

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD – AGENDA

Date: Thursday, 12 September, 2024

Venue: University of Nottingham, Jubilee Campus RAD building NG8 1BB

1.1	Welcome and Introductions	Elizabeth Fagan	Verbal	10.00
1.2	Declarations of Interest	Elizabeth Fagan	Verbal	10.03
1.3	Minutes from 24 June, 2024 and matters arising	Elizabeth Fagan	Paper for decision	10.05
2.	Strategic discussion			
2.1	Chair's Report <ul style="list-style-type: none"> • Transfer of LEP staff and assets • Careers Hub performance • UKREIIF feedback and next steps • Angel Investment Fund latest 	Elizabeth Fagan	Paper for discussion	10.10
2.2	Proposed Transfer of LEP Assets to EMCCA	Will Morlidge	Paper for decision	10.30
2.3	Finance Update Report	Sarah Wainwright	Paper for information	10.50
2.4	Update on D2N2 Capital Projects	Tom Goshawk	Paper for information	11.10
2.5	Chief Executive's Report <ul style="list-style-type: none"> • Summary of our new direction of travel across skills, careers, business, innovation and investment • Disposal of minor assets 	Will Morlidge	Paper for decision at 7.4	11.30
3.	AOB	All	Verbal	11.50
4.	Date of next meeting: 4 December, 2024 (Board and AGM) venue tbc			

Item 1.3: DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Wednesday 12 June, 2024

Derbyshire County Council County offices, Matlock DE4 3AG (and via Teams)

Chair Scott Knowles DL, CEO East Midlands Chamber

Minutes Sally Hallam

Present and Apologies

D2N2 Board Members in Attendance

Graham Cartledge CBE DL	Chairman, Handley House Ltd
Dr Glenn Crocker MBE	Executive Director, The Pioneer Group
Cllr Chris Emmas-Williams	Leader, Amber Valley Borough Council
Cllr Keith Girling	Portfolio holder, Nottinghamshire County Council
Natasha Johnson	Director of Partnerships, Global Entrepreneurs UK
Cllr Neghat Khan	Leader, Nottingham City Council
Prof Edward Peck CBE DL	VC and President, Nottingham 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	Chair, Minerals Products Qualifications Council
Tony Tinley	Regional Officer, Unite the Union

Apologies from Board Members

Katrina Crookdake	Area Lead Nottingham/Notts, DBT
Elizabeth Fagan CBE	D2N2 Chair
Tim Freeman	Deputy MD, Toyota Manufacturing UK
Cllr Baggy Shanker	Leader, Derby City Council
Mandie Stravino OBE	Principal and CEO, Derby College Group
David Williams MBE DL	D2N2 Deputy Chair and Chair, Geldards
Liz Wigley	Area Lead Derby/Derbyshire, DBT

Also in attendance

Wayne Bexton	Director Green Growth Investment and Assets, Nottinghamshire County Council
Chris Henning	Executive Director Place, Derbyshire County Council

Simon Gladwin
Nicki Jenkins

Executive Director Operations, Amber Valley BC
Director Economic Development and Property,
Nottingham City Council
Senior Finance Officer, Derbyshire County Council

Sarah Wainwright

D2N2 Officer Support

Fiona Baker
Tom Goshawk
Lana Jay
Will Morlidge
Nicola Swaney

1.1 Welcome and Introductions

In the absence of the Chair and Deputy Chair, the Directors present at the meeting nominated Scott Knowles to chair this meeting.

Scott Knowles welcomed all to the meeting and asked everyone to introduce themselves for the benefit in particular of Cllr Neghat Khan, Nottingham City Council's new Leader who was attending the meeting for the first time.

1.2 Declarations of interest

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

He declared himself as an interested party to the discussion item under the Chair's report at 2.1 concerning business support for the area.

Viv Russell declared an interest in item 2.3 Capital Programme Update and took no part in decision-making in respect of the National Stone Centre.

1.3 Minutes of last meeting and matters arising

The Minutes of the meeting on 7 March, 2024 were confirmed as a true record, with the following amendments:

Viv Russell confirmed that he had now changed from CEO to Chair of MPQC.

Cllr Renwick asked to have a note added at the end of para 2.2 to reflect that she had asked that consideration be given to funding the National Stone Centre project which had been assessed as the next most suitable project in the recent Economic Growth Fund assessment and that this had been agreed. The project was duly considered by officers and brought into the D2N2 capital pipeline.

Will Morlidge confirmed under item 2.3 (d) that no need had arisen for any severance package considerations, as all staff had transferred to EMCCA.

Any other matters arising were covered elsewhere on the agenda.

2. Strategic Discussion Items

2.1 Chair's Report

Scott Knowles introduced the Chair's report and referred Members to the detailed notes therein.

Cllr Khan noted that the LEP had met with the new Mayor with reference to business support provision and pointed out that Nottingham City Council's economic development team should engage with the review and contribute to ongoing and future plans for this.

Will Morlidge confirmed that no detailed work had yet been commenced on reviewing business support within the region. He committed that when the work did begin, it would be developed in partnership with local authorities, businesses, universities, business representation organisations and other relevant stakeholders.

A full discussion took place around shaping the future of business support throughout the region, noting the present uncertainty over the successor funding to UKSPF. Board Members put on record the need for EMCCA to consider carefully how to scale up provision appropriately, taking into account the differing needs of the various parts of the region and not simply putting in place a 'one size fits all' scheme. Members were also clear that best practice taking place across the region should be identified and built into any new regional approach.

Cllr Peck updated the meeting about the April People and Skills meeting as outlined in the report, which had focused on scoping parameters for a regional skills strategy. He thanked Fiona Baker for her work on the summary documentation.

Members welcomed the review of skills strategy and emphasised the need for future training provision to be made available for all ages (as opposed to currently directed initiatives by age, such as the provision available for 16-18 year olds), This would also link in with support for businesses in hiring and retaining all ages of the workforce.

On business growth and innovation, David Williams would be invited to update Board at the next meeting from an EMCCA Business Board perspective on developing strategic direction.

