

**REPORT OF THE LEADER OF THE COUNTY COUNCIL****THE D2N2 LOCAL ENTERPRISE PARTNERSHIP, THE CITY OF NOTTINGHAM,  
NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE AND MIDLANDS  
ENGINE PARTNERSHIP****Purpose of the Report**

1. The purpose of this report is twofold, to:
  - a) Provide an update on the work of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP), the City of Nottingham and Nottinghamshire Economic Prosperity Committee (N2 EPC) and the Midlands Engine Partnership.
  - b) Seek approval for £62,500 revenue contribution to support the D2N2 LEP ongoing revenue costs during the financial year 2019/20.

**Information**

2. The Council Plan 2017-2021 Your Nottinghamshire, Your Future aims to shape the future of Nottinghamshire. The plan has a strong focus on making Nottinghamshire a beacon of public service leadership, and economic growth and development. The world in which we live is ever changing and our plan reflects that, with strong commitments around place shaping, infrastructure and making our County a great place to invest and do business.
3. As part of this ambition for Nottinghamshire, the Leader of the Council and the Chief Executive have been closely involved with the Government's Midlands Engine initiative. The Midlands Engine is a partnership of Midlands Councils, Local Enterprise Partnerships, Universities, Further Education Colleges, and business. The Midlands Engine emphasis on innovation and competitiveness will help us build our reputation around the globe, bringing more highly skilled and better paid jobs to our area and ensuring a thriving future.

**D2N2 Local Enterprise Partnership (D2N2 LEP)**

4. There has been a change of leadership at the D2N2 LEP with Elizabeth Fagan replacing Peter Richardson as Chair and Sajeeda Rose taking the role of Chief Executive as a successor to David Ralph. The consultation on the LEP's refreshed Strategic Economic Plan closed on 16 November 2018 prior to final approval by the Board. Several actions have emerged from the Ministerial review of LEPs including the establishment of LEPs as legal personalities and the expectation that all LEPs will have a single accountable body, a change from the three that currently exist for D2N2.

5. D2N2 is funded partially by Government and programme funding but requires local match revenue funding to ensure it remains operational. The four upper tier local authorities have provided equal, annual revenue contributions of £62,500 as part of the LEP's match funding since inception. In 2019-20, as in previous years, this will be matched by £250,000 from Government.
6. Subject to approval, it is proposed that the County Council confirms a financial contribution to the D2N2 LEP of £62,500 for the financial year 2019-20 funded from contingency.
7. The Chief Executive of the D2N2 LEP will be presenting to Policy Committee and has produced a report on the work of her organisation (attached at **Appendix A**).
8. The D2N2 LEP receives funding from Government to operate the D2N2 Growth Hub. The current profile of businesses assisted by the Growth Hub, by local authority areas since inception, is illustrated at **Appendix B**.

#### The City of Nottingham and Nottinghamshire Economic Prosperity Committee (N2 EPC)

9. This report is the sixth update received by members offering an update on the N2 EPC covering the period from June 2018 to January 2019.
10. The N2 EPC is a joint Committee having responsibility for growth and economic development and has a recognised role in advising the D2N2 LEP on investment priorities for the Nottingham and Nottinghamshire area. The N2 EPC has oversight of proposed spend via the Nottinghamshire authorities' Business Rates Pool (excluding the City of Nottingham). The N2 EPC considers projects from across the area and proposes priorities for endorsement to the D2N2 LEP.
11. The Leader of the City Council chairs the N2 EPC. The Leaders of the Nottingham and Nottinghamshire local authorities are members, with all the Chief Executives attending in an advisory capacity.
12. The N2 EPC last met on 27 November 2018 and received an update on the "Unlocking Growth in N2 Town Centres" Programme (funded through the Local Growth Fund), the N2 business rates pool, Midlands Connect, High Speed 2, Nottinghamshire County Council's Place Departmental Strategy and the D2N2 Charge Point Network and Air Quality.
13. The N2 EPC last met on 4 February. The agenda included the N2 Innovation Seminar, Coal-fired Power Stations Summit and the City Council's item on Local Government Reorganisation.

#### The Midlands Engine Partnership

14. The Midlands Engine priorities were set out in the Vision for Growth report, published in September 2017. Since the publication of the Vision for Growth, the Midlands Engine has been working to progress these priorities, with a focus on:
  - Connecting the Midlands
  - Investing in strategic infrastructure
  - Growing international trade and investment
  - Increasing innovation and enterprise
  - Shaping great places

