

Agenda Item No. 4(a)

**DERBYSHIRE COUNTY COUNCIL**

**MEETING OF CABINET MEMBER – ECONOMIC DEVELOPMENT AND  
REGENERATION**

**13 December 2018**

Report of the Strategic Director – Economy, Transport and Environment

**UPDATE ON INVEST IN DERBYSHIRE PROJECT**

(1) **Purpose of Report** To provide the Cabinet Member with an update on the European Regional Development Fund (ERDF) D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Inward Investment Project, to request that existing contractual agreement between the Council and Marketing Derby for the delivery of the project is extended from December 2018 to November 2019 when the project is completed.

(2) **Information and Analysis**

**Background**

The European Structural Investment Fund 2014-2020 (ESIF) programme is being delivered through the D2N2 Local Economic Partnership (LEP). As part of the ESIF programme, the D2N2 Inward Investment project was awarded an ERDF grant in November 2016 of £1,041,254 against a total project cost of £2,082,508 for the period up to October 2019.

The D2N2 project has a number of work packages, one of which is the Invest in Derbyshire Service. The overall ERDF programme is being delivered in collaboration with Derbyshire Economic Partnership (DEP), Marketing Derby, Destination Chesterfield and Marketing Nottingham and Nottinghamshire, with Nottingham City Council being the accountable body. At the Cabinet meeting on 31 January 2017, approval was provided for match funding towards the D2N2 project and to delegate to the Strategic Director - Economy, Transport and Environment authority of the final terms of the required partnership/ collaboration agreements for the D2N2 Inward Investment project, in consultation with the Cabinet Member for Strategic Policy, Economic Development and Budget (Minute No. 31/17 refers).

A total of £90,000 match funding has been provided from Derbyshire County Council (secured through the DEP budget) to support the D2N2 project and is leveraging a full programme of activity across Derbyshire over the three year period 2016-19. The aim of the project is to carry out a series of activities to

support businesses looking to relocate or start up in the D2N2 area. The project also provides the opportunity for inward investment organisations across Derbyshire to establish a more co-ordinated approach to activity and build upon the “Invest in D2” brand successfully developed for the trade mission to Shanghai in November 2016, MIPIM 2017 and 2018 and a number of local events over the past 12 months.

For the D2 (Derby and Derbyshire) area, it was agreed to enter into a partnership grant agreement with Marketing Derby to deliver the project on behalf of the Council and DEP. This included funding for the appointment of a dedicated Investment Executive to work alongside the existing DEP Investment Co-ordinator. The benefits of contracting delivery to Marketing Derby have been substantial, considering the reputation of the organisation for investment promotion and the level of management resource required to support the new post holder and other elements of the project. The arrangement provides a more responsive, local service, working alongside contacts in borough and district authorities and enhanced marketing activity through events, publications and digital media.

Delivery of the Invest in Derbyshire work package is set out in an agreed strategy document “Delivering Inward Investment in Derbyshire, 2017-2019 and the project is a standing item on the DEP Board. An Inward Investment Steering Group is now in place (reporting to DEP), chaired by the Cabinet Member for Economic Development and Regeneration, which oversees delivery of the D2N2 element of the project against the Strategy. The grant agreement between Derbyshire County Council and Marketing Derby was signed in May 2017 and established the contract for Marketing Derby to deliver activity through the Investment Executive post, whilst fulfilling the needs of the Derbyshire economy and project objectives enabling joint project activity to be procured through one central point.

The term of the grant agreement is 12 month period and it is reviewed each December, prior to any further extension of the delivery contract being approved. A report was presented to the Cabinet Member on 29 September 2017, with a review of activity seeking approval to extend the agreement for a further 12 months to December 2018 (Minute No. 03/17 refers). This was approved and the contract with Marketing Derby, as extended.

The report currently under consideration provides an update on Invest in Derbyshire activity over the last 12 months with a request to further extend the contracted agreement until the end of the project in October 2019.

It should be noted that partners are developing a proposal to extend the project until December 2022. An expression of interest was submitted to MHCLG on 24 November 2018 as part of the open call for projects under ERDF Priority Axis 3 small and medium enterprises (SMEs) Competitiveness.

A further report will be submitted to Cabinet in early 2019 seeking support for the new project which will build upon and enhance the activity delivered through the current project.