Nicola Swaney summarised the successful participation by D2N2 LEP as part of Team East Midlands at UKREIIF on 22 May. She referred to the well-received session highlighting the theme of "Our Time Is Now", together with the launch of the Investment Prospectus and the Early-Stage Angel Investment Fund.

Board **NOTED** the report.

2.2 D2N2 Transition

Will Morlidge introduced his paper setting out options for the transfer of LEP assets into the East Midlands County Combined Authority (EMCCA), including time for allocated staff to continue to service this Board and to complete the closure process by whatever means Board decided.

He directed them to the two options set out in detail in the paper, namely:

Option A – transfer assets remaining in the LEP and novate contracts to EMCCA before final sign-off of accounts by the Directors and closure.

Option B – Transfer the LEP as an autonomous entity, wholly-owned by EMCCA.

Following a short discussion, all members **AGREED** on Option A.

Members further indicated a wish to work towards a practical transfer of assets by 30 September, 2024 with a provision to hold back sufficient funds to cover unforeseen expenditure and LEP closure costs. Sign-off of final accounts, based on an extended accounting period up to 30 September would then take place at the AGM on 4 December, 2024. This proposed timetable would be subject to external factors such as delays resulting from the General Election and specific statutory requirements of individual Government departments responsible for programmes. Derbyshire CC as our section 151 partner would seek legal advice to ensure novation of contracts and the closure process for the LEP are handled well.

The December AGM would be planned as both a closure and final sign-off for Directors and a celebratory event for the achievements of the LEP.

2.3 Capital Programme Update

Tom Goshawk introduced his report updating on the LEP's Capital Programmes.

He drew Members' attention to two projects that would have been referred to Investment Board, had this committee been able to meet under the election purdah rules.

Funding had now become available due to the withdrawal of other projects to enable the National Stone Centre project to be brought forward from the list and supported with an appropriate level of funding for the project to progress. The other project for the Calverton Business Units was time-sensitive and required a decision before it would be possible to convene another Investment Board. For this reason, Members

were being invited to consider granting permission to delegate sign-off for these projects to Members of the Investment Board by written procedures.

Cllr Khan asked for it to be made clear in the minutes that the request was for Investment Board Members to clear the papers without the need to call a formal Investment Board.

Board **NOTED** the report.

Board **AGREED** to delegate authority to sign off the two named projects as detailed to Members of the Investment Board, by written procedures.

2.4 Finance Update

Sarah Wainwright referred Members back to the earlier-taken decision to proceed with an extended accounting period rather than the usual year end to 31 March due to the LEP transitional arrangements. There was no other substantive business to report at this time.

Board **NOTED** the verbal update.

2.5 Chief Executive's Report

Will Morlidge introduced his paper and picked out a few highlights including the very positive impression of the Youth Ambassadors supporting Connected Futures. It was envisaged that the expansion of youth ambassadors would link in with work under the Inclusion agenda being steered by Board Member, Natasha Johnson.

WM also recorded thanks to Dr Glenn Crocker and British Business Bank for work to get the Early-Stage Angel Investment Fund over the line.

WM thanked the staff of the LEP for their forbearance through what had been a lengthy transition culminating in a TUPE process which had had a significant impact on many team members. With completion of the transition of staff to EMCCA with effect from 10 June, the team now had the opportunity to bring the best of the LEP's working practices and approaches to shape the values and operations of the new organisation.

Cllr Emma-Williams expressed thanks from the Board to the LEP staff for their work. This was echoed by Cllr Matt Relf, who proposed that this be recorded formally by letter.

Board **NOTED** the report.

ACTION: SK to discuss with Elizabeth Fagan

3. Any Other Business

Natasha Johnson gave a brief summary of work undertaken to date on the inclusion agenda by way of addendum to item 2.1, including identifying and recruiting members of the new Inclusion Steering Group which had met to discuss some of the issues impacting the region. A stakeholder event which would kick off the project had been delayed due to purdah. A new date would be circulated to members once confirmed.

Nicola Swaney reminded Members of the call for contributors to be interviewed for thought leadership pieces for the LEP comms channels which were still open.

4. Date of Next Meeting

Date of next meeting: Wednesday, 12 September 2024 (venue TBC).

DATE	12 September 2024
REPORT LEAD	Elizabeth Fagan
AGENDA ITEM	2.1

TITLE	Chair's Report
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1. INTRODUCTION

1.1 Key Highlights summary:

- LEP staff have transferred, assets set to transfer.
- Another successful year for the Careers Hub.
- First potential investments identified by the Angel Investment Fund.
- Excellent feedback on UKREIIF and plans for even better in 2025.

2. RECOMMENDATION

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

3. DEVOLUTION AND LEP TRANSITION

3.1 I am delighted that all LEP staff have successfully transferred to EMCCA. We did not lose any staff in the transfer, which is great news for the Mayor.

3.2 Work continues on the transfer of assets. There is concern over just one programme, Connected Futures, which requires EMCCA to have policies in place for the safeguarding of vulnerable people. We believe this policy will be in place shortly. All other programmes and projects are expected to transfer smoothly, subject to a check on the GDPR status of each.

3.3 David is leading work to recruit the new EMCCA Business Advisory Board. Two online sessions and a number of 1-2-1 meetings have led to over 40 businesses expressing an interest. Applications were requested by 9th September, although David is also open to a second round in October should the first attempt not secure the talent that the Board needs.

3.4 Other governance arrangements are being created to cover innovation, skills and employment, as well as transport, digital connectivity, housing and net zero. We are planning to keep the People and Skills Board going, albeit with a review of membership and terms of reference, given its increasing effectiveness as a forum to bring together the public, private, education and third sectors. The intention is to support the Skills and Employment Committee's functions in scrutinising strategy and delivery and in bringing forward new proposals for EMCCA activity.

3.5 Will is leading the work in EMCCA on the Local Growth Plan. This is a new piece of work commissioned after the general election which, by the end of September, needs to set out the key growth priorities for the region and identify some key projects and programmes that can rapidly deliver. The draft plan

remains privy only to EMCCA and Government at the moment, but I am confident from talking to partners that this will build on the work D2N2 has been doing, while injecting some new ideas in those subject areas on which we have not traditionally led.

