



16<sup>th</sup> October 2012

**Agenda Item:**

**REPORT OF THE CHAIRMAN OF ECONOMIC DEVELOPMENT COMMITTEE**

**D2N2 LOCAL ENTERPRISE PARTNERSHIP – UPDATE ON PROGRESS AND  
APPROVAL TO ACCEPT CAPACITY FUND MONIES**

**Purpose of the Report**

1. To update the Committee on progress with the D2N2 Local Enterprise Partnership (LEP) and to recommend that the Council accepts LEP Capacity Fund monies on behalf of the partnership in an accountable body role.

**Information and Advice**

2. Members will recall that the Chief Executive of the County Council gave an introduction to the Derbyshire and Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) at the Committee's first meeting in June 2012. This subsequent report updates Members on issues that have arisen since June and the LEP's overall progress.

Governance and resources

3. The original Chairman of the D2N2 Board, Colin Walton, announced in June 2012 that he intended to step down from the chairmanship after retiring from his position at Bombardier. The D2N2 Board subsequently agreed to appoint an interim chairman from within the Board whilst a process for recruiting a permanent replacement is agreed. This is expected to take place before the end of the calendar year.
4. David Robinson (President of Speedo and business leader on the Board for Nottingham City) has also stood down with effect from September 2012 due to changes to his job role within Speedo which mean that he will no longer have the time or capacity to commit to D2N2. Nottingham City Council is currently working to identify a business replacement for David Robinson in time for the next meeting of the Board in December.
5. The Board has agreed to proceed with recruitment to a new D2N2 Chief Executive Officer post. The job description and person specification for this role are being finalised and it is anticipated that recruitment will take place during October and November. Plans to increase the central staffing resource of the LEP were also approved. This should result in an extension to the existing LEP Co-ordinator role and a new post of Communications Officer.
6. The Government announced core funding for LEPs on 17<sup>th</sup> September. Up to £5 million will be made available across the 39 LEPs in the current financial year. Beyond that, each LEP will be able to access up to £250,000 in 2013-14 and 2014-15, subject to being able to

deliver £ for £ match funding from local sources. The D2N2 Board has not yet discussed the offer of core funding or how any local match funding might be sourced. However, it is anticipated that some core funding will be accessed to support the development of the LEP's executive staffing function.

7. The D2N2 area's allocation of Growing Places Fund monies from the Government is in the region of £24.5 million. A bidding round for this fund was held in the summer and due diligence is now being undertaken on 15 projects that the Board has endorsed as potential beneficiaries of the fund. Due diligence on these projects should be complete by December, in order to enable final sign off of commitments by the Board.

#### LEP Capacity Fund and accountable body role

8. The LEP was awarded a Capacity Fund allocation of £76,800 in May 2012. This allocation covers the period 2012-13 to 2014-15. Activities to be funded from this allocation include:
  - a. Quarterly reports on economic intelligence and trends to enable the D2N2 Board to set a clear strategic direction and investment priorities;
  - b. Support to develop and deliver a sustainable funding model for the LEP going forward. This will include assessing core resource needs and financing mechanisms and investigating how LEP income (from the Growing Places Fund and Enterprise Zone business rate uplift) can best be secured and utilised;
  - c. Communications and business engagement work, including a programme of business meetings, improvements to the D2N2 website and a co-ordinated and consistent approach to surveys across the D2N2 area.
9. Local authority partners to the LEP are fulfilling accountable body roles as the partnership is not legally established. Nottingham City Council is acting as accountable body for the Growing Places Fund and Derby City Council will take on the role for the recently announced core funding. Nottinghamshire County Council offered to take on the accountable body role for the Capacity Fund at a D2N2 Board meeting in the spring.
10. Subject to Committee approval, Nottinghamshire County Council will manage the Capacity Fund and will commission activity in line with its own Financial Regulations. Funds will be released quarterly and in arrears by the Department for Business, Innovation and Skills (BIS). The LEP Officer Group (chaired by Nottinghamshire County Council's Chief Executive) will monitor progress against financial targets and wider outputs.

#### Strategic issues

11. The D2N2 Board has tasked lead officers with finalising an economic strategy for D2N2 by December. This will set out priority actions for the next three years, and also be used as the basis for future investment decisions. It is hoped that the strategy will be launched at a D2N2 conference in the New Year.
12. The Board has approved the D2N2 area as the basis for a submission to the Department for Transport (DfT) for 'Local Transport Body' (LTB) status. If approved, the Local Transport Body will gain control of funding previously delivered through DfT's local major transport scheme (i.e. schemes with a value of £5 million or more) from 2015.

13. The Board has also requested that a Skills Commission be established for the D2N2 area. This will complement the work of the existing Employment and Skills Boards and be responsible for developing a Skills Strategy for the area. In addition, the Board agreed to support the 'Have a Go' campaign which will help young people get hands on experience in vocational trades.

### **Other Options Considered**

14. In terms of the accountable body role for the Capacity Fund, Nottinghamshire County Council could decide not to take this on and an alternative arrangement would have to be negotiated. This could result in some delay to the availability of the fund to support the development of the LEP

### **Reason/s for Recommendation/s**

15. To secure Committee approval for the County Council to act as accountable body for the LEP Capacity Fund.

### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service 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**

LEP Capacity Fund monies will be released by BIS quarterly and in arrears, subject to the receipt of claims from the County Council. This will be factored in to the operational management of the Economic Development budget.

## **RECOMMENDATION/S**

That members note the content of this report and approve the County Council's role as accountable body for the LEP Capacity Fund.

### **Report of the Chairman of the Economic Development Committee**

**For any enquiries about this report please contact: Matt Lockley ext 72446**

### **Constitutional Comments (SLB 04/10/2012)**

17. Economic Development Committee is the appropriate body to consider the content of this report.

### **Financial Comments (DJK 04.10.12)**

18. The contents of this report are duly noted; and the financial implications have been brought out in the context.

**Background Papers**

D2N2 LEP bid for Capacity Funds (Round 2).

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

All