### **Invest in Derbyshire: Project Progress**

During the current 12 month contract period (December 2017 – December 2018), the service has continued to develop the D2 wide approach to inward investment promotion and delivery set out in the Strategy.

The service has managed 25 direct inward investment enquiries for the county and a further 13 enquiries received from the national pipeline via the Department of International Trade (DIT). As agreed with DEP Board, the enquiries are treated as commercial in confidence and overseen by the Inward Investment Steering Group. The service also provides follow up on enquiries. The effectiveness of the overall project will be evaluated in 2019 towards the end of the current project and certainly prior to any further project proposals coming forward.

To summarise, the 38 leads serviced, 18 enquiries have related to Innovation and Advanced Manufacturing (demonstrating Derbyshire's continuing comparative strength in the sector), eight retail/leisure development and five commercial/office space. Further enquiries include distribution/logistics, life sciences, low carbon, construction and creative. Twenty three of the leads remain "live" with one confirmed investment whilst 15 have been closed.

The following key activities have taken place for Derbyshire during 2018:

#### **Brand/Digital Development**

- Delivery of a photography project ensuring a broad library of images is available to partners to promote the county to potential investors and developers and in place-marketing activity.
- Development of a new brand for Invest in Derbyshire to be launched in early 2019.
- Development of a new website for Invest in Derbyshire to be launched in early 2019.

#### **Marketing Collateral**

- Delivery of a second iteration of the Derbyshire Development Map.
- Working to deliver development maps for district and borough councils across the County, in digital and printed formats.

#### **Events**

- Attendance at MIPIM as part of Team Derby and Derbyshire and the Midlands UK Pavilion, including representation on a Midlands Engine panel regarding the role of tourism and the visitor economy in economic regeneration and media coverage.

- Participation in the Derby and Derbyshire House of Lords Embassy; 200 VIP guests, including Derbyshire MPs and Councils.
- Organisation of EM4, with Derby, Nottingham/Nottinghamshire, Leicetser/Leicestershire and East Midlands Airport - a post-MIPIM showcase event, with 150 regional delegates in attendance.
- Supported the delivery of the second Chesterfield Investment Summit, focusing on tourism, with 200 delegates in attendance.
- Participation in Derby Property Summit (300 delegates), with a Derbyshire breakout session on investment opportunities offered to delegates for the first time.
- Participation in a VIP Investor Reception hosted by Marketing Derby at the RAC Club, London with investors, developers and business contacts in attendance.
- Attendance and exhibition at various target sector events to promote the Invest in Derbyshire narrative and investment opportunities, including Multimodal (logistics), Automechanika (automotive), Hillhead (quarrying/minerals), MIPIM UK (property), Rail Infrastructure Networking (RIN) and Rail Vehicle Enhancements (RVE) exhibitions (rail).

#### Editorial Content

- Derbyshire business success stories have regularly featured in the Marketing Derby e-shot (readership 7,000) and social media (readership 15,500).
- Derbyshire businesses have been showcased in the new Marketing Derby London Magazine – Orrery, launched in the capital in October 2018. Features include articles from the Earl of Burlington and Derbyshire Institute of Sport.

(3) **Financial Considerations** Council match funding to the D2N2 project (via the DEP budget) was approved by Cabinet on 31 January 2017 (Minute No. 31/17 refers). No further budget is required at this stage from Derbyshire County Council. Further match funding to support any new project noted above will be subject to a further Cabinet report.

(4) **Legal Considerations** The Director of Legal Services will, upon instructions from the Strategic Director -Economy, Transport and Environment, make the appropriate arrangements for the extension of the agreement between Marketing Derby and the County Council until the end of the project in October 2019.

(5) **Social Value Considerations** The aim of this project is to increase business activity in Derbyshire and create new jobs, increase investment and improve productivity. This will increase employment opportunities for local people.

## Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held by the Economy and Regeneration Service within the Economy, Transport and Environment Department. Officer contact details – Frank Horsley, extension 38348.

(9) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member:

- 9.1 Notes the progress of the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Inward Investment Project and specifically the work programme around Invest in Derbyshire.
- 9.2 Delegates authority to the Strategic Director - Economy, Transport and Environment, to agree an extension of the partnership agreement between Marketing Derby and the County Council from December 2018 to October 2019 when the project is due to be completed.

**Mike Ashworth**  
**Strategic Director – Economy, Transport and Environment**