- 3.6 It is clear that MCAs are going to have an even more important role under this government. Local Growth Plans are just the start. MCAs will also have a key role to play in shaping national skills and industrial strategy, changes to the planning system and on delivering infrastructure, skills and energy. This is a hugely exciting time for the region, and I am glad that in both the EMCCA board and its officers we have a strong team with a track record of delivery.

4. SKILLS UPDATE

- 4.1 The procurement process for Wave 5 of Skills Bootcamp delivery has now concluded and all providers are now on a framework with contracts expected to be issued before the end of August. Whilst we have been requested to submit proposals for Wave 6 Skills Bootcamps, uncertainty remains over whether this will remain as a stand-alone funding stream or if it will be incorporated into a single devolved skills fund. If the latter, then this marks a significant move towards the promised devolution rather than simple delegation of powers and funding to EMCCA.
- 4.2 DfE has announced the establishment of Skills England, a new body which aims to ensure the country has the highly trained workforce needed to deliver the national, regional and local skills needs of the next decade, aligned with the new Industrial Strategy. It will convene key partners (employers, education/training providers, unions, experts, the Migration Advisory Committee and the Industrial Strategy Council) to:
- Develop a single picture of national and local skills needs
 - Ensure that national and regional skills systems are meeting skills needs
 - Identify training eligible for the new Growth and Skills Levy
- 4.3 The tenor of the early messages from DfE about Skills England is that MCAs will be heavily involved in its design.
- 4.4 DWP have also announced a three-pillared approach to supporting people into work:
- A new national jobs and career service to help get more people into work.
 - New work, health and skills plans for the economically inactive, led by Mayors and local areas.
 - A youth guarantee for all young people aged 18-21, which is the least well fleshed-out at present.
- 4.5 I am pleased that there seem to be an appetite for greater regional input to co-design on these programmes and we look forward to seeing the reconstructed

advisory board and the team being involved in the shaping of these programmes to meet our regional needs and priorities.

5. BUSINESS AND INNOVATION UPDATE

- 5.1 The Early-Stage Angel Investment Fund (ESAIF) officially launched in July with two events held in Nottingham and Derby to promote interest in the fund across financial and investment partners. The fund provides equity investment in companies up to £250,000 for businesses that are revenue generating between 6 and 24 months old. The fund is match funded with contributions from Haatch and the British Business Bank which take the total value of the programme to £8 million.
- 5.2 Haatch have reported a high level of interest in the fund from companies across the area since its launch. They have also reported that the first two businesses have been identified for further due diligence. Once this work is done, Haatch will potentially be in position to announce the first funding allocation(s). Haatch will feedback on their investments to D2N2/EMCCA on a quarterly basis in line with the terms of the Limited Partnership Agreement.
- 5.3 Work continues to map the existing systems to support business growth, innovation, inward investment and investor development. While we await confirmation from Government that a successor fund to UKSPF will be made available to the region, the team has been unable to make firm recommendations to the EMCCA Board on any future changes in strategy, funding and delivery, but you will remember that we have committed to ensuring that the Growth Hub is funded in 2025/26. I will work with Will to ensure that this vital service is supported from LEP reserves if no other funding becomes available.
- 5.4 Our Key Account Management work continues to hit its targets. The team is in discussion with DBT about the potential to secure additional funding to bring more posts into EMCCA for this programme, given its high ROI.
- 5.5 While we do not expect there to be a significant issue, EMCCA is holding off on announcing a funding round relating to the East Midlands Investment Zone until there is clarity from government on the quantum and timing of the promised seed funding. It is possible that EMCCA will proceed at risk if a decision is not made shortly.

6. LOW CARBON

- 6.1 The Low Carbon Growth Group met on 3 September. It took a presentation from Aqsorp, one of the successful bidders to our Low Carbon Growth. On the back of the project, they have scaled up and secured further funding from UKRI. Most importantly of all, they have proved that their technology for more

efficient anaerobic digestion works and is replicable. This is exactly the kind of result we wanted to see from the fund, and I hope the region will keep backing Aqsorp and our other green innovators in the years to come.

- 6.2 We are supporting a bid from our university partners in HyDEX for funding from the EU for a “Hydrogen Valley”. This could secure up to £20m for investment in generation, storage and transmission infrastructure over a five-year period.
- 6.3 The work on STEP Fusion continues apace. The contracting process for the construction of the skills centre at West Burton will shortly go live, and a call is already out to universities to increase the provision across the UK of fusion-related PhDs. We are supporting a bid that includes both Nottingham and Derby.
- 6.4 On a less positive note, you may have seen the concern over the future of the NAMRC in Derby. The University of Sheffield is pulling its support. We are working with NAMRC, the council, Derby University and Rolls Royce to see if there is the potential to turn this into a positive. Currently under discussion is a proposal to morph the NAMRC to be a centre for innovation across all future fuels, which would support the region’s wide-ranging ambitions. We will report back in December, by which NAMRC Derby’s future should be clearer.

7. EXTERNAL AFFAIRS

- 7.1 I was delighted to receive a thank you letter from Claire Ward following UKREiiF in May. The letter expressed the Mayor’s thanks to myself and the team for co-ordinating an incredible Team East Midlands showing at UKREiiF.

- 7.2 Mayor Claire said:

“Delivering a compelling case for investing in the region, at the UK’s largest real estate and investment conference, is a significant undertaking, and I want to take this opportunity to recognise your team’s hard work and share my appreciation.”

- 7.3 In terms of other major events, the External Affairs team are focused on marketing and co-ordinating the second East Midlands Hydrogen Summit on Friday 8 November at Loughborough University, with Mayor Claire as keynote speaker, and the D2N2 LEP AGM on Wednesday 4 December.
- 7.4 EMCCA, led by Nicola, is developing a strategy for future engagement in these kind of events to ensure we keep on the trajectory of stronger, closer alignment within *Team East Midlands*.

