County Council’s legal team and they have advised officers to not hold an Investment Board as was intended for Mid-June. One of the projects is time sensitive in terms of an approval and requires Final Business Case sign off to enable the project to progress.

3.3 Two projects were due to come forward for a decision at the Investment Board. Firstly, the Final Business Case Approval of the Calverton Business Units project which had previously been accepted on to the LEPs Capital Programme by both the Investment Board and LEP Board. The project is requesting £642,457 from the LEPs Economic Growth Fund and this will be released following a final approval from the Investment Board. LEP officers are requesting that Investment Board members will be delegated the authority to take a final decision on the project via written procedures to enable the project to progress and begin construction works as soon as possible without delay from the Purdah period.

3.4 The second project being brought to the attention of the Investment Board and LEP Board is the National Stone Centre (NSC). This project originally scored fourth in the Economic Growth Fund call but due to the withdrawal of other projects within the LEPs capital programme there is now a level of funding available which satisfies the amount of funding needed to progress the development. The NSC will help in the progression of skills development in the

minerals sector which makes up a vital part of the D2N2 Economy, particularly in Rural Derbyshire and will offer a unique visitor economy offering in the region. To enable the project to progress with an allocation of funding, officers are requesting that the LEP Board delegates the decision to bring the project on to the capital programme to the Investment Board via written procedures. The project will be subject to the delivery of a compliant Final Business Case before any funding is released.

4. WITHDRAWAL OF A FUNDING OFFER FROM THE LOCAL CARBON GROWTH FUND

- 4.1 At the last Board, I was tasked with trying to secure a commitment from Derbyshire County Council for their contribution to the hydrogen buses project. Unfortunately, this has not been possible, in large part to the failure to secure additional match from DfT from its ZEBRA programme. That offer has now been formally withdrawn, freeing up the funding now being recommended above. We remain hopeful of bringing forward a project under the aegis of the EMCCA.
- 4.2 On a positive footnote, Chesterfield BC and Derbyshire CC were successful with another ZEBRA funding bid to secure electric buses and the related charging infrastructure for the town.

Tom Goshawk
12 June 2024

DATE	12 June 2024
REPORT LEAD	Will Morlidge
AGENDA ITEM	2.5

TITLE	Chief Executive Officer's Report
--------------	----------------------------------

1. INTRODUCTION

1.1 This report updates on business not covered elsewhere on the agenda.

2. RECOMMENDATION

2.2 The Board is asked to **NOTE** the report

3. KEY HIGHLIGHTS

3.1 Key Highlights summary

4. SKILLS UPDATE

4.1 **Skills Bootcamps**, while a success story for the LEP, can also be hugely time-consuming. My thanks go out to Fiona, Sarah, Bose and Sophie who have spent a large part of May and June in assessing the many bids we have received for round 6, as well as continuing to manage the open rounds. In part this reflects the instruction from the Board to ensure we become tighter in terms of performance management of Skills Boot Camps providers in the light of the recent incident of fraud. I am confident that the additional work the team is putting in now will pay off in a smoother performance management regime as the programme begins to deliver.

4.2 It would be improper of me not to report one issue we have come across with the **Careers Hub** programme in one location. We have become aware, thanks to feedback from more than one school, of activity which appears duplicatory to our DFE-funded work in one local authority area. The work is being funded through UK Shared Prosperity Fund. You may remember discussion at past boards that UKSPF could inadvertently create duplicate activity. Unfortunately, that seems to be the case here. However, I can report that the local authority and D2N2 have come to a pragmatic agreement that enables both the Careers Hub and the UKSPF project to deliver effectively by reinforcing excellence. I raise this issue here as a case study to be taken forward with EMCCA. We need to ensure that we support EMCCA and its partners to identify and screen out these potential duplications and/or gaps as we develop EMCCA's future commissioning and delivery functions.

4.3 On a far happier note, I can confirm Elizabeth's impression of the Youth Ambassadors supporting **Connected Futures**. I was blown away with the quality and their confidence in representing their places to the Steering Group that I chair. As you know, supporting young people with SEND is a personal

and professional passion of mine, and this is a project I am particularly proud to hand over to EMCCA.

- 4.4 On skills devolution, my thanks as always go to Fiona, who continues to lead on developing the plan for the **Adult Skills Fund** (the new name for the Adult Education Budget). EMCCA has asked D2N2 to advise on the composition of the skills team in EMCCA, which should prove useful in setting them up to succeed.

5. BUSINESS AN INNOVATION UPDATE

- 5.1 Tim and Tom have provided a comprehensive readout from the recent Business Growth and Innovation Board. In parallel, David Williams is continuing to lead work on the shape of the EMCCA business board, and LEP officers continue to support work to develop the governance of the EMCCA on skills, innovation and business support. Notably Tom continues to lead the Investment Zone work for EMCCA and to build strong links with the Freeport around how the two programme are mutually supporting.
- 5.2 The launch of the **Early-Stage Angel Investment Fund** marks a key milestone for D2N2. It has been long in development, but that reflects the amount of work Tom's team have put into getting it right, in partnership with colleagues from the Board, from the British Business Bank and also from local authorities, academia and our consultants. All deserve my thanks. The challenge now, of course, is to ensure the Angel Fund is embedded in our work to build a coherent ecosystem for business support, in which it should be both a key asset and a differentiator from many other regions' offers.
- 5.3 In terms of the detail around the fund, we have signed a Limited Partnership Agreement with Haatch who will act as the delivery partners to the D2N2 Haatch ESAIF programme. The fund will now begin to seek out 6 to 24 month-old, revenue-generating SMEs in the region that could potentially be investable. Investments will be made up to £250k in the first instance with a potential of follow-on investments up to a total of £400k.
- 5.4 The fund will be managed by Haatch directly on a Limited Partnership basis and they are contributing at least £4m of match funding alongside D2N2's investment of £4m. Next steps for the programme include two breakfast launch events in Nottingham and Derby to generate interest in the funds through intermediaries and generate potential deal flow. Due to the General Election purdah period, these are likely to be held in July.
- 5.5 The **Smart Manufacturing Data Hub** (SMDH) project continues to deliver well and Mark Scattergood Cawar has signed a contract to deliver the development activity for the project on behalf of D2N2. Mark is a specialist business advisor to manufacturing companies and has a wealth of industry-based experience in helping businesses to adopt changes in process and technology to deliver

