

**REPORT OF THE LEADER OF THE COUNCIL****UPDATE ON THE WORK OF THE D2N2 LOCAL ENTERPRISE PARTNERSHIP  
AND THE MIDLANDS ENGINE PARTNERSHIP****Purpose of the Report**

1. To provide an update on the work of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) and the Midlands Engine Partnership and seek funding as appropriate.

**Information**

2. Our Council Plan 2017-2021 sets out how we will maximise the impact of the Midlands Engine and be an active and influential partner within the D2N2 LEP. We work closely with many other organisations in a wide range of different partnerships to empower local communities and deliver the best value public services.

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

3. The D2N2 LEP is focused on helping to drive forward sustainable economic growth with local business, education providers, the third sector and the public sector. Since elected members previous update in February 2019, there has been significant progress by the D2N2 LEP in implementing the recommendations of the LEP review (a Government report entitled 'Strengthened Local Enterprise Partnerships'), the redrawing of boundaries to reflect real functional areas and recruitment of additional private sector board members.
4. The LEP Board meets every two months, identifies high priority strategies and actions, and fulfils a strategic leadership role. The Leader of the Council is a LEP Board member, Councillor Reg Adair serves on the European Social Investment Funds (ESIF) Committee and Councillor Richard Jackson is the Board member on the Investment Board. There are currently four Advisory Boards: The Place and Innovation Boards are served by Adrian Smith, the Corporate Director of Place, with the People & Skills and Business Growth Boards served by Nicola McCoy-Brown, Group Manager Growth and Economic Development.
5. To ensure innovation is not seen as outside the D2N2 LEP's business growth agenda (instead forming a vital part of productivity ambitions), following discussion with both the Place and Innovation Advisory Boards, the LEP are going to merge the two Advisory Boards. This new Advisory Board will have revised Terms of Reference which will be developed over the Summer, prior to a first meeting in August 2020. The D2N2 LEP's Head of Business and Innovation will draft the new Terms of Reference and rationalise membership in consultation with the current Advisory Board leads and the wider D2N2 Board.
6. D2N2 is partially funded by Government and programme funding, along with extra money to operate the D2N2 Growth Hub. However, local revenue match funding is required to ensure the organisation remains operational. The four upper tier authorities have provided equal,

annual revenue contributions of £62,500 as part of the LEP's match funding since its inception. As in previous years, subject to identifying the mandatory match, 2020-21 will be matched by £250,000 from Government.

7. Subject to approval, it is proposed that Nottinghamshire County Council confirms a financial contribution, funded from contingency, to the D2N2 LEP of £62,500 for the financial year 2020-2021.
8. An update on D2N2 LEP's response to support the economy during the current crisis, along with an overview on their approach to recovery, can be found in the COVID-19 Report within this meeting's agenda.

#### The Midlands Engine Partnership

9. The Midlands Engine is a regional partnership of scale and influence, focused on inclusive growth for the Midlands and has recently received a refreshed mandate from Government, focusing on the following five themes:
  - Investing in transport for growth (Midlands Connect)
  - Accelerating innovation and enterprise (closer links between universities and business)
  - Powering an ultra-connected region (focused on data led connectivity and reliable low carbon energy)
  - Trading with the world (expanding export markets and growing inward investment)
  - Amplifying the voice of the Midlands
10. It is likely that this remit will be further reinforced in the forthcoming Devolution White Paper. Other regional partnerships, such as the Western Gateway, are now being established, following the model of the Engine.
11. Recently, the Engine has supported significant new activity in the East Midlands, sponsoring programmes of work in respect of:
  - Connectivity - using the Toton HS2 site as a catalyst to launch an ambitious series of transport initiatives, known as Access to Toton
  - A Development Corporation – conducting a feasibility study to evaluate the potential for a single, integrated delivery vehicle, covering the sites of Toton, Chetwynd Barracks, the area around the East Midlands Airport and the power station at Ratcliffe on Soar
  - The National Rehabilitation Centre (NRC) – the civilian element of the Defence and National Rehabilitation Programme (DNRC)
12. In addition, the Engine has continued to lead work in the following nine areas:
  - Multi-city 5G testbeds in the West Midlands
  - The Midlands Engine Economic Observatory, including the recently published Independent Economic Review
  - Leicester Space Park
  - Macro commissioning – Mental Health and Productivity Pilot, and English for Speakers of Other Languages (ESOL) Pilot
  - Midlands Engine Rail Proposal
  - International trade and investment