8. INCLUSION

- 8.1 The Inclusion Research Programme of Work is going well. Our research partner, B-Global, have monthly meetings with Natasha Johnson and the D2N2 LEP officer team. The scope of the research has been widened following feedback from Mayor Claire. The work will now pay a particular focus on BAME small business owners/leaders, and research and analyse the particular challenges they face. The intention is that this research will help inform the launch of EMCCA's Inclusive Growth Commission.
- 8.2 A half day awayday has been arranged for Thursday 19 September for the Inclusion Steering Group. B-Global have been commissioned to present their findings and lead the steering group to focus on agreeing the top five priorities for action from the longlist identified via their research. Mayor Claire will be attending the final two hours of that session in order to share her views and discuss the priorities for action that will have been identified and agreed during the stakeholder session. It will also provide an opportunity for Mayor Claire to meet the Inclusion Steering Group and our research partners.

Elizabeth Fagan
12 September 2024

DATE	12 September 2024
REPORT LEAD	Will Morlidge
AGENDA ITEM	2.2

TITLE	Report on Proposed Transfer of D2N2 LEP Assets to EMCCA
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1. INTRODUCTION

1.1 This paper updates the Board on progress since June on securing the transfer of D2N2's assets to EMCCA whilst ensuring they are retained for economic use.

1.2 Background

The Board previously tasked the CEO with securing a transfer agreement with EMCCA that ensured our assets would be ringfenced for economic use. EMCCA was happy to agree to this and there have been a number of informal discussions between the CEO and the lawyers for EMCCA, D2N2 and Derbyshire County Council. We now have an agreement on which the substance is agreed. The only remaining point to be resolved is on GDPR, specifically on whether or not we need to sign off each project individually for GDPR. As this is a matter of process and not substance, my advice is that it need not come back to the Board but rather sit with the Chair to sign off once complete. The draft Agreement is annexed to this report.

2. RECOMMENDATION

2.1 The Board is asked to:

- **NOTE** the report
- **AGREE** that the Chair may, subject to final discussion on matters of detail, sign the Agreement on behalf of D2N2 LEP.

Will Morlidge
12 September 2024

DATED

2024

DRAFT

- (1) D2N2 LOCAL ENTERPRISE PARTNERSHIP
- (2) EAST MIDLANDS MAYORAL COMBINED
COUNTY AUTHORITY
- (3) DERBYSHIRE COUNTY COUNCIL

ASSET TRANSFER AGREEMENT

Ref: STP/0688/88128184/1
Direct Tel: +44 (0)345 274 6900
Email: stephen.pearson@freeths.co.uk
Dated: 2 September 2024

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THIS DEED is dated the _____ day of _____ 2024

BETWEEN:

- (1) **D2N2 LOCAL ENTERPRISE PARTNERSHIP** a company limited by guarantee with company number 11914012 with registered office at 8 Experian Way NG2 Business Park, Nottingham NG2 1EP ("D2N2");
- (2) **EAST MIDLANDS MAYORAL COMBINED COUNTY AUTHORITY** a local authority formed pursuant to the East Midlands Combined County Authority Regulations 2024 whose offices are located at Northern Gateway Enterprise Centre, Saltergate, Chesterfield S40 1UT ("EMCCA"); and
- (3) **DERBYSHIRE COUNTY COUNCIL** a local authority whose offices are located at County Hall, Matlock, Derbyshire DE4 3AG ("DCC").

each a "Party" and together the "Parties"

RECITALS

- (A) EMCCA was formed on 27 February 2024 as a Combined Authority covering Derbyshire and Nottinghamshire.
- (B) The functions of D2N2 as a Local Enterprise Partnership with respect to skills, employment and Economic Development have been transferred to EMCCA, in accordance with guidance published on the integration of Local Enterprise Partnership activities into Local and Combined Authorities published by HM Government on 4 August 2023.
- (C) An agreement was entered into between the Parties (as further referred to in clause 6 below) whereby certain activities of D2N2 and their employees were transferred to EMCCA in June 2024 with effect from [insert date].
- (D) An Integration Plan was agreed between the parties in February 2024 on [insert date].
- (E) It has been agreed that certain remaining assets currently held within D2N2, subject to the supervision of DCC as the previous Accountable Body, should be transferred to EMCCA with effect from [14 days from the date of] this Agreement [insert date].

Commented [ag1]: To allow for payment processes.

1. DEFINITIONS

1.1. In this contract and Schedules, unless the context requires otherwise the following terms shall have the following meanings:

Accountable Body	<u>DCC or EMCCA as the context shall admit;</u>
Contracts	all service and provision contracts of D2N2, whether details have been provided to EMCCA or not;
Contracting Parties	those listed as the parties to the Contracts;
Controller	shall have the meaning set out in Data Protection Legislation;

Data	shall have the meaning set out in Data Protection Legislation;
Data Protection Legislation	means all applicable data protection and privacy legislation in force from time to time in the UK including without limitation the UK GDPR; the Data Protection Act 2018 (and regulations made thereunder) (DPA 2018); and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended; and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of personal data (including, without limitation, the privacy of electronic communications); and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and which are applicable to a party;
Data Subject	shall have the meaning set out in Data Protection Legislation;
Economic Development Activities	the activities and projects carried out by D2N2 listed (non-exclusively) in Schedule 2;
<u>Enterprise Zone(s)</u>	<u>the Nottingham (Boots) Infinity Park, Derby and Nottingham University Enterprise Zones created by HM Government;</u>
EEA	means European Economic Area;
Personal Data	shall have the meaning set out in Data Protection Legislation;
Processing	shall have the meaning set out in Data Protection Legislation and Process shall be construed accordingly;
Transfer Date	[date to be inserted] ; and
UK GDPR	shall have the meaning given to it in section 3(10) (as supplemented by section 205(4)) DPA 2018.

- 1.1. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.2. A reference to writing or written includes emails.