growth and productivity outcomes. Mark has made a fast start engaging with 2-3 potential grant beneficiaries and engaging with a number of intermediaries that are likely to be able to provide lead generation in the future.

- 5.6 The **Growth Hub** is trialling an Artificial Intelligence business support solution from Multimedia. The system was demonstrated in a national Growth Hub Cluster call to see if and how it could complement existing Growth Hub services locally. Lucie Andrews has organised a local demo for Growth Hub personnel and a trial of 3 licences is being used by the Growth Hub personnel to see if it could be integrated into existing services to reduce admin burden on advisers, helping them to be more productive.
- 5.7 The **Key Account Management** project led by Kiran Biring has concluded the 2023/24 financial year meeting each of the programme's targets. 5 wins hits our target and the total investment value is in excess of £240m with a subsequent creation of 1267 jobs. Three of these projects re verified as high value successes by DBT. Exposure gained through a strong team at D2N2 has contributed to this success and Kiran continues to find leads and demonstrate value to businesses in joining the programme.
- 5.8 Dave Tuer is leading our work on both **innovation** and **analysis**. He has brought both together in a project to better understand the success actors behind BioCity and the medtech cluster it has fostered. A mapping exercise is also underway to collate the innovation assets in D2N2. The intention is to build both sets of learning to the EMCCA's proposed innovation strategy and, before then, to inform the Investment Zone programme on how it can be central to the growth of new clusters.
- 6. EXTERNAL AFFAIRS**
- 6.1 I echo Elizabeth's thanks to the D2N2 effort on **UKREIIF** led by Nicola and ably supported by Sandra, Kiran, Tom and others. That includes my thanks for all the glitches that were addressed on the day of the event which none of our external partners were aware of.
- 6.2 Last year we set ourselves the challenge of presenting "Team East Midlands" in a much more joined-up light, and we were successful thanks to Nicola's steering hand but also to excellent teamwork from all our local authorities, investment agencies, universities and regional partners in the Midlands Engine, EMCCA, Freeport and Development Company.
- 6.3 By way of example, D2N2 commissioned a video to highlight investment, opportunity, and place which was launched at the D2N2-led panel at UKREiif in May. This is designed to align and point to the excellent "**East Midlands Investment Prospectus**" developed by Midlands Engine. A link to the prospectus will be sent to 1400 people in government, including staff in UK embassies and consulates in over 100 markets to showcase our region

worldwide. The prospectus includes developments such as the Investment Zone, Freeport, STEP Fusion and Smartparc.

- 6.4 Also in partnership with Midlands Engine, Notts County Council, the University of Nottingham and the British Consulate, a relationship is being built with the government of West Java, a region of nearly 50,000,000 inhabitants in Indonesia. Their new Chairman is very keen to work with our new Mayor to develop twinning arrangements on trade, investment, energy and innovation. We are sounding out the EMCCA as to the Mayor's appetite to secure first mover advantages, and I will report back to a future Board.

7. STAFF AND CORPORATE

- 7.1 Clearly **LEP transition** is the key issue on the mind of the team. We are being ably supported by Lucy Robinson in Chamber HR and are working closely with Amanda Mays and her team in EMCCA. All D2N2 staff have now had a draft job description through from EMCCA and have had the chance to suggest changes to better reflect their roles. By the time of the Board, all staff should have had at least a second meeting to discuss their proposed role with EMCCA. Staff with key roles supporting the LEP during the coming months will have time reserved for that work in their new job descriptions.
- 7.2 To be clear, this has not been an easy process for the team and nor has it affected everyone evenly. The senior team and I have been ensuring staff are aware of the HR and legal support available to them via the Chamber. The training we put in place on mental health in the workplace is, as we argued at the time, paying off. My thanks go out to all the Board members who have reached out with offers of support and wise counsel.
- 7.3 Because of the unexpected number of suggested changes made by D2N2 staff, we have agreed to allow at least an extra week for the TUPE process to give EMCCA's consultants more time to re-evaluate our roles, and for our staff to have the chance to consider the (potentially) revised offer they receive.
- 7.4 All elements of the terms and conditions have been received, including confirmation that EMCCA has been able to join the local government pension scheme, removing a key risk to the process.
- 7.5 I owe another set of thanks to our **team of staff representatives** who, in lieu of a union, have filled the role required under TUPE of being the interlocutor between D2N2 and EMCCA on this process: thank you Dave, Keiron, Laura and Tom. And thank you to all the staff and the Board for bearing with us during this process.
- 7.6 Finally, I can confirm that **our finances are in order**, and we can continue to operate for the remainder of this financial year. The EMCCA has now received funding from Government of over £200,000 to support "LEP activities" and we are working with Sarah and the MCA to ensure that these funds are directed where they can have the biggest impact.

PUBLIC



Will Morlidge
12/06/24