15. Theme groups within the Midlands Engine are aligned to these priorities, with an additional theme group focused on skills. There is additional work underway in respect of 5G, establishing an Economic Observatory, the Midlands Engine Investment Fund and the establishment of the national element of the Defence and National Rehabilitation Centre (DNRC). Increasingly, the Midlands Engine is being used by Government as a conduit for the dispersal of funds such as for English for Speakers of Other Languages and for tackling mental health at work.
16. In recent weeks, there have been some major announcements either directly related to the Engine or within the region, including:
  - A new, locally-led development body for the area around Toton's development, with £2m of funding for the Midlands Engine to develop the body;
  - The Midlands Engine has been assured that its constituent parts would receive a share of the £30m of funding allocated to the *Be The Business* campaign;
  - The Midlands Engine was put at the centre of a Government commitment to work on future infrastructure plans as part of the Spending Review;
  - Up to £70m will be allocated to build the national element of the DNRC in Nottinghamshire;
  - A Midlands digital asset map, with £1.5m to develop this new initiative to map the region's major assets, linked to the new Economic Observatory.
17. The Midlands Engine has also been busy developing a pipeline of investable projects, with business cases in train for a large-scale internationalisation strategy. Discussions are ongoing with Treasury about these projects.
18. The Midlands Engine has also organised trade and investment missions in India and China and took a full delegation to Cannes for MIPIM 2018. MIPIM (Le marché international des professionnels de l'immobilier) is an international property event hosted in Cannes, France each March and includes an exhibition area, networking events and conference sessions over a period of 4 days.
19. Moving forward, the Government has announced its intentions to refresh the Midlands Engine Strategy in 2019.

### **Other Options Considered**

20. The D2N2 LEP aims to be a forceful engine for economic growth. It is for this reason that the option of not providing the funding for the D2N2 LEP is not proposed. Without the County Council's match funding, the partnership will not be able to unlock access to significant funds from Government to support growth.

### **Reasons for the Recommendations**

21. To provide Policy Committee with information on the D2N2 LEP, N2 EPC and the Midlands Engine as requested by Members in November 2015, and to seek approval to provide the requested match funding for the D2N2 LEP.

## **Statutory and Policy Implications**

22. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

23. Nottinghamshire County Council has contributed £62,500 per year towards the core running costs of the D2N2 LEP since financial year 2011/12. This contribution has been matched by the other upper tier councils and has enabled D2N2 LEP to draw down £250,000 per year from the government to support ongoing revenue costs.
24. In addition, the County Council has committed to supporting the Growth Hub for the D2N2 LEP. The Growth Hub coordinates access to business support for companies across the LEP area, with a focus on companies that demonstrate higher growth potential in the LEP's priority sectors.
25. The Growth Hub currently benefits from investment through the European Structural Investment Fund (ESIF) programme and has received an annual contribution of £50,000 over three years (2015 to 2018) to ensure an enhanced level of service in Nottinghamshire, as approved by the (former) Economic Development Committee on 3 November 2015. In July 2018, Nottinghamshire County Council committed to supporting the Growth Hub for a further 3 years. A total of £193,561 will be allocated from the Growth and Economic Development initiatives budget as follows: £59,433 in 2019/20, £66,553 in 2020/21 and £67,575 in 2021/22.
26. Nottinghamshire County Council contributes £3,500 per year towards the secretariat costs for the N2 EPC. Every Nottinghamshire council makes similar contributions.
27. Local Growth Fund (LGF) funding for the N2 Town Centres Programme is £7.625 million over the period March 2018 to March 2021. Nottinghamshire County Council acts as accountable body for this Programme, for which there are no additional net financial costs to the Council for taking on this role.
28. In May 2018 Nottinghamshire County Council committed £40,000; £20,000 per annum for two years, as the Council's match funding contribution towards the £4 million core funding of the Midlands Engine Partnership for the period 2018-2020. The £4 million core funding (matched by partner contributions) will be used to produce evidence driven programmes that can compete on the world stage, to meet the Midlands Engine's long-term ambition to drive up productivity and economic growth. This is in addition to supporting a range of activities (secretariat, project development etc.) subject to the decision making of the Executive Board.

## **RECOMMENDATION**

- 1) It is recommended that Policy Committee:

- a) approves the revenue contribution of £62,500 to support the D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire) Local Enterprise Partnership (LEP) for the financial year 2019-2020, subject to the submission of a request to the Finance and Major Contracts Management Committee for the £62,500 contribution to the D2N2 LEP in 2019-2020 to be funded from contingency.

**COUNCILLOR MRS KAY CUTTS MBE**  
**Leader of the County Council**

**For any enquiries about this report please contact:** Nicola McCoy-Brown, Growth and Economic Development ext. 72580

**Constitutional Comments [SLB 17/01/2019]**

29. Policy Committee is the appropriate body to consider the content of this report.

**Financial Comments [SES 18/01/2019]**

30. The financial implications are set out in paragraphs 23 to 28 of this report.

**Background papers and Published documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- *The D2N2 Local Enterprise Partnership, the City of Nottingham, Nottinghamshire Economic Prosperity Committee and Midlands Engine Partnership - Report to Policy Committee*, published 16 May 2018
- *The Midlands Engine Vision for Growth*, available online at: <https://www.midlandsengine.org/wp-content/uploads/Midlands-Engine-Vision-for-Growth.pdf>
- Published reports from the Nottingham and Nottinghamshire Economic Prosperity Committee are available online at: <http://committee.nottinghamcity.gov.uk/ieListMeetings.aspx?CIId=416&Year=0>

**Electoral Division(s) and Member(s) affected**

All