2. TRANSFER OF CONTRACTS AND OTHER RIGHTS

- 2.1. With effect from the Transfer Date the liabilities of D2N2 and DCC will be transferred to EMCCA and EMCCA shall be entitled to the benefit of the Contracts as if it were an original party to them, and all liabilities in connection therewith shall be regarded as novated.
- 2.2. With effect from the Transfer Date all financial balances held in connection with the Economic Development Activities of D2N2 shall be transferred to EMCCA, less a retention of £100,000 to cover potential contingencies. These monies are held with respect to the funds and for the amounts set out in Schedule 1. Balances relating to specific projects and programmes are to be spent in accordance with the grant conditions which have been novated individually under separate novation agreements.
- 2.3. The sum of £100,000 referred to above shall be taken to be sufficient to cover residual outstanding liabilities, transition costs and professional fees of D2N2, but D2N2 shall transfer the unpaid part of that retention (subject to withholding a sum to allow for the eventual winding-up or strike-off of D2N2 at Companies House) by no later than 1 April 2025~~(insert date) 2025~~ following the settlement of all commercial liabilities.
- 2.4. All records held by D2N2 will be transferred to EMCCA at the Transfer Date, subject to compliance with data protection requirements set out at clause 4.
- 2.5. D2N2 and DCC as the previous Accountable Body will undertake all reasonable steps and provide assistance to notify the Contracting Parties of the novation and / or transfer of the Contracts to EMCCA. To the extent that any such Contract cannot be validly transferred by agreement, D2N2 may maintain responsibility for the Contracts acting as agent for EMCCA, but on a temporary basis only pending termination or other steps with regard to such Contracts.
- 2.6. The parties understand that (without this constitution and legal obligations) all rights to retain business rates from Enterprise Zones in the D2N2 area will pass to EMCCA.

3. ASSETS

For the avoidance of doubt, the parties agree that there are no assets of a material nature to be transferred pursuant to this Agreement.

4. DATA PROTECTION

- 4.1. EMCCA warrants that:
 - 4.1.1. it shall Process the Data in compliance with all applicable laws, enactments, regulations, orders, standards and other similar instruments

that apply to its Personal Data Processing operations in all material respects;

- 4.1.2. it shall duly observe, in all material respects, all of its obligations as a Controller under the Data Protection Legislation which arise in connection with the Processing of Personal Data, including but not limited to ensuring that it has a lawful basis for Processing the Data;
- 4.1.3. it shall have in place throughout the term of this Agreement appropriate technical and organisational security measures to prevent unauthorised or unlawful Processing of the Data and the accidental loss or destruction of, or damage to, the Data;
- 4.1.4. it shall ensure that it provides clear and sufficient information to the Data Subjects to whom the Data relates, in accordance with the Data Protection Legislation, of the purposes for which it will Process their Personal Data; the lawful basis for such Processing and such other information as is required by Article 13 of the UK GDPR
- 4.1.5. it shall not disclose or transfer the Data to a third party Controller located outside the UK unless it ensures that:
 - 4.1.5.1. the transfer is to a country approved under the Data Protection Legislation as providing adequate protection pursuant to Article 45 of the UK GDPR;
 - 4.1.5.2. there are appropriate safeguards in place pursuant to Article 46 of the UK GDPR;
 - 4.1.5.3. EMCCA otherwise complies with its obligations under the applicable Data Protection Legislation by providing an adequate level of protection to any Data that is transferred; or
 - 4.1.5.4. one of the derogations for specific situations in Article 49 of the UK GDPR applies to the transfer.
- 4.1.6. its employees, workers, consultants, agents, contractors and other authorised individuals are appropriately trained to handle and Process the Data in accordance with the technical and organisational security measures; and
- 4.1.7. its employees, workers, consultants, agents, contractors and other authorised individuals ~~are subject to written contractual obligations concerning the Data~~ are subject to (including an obligation of confidentiality) relating to the Processing of Personal Data which are no less onerous than those imposed in this agreement.
- 4.1.8. In the event that it suffers a Data breach in relation to the Data it shall:

Commented [ag2]: The proposal would be excessive.

4.1.8.1. promptly take all adequate remedial measures, including measures to resolve the Data breach and abide to any notification obligations that may be imposed under the Data Protection Legislation; and

4.1.8.2. bear all costs of resolving the Data breach.

4.1.9. EMCCA shall indemnify the other Parties to this agreement against all losses, liabilities, claims, damages, costs or expenses of whatever nature suffered or incurred by the other Party arising directly out of or in connection with non-compliance with this clause or the Data Protection Legislation in relation to the Processing of the Data by that Party.

~~4.2. D2N2 warrant that prior to the transfer of any Data to EMCCA that they have all necessary notices and consents and lawful bases in place to enable lawful transfer of the Data to EMCCA.~~

Commented [ag3]: This cannot be warranted.

5. LIABILITY

5.1. Nothing in this agreement shall limit or exclude any Party's liability for:

5.1.1. death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable);

5.1.2. fraud or fraudulent misrepresentation;

5.1.3. breach of the terms implied by section 12 of the Sale of Goods Act 1979; or

5.1.4. any matter in respect of which it would be unlawful for a Party to exclude or restrict liability.

5.2. Neither D2N2 nor DCC shall be liable to the EMCCA, whether in contract, tort (including negligence), misrepresentation, restitution or otherwise, for any losses including without limitation any loss of profit, or any direct or indirect or consequential loss arising under or in connection with the Agreement, whether arising before or after the date of this agreement.

6. OTHER AGREEMENTS

This Agreement shall be regarded as without prejudice to the content of an agreement referred to in Recital (C) above dated [insert date] whereby certain activities of D2N2, including all relevant employees, were transferred over to EMCCA.

7. THIRD PARTY RIGHTS

No-one other than the parties to this Agreement shall have any right to enforce any of its terms.

8. GOVERNING LAW

This Agreement and any dispute or claim arising out of it in connection with the subject matter of its formation shall be governed by and construed in accordance with the laws of England and Wales. To the extent that the parties have a dispute, they will at all times seek to resolve such dispute by negotiation and discussion, but if any matters cannot be resolved each party irrevocably agrees that the Courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out or in connection with this Agreement, or its subject matter or formation.