- Regional Leaders Summit, awarded by Foreign Secretary (now deferred because of COVID-19)
  - Midlands Engine Investment Fund (MEIF)
  - Marché International des Professionnels d'Immobilier (MIPIM - the international property event hosted each March in Cannes) and Conferences raising regional profile (also deferred because of COVID-19)
13. The County Council's Chief Executive, Anthony May, Chairs the Midlands Engine Operating Board, and is leading the work on the Development Corporation, on behalf of the Engine.
14. A copy of the Midlands Engine's Review 2019 can be found at **Annex A**.
15. In addition to supporting a range of activities (secretariat, project development), since May 2018, Nottinghamshire County Council has provided £20,000 per annum as match funding towards £4 million core funding for the Midlands Engine. This is matched by partner contributions and is 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.
16. Subject to approval, it is proposed that Nottinghamshire County Council confirms a financial contribution funded from the 2020/21 Growth and Economic Development Initiatives Budget, to the Midlands Engine of £20,000 for the financial year 2020/21.

### **Other Options Considered**

17. Both the D2N2 LEP and the Midlands Engine will be unable to drawdown core funding resources from Government if Nottinghamshire County Council does not, as it has in previous years, approve their annual allocations. It is for this reason, the 'do nothing' option has been discounted.

### **Reason for Recommendations**

18. The D2N2 LEP and the Midlands Engine are significant partnerships. The benefits of involvement in these partnerships include: shaping the thinking and opportunities in relation to resilience, recovery, renewal, investment and promoting the area.

### **Statutory and Policy Implications**

19. 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**

20. In addition to the financial implications set out within the body of the report, Nottinghamshire County Council has committed to supporting the D2N2 Growth Hub. The D2N2 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. Over the three-year period 2019 to 2022, Policy Committee agreed (in July 2018) to allocate a total of

£193,561 (£59,433 in 2019/20, £66,553 in 2020/21 and £67,575 in 2021/22) from the Growth and Economic Development Initiatives Budget to support the D2N2 Growth Hub.

## RECOMMENDATIONS

It is recommended that Policy Committee:

- 1) Approves a financial contribution to the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) of £62,500 for the financial year 2020/21, a request be submitted to the Finance and Major Contracts Management Committee for an allocation of £62,500 to be made from contingency.
- 2) Approves a financial contribution, funded from the 2020/21 Growth and Economic Development Initiatives Budget, to the Midlands Engine of £20,000 for the financial year 2020/21.

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

**For any enquiries about this report please contact:** Nicola M<sup>c</sup>Coy-Brown, Growth and Economic Development ext. 72580

### **Constitutional Comments (EP 19/05/2020)**

21. The recommendations fall within the remit of the Policy Committee by virtue of its terms of reference.

### **Financial Comments [RWK 20/05/2020]**

22. The report proposes contributions of £62,500 to D2N2 LEP and £20,000 to the Midland Engine in 2020/21. A request will be submitted to the Finance and Major Contracts Committee for an allocation of £62,500 from contingency to fund the contribution to D2N2 LEP. The contribution of £20,000 to the Midlands Engine will be funded from the Growth and Economic Development Initiatives budget, for which an allocation of £515,036 is included in the 2020/21 revenue budget.

### **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.

- *Strengthened Local Enterprise Partnerships* – Published by Ministry of Housing, Communities and Local Government on 24 July 2018, available online at: <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>
- *The D2N2 Local Enterprise Partnership, The City of Nottingham, Nottinghamshire Economic Prosperity Committee and Midlands Engine Partnership* - Report to Policy Committee, Published 13 February 2019

### **Electoral Division(s) and Member(s) Affected**

- All