EXECUTION PAGE

**EXECUTED as a DEED by
D2N2 LOCAL ENTERPRISE
PARTNERSHIP**

acting by a director in the presence of:

.....
Director

Witness' Signature:

Witness' Name:

Witness' Address:

I confirm that I was physically present when

signed this deed

EXECUTED AS A DEED BY AFFIXING)
THE COMMON SEAL OF **EAST MIDLANDS**)
MAYORAL COMBINED COUNTY)
AUTHORITY)
by order:)

Seal Register No:

.....
Authorised Sealing Officer

EXECUTED AS A DEED BY AFFIXING)
THE COMMON SEAL OF **DERBYSHIRE**)
COUNTY COUNCIL)
by order:)

Seal Register No:

.....
Authorised Sealing Officer

**SCHEDULE 1
Funds**

	Balance as at 31/3/24
Reserve Balance	
Careers and Enterprise	£94,545.40
Energy Strategy	£787.02
HS2 Growth Strategy	£30,329.30
Growing Places Fund	£7,598,006.26
Youth Futures	£20,500
Economic Growth Fund	£1,383,164.50
Low Carbon Growth Fund	£2,699,998.33
General Fund	£1,339,984.92
Total	£13,167,315.73

Commented [SW(SaT4)]: To be updated for 30th Sept 2024

SCHEDULE 2
Economic Development Activity

1. Economic Strategy
2. Convening the Business Voice
3. Convening Business Schools and the Skill Systems
4. Convening the Innovation System
5. Convening Independent Training Providers
6. Hydrogen Taskforce
7. Skills for Health and Care Group
8. Economic Intelligence and Insight
9. Growth Hub
10. Key Account Management
11. Smart Manufacturing Data Hub
12. Enterprise Zones (x 4)
13. Trade Strategy
14. Careers Hubs
15. Skills Bootcamps
16. Early Stage Angel Investment Fund (ESAIF)
17. Made Smarter Adoption Programme
18. Youth Futures Foundation project
19. Local Area Energy Planning
20. Economic Growth Fund
21. Low Carbon Growth Fund
22. Residual Capital and Revenue Funds



PUBLIC

DATE:	12 th September 2024
REPORT LEAD:	Sarah Wainwright
AGENDA ITEM:	

TITLE:	Finance update
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1. INTRODUCTION

2.

1.1 A Summary of income and expenditure for expected final financial position for the D2N2 LEP assuming a closure date of 30th September 2024 .

2. RECOMMENDATION

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

2.2 Board are asked for formally write off the 2022-23 Nottinghamshire County Council contribution invoice

3. 2024-25 LEP BUDGETS

3.1 Budget monitoring for period 4 (July of the 2024-25 financial year is shown below for the Core funding budget in Annex 1 :

3.2 An estimated position is shown assuming a closure date of 30th September 2024 in Annex 2

3.3 These balances will be transferring to EMCCA on the assumption all 3 parties, the D2N2 LEP, EMCCA and Derbyshire County Council agree on the Transfer Agreement which will ensure the commitments made as shown are honoured by EMCCA and the residual balance is ring fenced to be spent on economic development activities.

4. WRITE OFF

4.1 The invoice for the 2022-23 contribution from Nottinghamshire County Council towards Core funding remains unpaid. A bad debt provision has been provided for in the accounts. Before closure of the company all invoices need to be settled or written off. As this one remains unpaid, it is recommended to the Board is that it is written off. The invoice was for £46,875.

PUBLIC

Annex 1

2024-25 LEP-Detailed Budgets-to period 4 (July)	Actuals to date £	Year End Position £
Income		
Department of Education		29,316
Interest	6,647	300,000
Other	8,884	9,884
	15,531	339,200
Expenditure		
Rents	15,629	31,258
Pay costs	108,403	108,403
IT/Website	885	1,000
Mobiles	844	844
Postage/ Stationary/Photocopier	1,811	2,000
Publicity	7,653	7,653
Travel and general allowances	2,573	3,073
Insurance	4,542	4,542
Training	6,739	10,000
LEP Network	6,000	6,000
Consultancy/Professional	9,093	20,208
Conference/Event		4,000
Audit fee		10,800
Corporation tax		75,000
SLA		66,737
	164,172	351,518
2023/24 Surplus/ (Deficit)		(12,318)

PUBLIC

Annex 2

Name of Reserve	Reserves Balances at 31.3.24	Expected Spend 24/25	Estimated closing Balance	Commitment	Available	Notes
Low Carbon Growth fund	2,699,998		2,699,998	2,459,293	240,706	Balance for Heat Pump Academy, Mine Water Heat and part of Stone Centre
Economic Growth Fund	1,383,165		1,383,165	1,383,165	-	Hillcrest Business Park and part of Stone Centre
Energy Strategy	787		787		787	
Careers and Enterprise	94,545	15,707	78,838	78,838	-	all specific CEC funded grants
HS2 Growth Strategy	30,329	30,329	-	-	-	allocated as part of rail mitigation study to DCC
Youth Futures	20,500	20,500	-	-	-	
Growing Places Fund-Capital	2,046,854		2,046,854	-	2,046,854	£1.8m of this is a debtor for the DSF loan and not actual cash
Growing Places Fund-Revenue	5,551,152	46,318	5,504,834	3,891,235	1,613,599	£4m ESAIF
General Reserve	1,339,985	54,318	1,285,667	57,200	1,228,467	£12k for Core funding & £42k for CEC match. Commitments £50k for EA project, £7.2k for Hyd Partnership
	13,167,316	167,173	13,000,143	7,869,730	5,130,413	
					3,330,413	Balance after taking out debtor

DATE	12 September 2024
REPORT LEAD	Tom Goshawk
AGENDA ITEM	2.4

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

1. INTRODUCTION

1.1 This report provides an update on the LEP’s Capital Programmes and the closing positions of the LEP’s funds.

2. RECOMMENDATION

2.1 The Board is asked to:

- **NOTE** the report and what funds will be novated to the East Midlands County Combined Authority as part of the transition process.

3. Legacy Funds

3.1 Throughout the lifetime of the D2N2 LEP there have been multiple capital programmes that have been delivered under the organisations remit. These capital funds have principally been used to deliver economic growth outcomes and outputs across the region and multiple funds have now been fully allocated and spent. Below an overview is included of the funds and their progress to date.

3.2 Local Growth Fund (LGF) – LGF was granted to the LEP for allocation and use from Government over three separate rounds of funding between 2015 and 2021. A total of 61 individual projects were funded through LGF with £254.3m of grant funding allocated to and spent by projects on capital programmes across the region. The funds have been used on a variety of different types of projects including but not exhaustive to; Infrastructure to unlock housing developments, business park development, broadband and connectivity improvements in rural communities, flood remediation and protection works, new teaching and learning facilities for higher and further education.

All funding was spent within the time period and projects are in the process of monitoring outputs now. The primary objective of the fund was to contribute to economic development through the delivery of Jobs, Homes and Learners. The following table sets out an overview of the output targets and what has been achieved to date.

	Jobs	Homes	Learners
Government Target	29,000	10,800	2,000
Actual Q4 23/24	19,699	3,835	6,864
% achieved	68%	36%	343%

Output targets for the Local Growth Fund are required to be achieved by 2035 and therefore the projects have over a decade to achieve their output targets. LEP officers fully anticipate that the jobs and homes targets forecast in the table above will be achieved by this end date. In particular on the housing target one of the LEPs key investments in housing has received confirmation that the large scale enabling infrastructure to deliver the housing is taking place and this will increase the amount of homes built on site significantly.

3.3 Getting Building Fund (GBF) – GBF was granted to the LEP in 2020 in response to the global pandemic to support economic recovery across the LEP area. As part of this £44.4m of funding was announced for the region which aimed to deliver 11 projects. Funding under GBF included projects to deliver High-tech food production sites, 5G enabling infrastructure, Research and development facilities in the Aerospace sector and a health care education campus.

All projects have fully spent their allocations of funding and monitoring is now taking place. The contracts will be novated to EMCCA where the monitoring of outputs will continue until they are completed. The following outputs are the deliverables associated with the fund.

	Jobs Created	Housing Unlocked	Number of Businesses assisted
Government Target	4,880	780	190
Actual Q4 23/24	431	0	1,105
% achieved	9%	0%	582%

As with the above LGF outputs, each of the projects has until 2035 to deliver the required outputs. These projects report their outputs on a six monthly basis and we expect significant growth in output returns at the end of September when the returns are received. The LEP in consultation with the project sponsors have no

reason to believe that the output forecasts profiled will not be achieved by the end of the monitoring period.

4. Current Funds

4.1 Low Carbon Growth Fund (LCGF) – In December 2021 the LEP announced the release of a new £6.5m Low Carbon Growth Fund to support innovative low carbon projects from across the region. The projects were all allocated funding based on their ability to demonstrate current or future carbon reduction through the implementation of new low carbon technologies.

Through the lifecycle of the fund a total of six projects have been funded to the value of £4.82m with other projects including the Hydrogen Buses project being withdrawn due to insufficient match funding for the projects. The following table shows the level of spend to date and what funding will be transferred to EMCCA to be released to the projects subject to expenditure. The Mine Water Heat project was funded on a pre-compliance agreement to enable the project to work through the development stages and will deliver a full business case to unlock the remainder of funding later this year.

Low Carbon Growth Fund	Allocation £	Actual Spend £	Balance Remaining £
SmartParc Low Carbon Heating and Cooling	1,200,000	1,200,000	
Heat Pump Skills Academy	500,000		500,000
PPROHLET	1,200,000	1,200,000	
Mine Water Heat	900,000	200,000	700,000
Hydrogen Fuelled Waste Collection	310,000	310,002	
Springvale Hydrogen	718,010	718,010	
	4,828,010	3,628,011	1,200,000

4.2 Economic Growth Fund (EGF) – In May 2023 the LEP announced its final capital call for projects with a £2.6m fund made available to support key and strategic capital investments across the region. Similarly to the LGF/GBF calls the Economic Growth Fund needed to deliver end assets which could deliver increases in the number of jobs, homes or learners across the D2N2 area. Through the initial funding announcement and further funding which was redistributed from the H2 buses project which didn't proceed, three projects were funded to the total of £4.03m and this has left an unallocated fund of £240,705.

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The Nuclear Skills Academy project has fully spent its allocation and will be monitored for the delivery of its outputs after the contract has been novated. The Hillcrest Business Park project is approved and expenditure will be paid by EMCCA. The National Stone Centre project will require a business case to be approved through EMCCA's assurance framework process and will subsequently be monitored for expenditure and outputs following this.

Economic Growth Fund	Allocation £	Actual Spend £	Balance Remaining £
Hillcrest Business Park	642,457		642,457
Nuclear Skills Academy	1,388,826	1,388,826	
Unallocated	240,705		
National Stone Centre	2,000,000		2,000,000

Tom Goshawk
12 September 2024

DATE	12 September 2024
REPORT LEAD	Will Morlidge
AGENDA ITEM	2.5

TITLE	Chief Executive Officer’s Report
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1. INTRODUCTION

- 1.1 This is an unusually short report. This does not imply a lack of activity by the team, but rather than as we have transferred to EMCCA some of the business-as-usual parts of my report become less relevant to the D2N2 Board.
- 1.2 Elizabeth has also given a comprehensive overview of the strategic picture.

2. RECOMMENDATION

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

3. SKILLS UPDATE

- 3.1 The Performance of the Careers Hub continues to improve and be an exemplar. I am delighted that there has been considerable interest in our vacant Enterprise Coordinator post, so the reputation of the team with external partners remains high. With the advent of EMCCA, there is an opportunity to pursue an all-age careers strategy for the region for the first time, and to influence national policy on careers as part of the Mayors UK group.
- 3.2 It is interesting to see the changes already taking place on adult skills. EMCCA has brought in a new team to lead on Adult Skills Fund and, as Elizabeth mentioned, it seems clear that DfE sees more funding with fewer ringfences coming the way of MCAs. This gives us a great opportunity to shake up provision, but of course brings the challenge of needing to persuade partners to move with new ways of working.
- 3.3 It also means that Fiona will be able to turn her attention to the strategic picture across all skills, careers and employability issues as the new Adult Skills Team begins to pick up Skills Boot Camps. One of the key new opportunities is the offer of closer working with DWP on its agenda, including on Universal Support.
- 3.4 I have asked Fiona to consider options to revise the skills evidence base for the region, and in particular if it is possible to map the work already underway to produce new data or analysis from other partners. There is a huge amount of activity at the moment on green skills (STEP, Midlands Net Zero Hub, Freeport, Midlands Engine and FSB are all working on it), so I would like to be able to hand over to EMCCA a synthesis of what is happening and what the evidence is telling us that EMCCA should focus on for maximum impact.

4. BUSINESS AND INNOVATION UPDATE

- 4.1 The Early-Stage Angel Investment Fund has now been officially launched following the general election period. Two events were held to mark the opening of the fund with the first being held on the 12th of July at Derby Arena and the second at Biocity in Nottingham on the 16th of July. We would like to offer our thanks to Board members David Williams and Glenn Crocker for their attendance and speaking at the events alongside partners from Haatch, British Business Bank, University of Derby and Obu. Thanks also go to Glenn for hosting the Nottingham event at BioCity. Both events were well attended with multiple stakeholders from the public and private sector in attendance. The fund is now active and submissions to the fund are being made, officers will meet with Haatch on a quarterly basis to discuss the progress of the fund.
- 4.2 Following the launch of the fund, the LEP has now agreed to fund a workshop in the area for prospective businesses who are looking to access funding. 15 businesses will be selected to attend the workshop which will be hosted at the University of Derby on Wednesday 9 October and run by Funding Hero, the Midlands based specialist high growth investment readiness provider. There is an intention for further workshops to be held across the D2N2 area for further identified businesses.
- 4.3 MCAs are, as you would expect, pressing DBT for confirmation of continuing funding beyond the 2024/25 FY for Smart, Smart Manufacturing Data Hub and Key Account Management. We have begun what will be an interesting journey of working with our LAs, universities and visitor, investment and marketing bodies to devise a better, smarter way of working together on inward investment. Some external partners have expressed their frustration that we have had to wait for so long to begin this work, so I am very keen to ensure we co-design a new approach with them that sustains the good practice and puts less efficient ways of working to bed.

5. CAPITAL PROGRAMMES

- 5.1 Following the 24th of June meeting, the D2N2 LEP Board gave permission to the Investment Board for delegated sign off for two capital projects by written procedures due to the general election not allowing the decisions to be made publicly. Following this delegation of authority two projects have now been approved:
- National Stone Centre – The project was accepted on to the capital programme with a £2m grant allocated to this. The project will gain its final approval through the EMCCA assurance framework as it will not comply with the D2N2 Framework before the organisation comes to a close. Officers will continue to work with the scheme to ensure its final approval and subsequent release of funding.
 - Calverton Business Units – The final business case for the £642,457 project was formally approved by the Investment Board. D2N2 are now contracting

with Gedling Borough Council and delivery of the units is due to commence shortly. This contract will be novated to EMCCA.

- 5.2 As referred to above, all contracts that D2N2 currently holds from its capital programme are currently being novated by Derbyshire County Council to the East Midlands Combined County Authority as part of the transition to EMCCA. Sarah Wainwright is currently in the process of novating all remaining contracts which will continue to be monitored by EMCCA staff until the end of delivery of outputs and outcomes.
- 5.3 Following the decision at the June 2024 Board meeting, Elizabeth, David and I have been in discussion with the lawyers for D2N2, Derbyshire County Council and EMCCA to ensure we put in place a watertight agreement on the transfer of these programmes and any remaining LEP cash or other assets. As referenced separately under Agenda item 2.2, I can confirm that both parties are now satisfied that an agreement is in place which enables the smooth transfer of the programmes while ringfencing our cash for economic development purposes only.

6. EXTERNAL AFFAIRS

- 6.1 As referenced earlier in this report, the launch of the ESAIF went extremely well, with the marketing and events supported by the External Affairs team.
- 6.2 The External Affairs team are now part of the EMCCA Communications Team and are taking on new programmes of work, such as the Tour of Britain communications, marketing and event management – it's coming to the EMCCA region on 6 September, and a wide variety of new stakeholder partner events.
- 6.3 Economic investment event support, including UKREiiF, is one of the priority areas for External Affairs and plans are progressing for a wider range of activity across the whole year and a stronger, more prominent presence at UKREiiF in 2025.
- 6.4 The D2N2 LEP communications channels remain in place until the end of the year, with content being posted less frequently due to the transition to EMCCA. The exception to this will be in the run up to the D2N2 LEP Annual Event and AGM, which will generate more D2N2 LEP marketing and communications coverage. The intention is to take our followers with us and to offer D2N2 LEP subscribers the option to subscribe to the EMCCA newsletter and other channels, once plans are finalised for these by EMCCA.

7. CORPORATE AND STAFFING

- 7.1 There have been some teething problems for the staff on transferring to EMCCA. For example, although we have been assured that we have been enrolled into a new pension scheme, the scheme's operators (Notts County Council) tell us that they have not received the requisite information from

EMCCA, meaning that no ex-LEP staff can access their pension information. We are therefore in the dark about whether the new pensions have been set up correctly and are unable to merge in our previous pensions should we wish to. There have also been delays in securing new mobile phones and glitches meaning some expenses have not been paid. While I am confident these issues will be resolved shortly, they have been disconcerting to enough members of the team for me to raise them here.

7.2 You may remember authorising me to put in place training identified by the team as important for their future careers development. I am pleased to say there has been strong take up, with course including leadership and management, project management and how to write effective tenders and strong funding bids being particular favourites.

7.3 We are in discussion with Chamber and their IT providers about the future of our IT kit. It needs to be professionally wiped before it can be re-used. I am proposing that, once clean we:

- Offer the laptops (and peripherals) and mobile handsets for sale to the team at a reasonable discounted price
- Offer any remaining kit to a charity (to be identified) for re-use.

7.4 FOR DECISION PLEASE: are you content with this approach?

Will Morlidge

12 September 2024