

DERBYSHIRE COUNTY COUNCIL

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

29 September 2017

Report of the Strategic Director – Economy, Transport and Communities

D2N2 INWARD INVESTMENT PROJECT - UPDATE

(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 and to request that the joint working agreement between the Council and Marketing Derby on the delivery of the project continues until the end of the project (October 2019) with an annual review.

(2) **Information and Analysis**

Background

The European Structural Investment Funding Strategy 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.

The project 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 project and to delegate to the Strategic Director - Economy, Transport and Communities authority to agree 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).

The £90,000 match funding from Derbyshire County Council (secured through the Derbyshire Economic Partnership (DEP) budget) is being used to lever in ERDF funding to deliver 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 as part of the Midland Engine Framework.

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 the appointment of a project funded dedicated Investment Executive to work along side the DEP Investment Co-ordinator. The benefits of contracting delivery to Marketing Derby were substantial considering the reputation of the organisation in the sphere of 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.

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 new post whilst fulfilling the needs of the Derbyshire economy and the project objectives and enabling joint project activity to be procured through one central point.

The current grant agreement is confined to the first year of the programme up to 31 December 2017, with the intention to review success at the end of the financial year prior to any further extension being approved. The appointment to the post took place in May 2017 and the post commenced in July 2017. To date, the impact of the project and the extra resource has received positive feedback from district/borough council and private sector partners. A considerable body of activity has been delivered to date and a programme of activity is planned for future years. Details of progress to date is provided below.

It is therefore requested that the agreement between Derbyshire County Council and Marketing Derby be extended for a further year with a review in late 2018. If this is still proving successful at this time, it is requested that the Strategic Director – Economy, Transport and Communities has delegated authority to continue the agreement to the end of the project (October 2019).

Project progress to date

Following the signing of the grant agreement and appointment of the post holder the following activity has taken place for Derbyshire (please note activity in planning is subject to change):

- 8 page supplement in the Saturday Times on 15 July 2017 on Derby and Derbyshire as a business destination.

- Celebration of Innovation on 11 July 2017 at Lambeth Palace in London which included presentations from Deputy Managing Director of Toyota Manufacturing UK and CEO of the Arkwright Society. The event brought businesses from Derby and Derbyshire together with mainly London based potential investors.
- Development of a revised Inward Investment Strategy taking the new D2 approach. A scoping document is in place and the draft strategy will be available by the end of September 2017.
- Production of a development map for Derbyshire demonstrating key sites and opportunities.
- Planning of a Property Summit for Chesterfield for the end of November 2017 using the successful model of the Derby Property Summit.
- Taking part and organisation of the 'Site Match East Midlands' event in September 2017 where the opportunity is given to present to investors interested in the East Midlands and have dedicated meetings to promote Derbyshire sites.
- Attendance at REVO (the UK's largest retail property exhibition).
- Working with Nottinghamshire and Leicestershire partners to organise an event in Spring 2018 to promote investment opportunities in the three areas.
- Dealing with inward investment enquiries and assisting businesses with their investments (ongoing).

Monthly progress meetings take place between the D2 partners (Marketing Derby, DEP and Destination Chesterfield) with the accountable body (Nottingham City Council) to plan activity and review progress. Quarterly meetings take place for all partners across D2N2 involved in the project.

Overall outputs for the project are as follows:

Number enterprises (businesses) receiving over 12 hours of support	168
Number of enterprises (businesses) receiving non-financial support	68
Number of new enterprises (businesses) supported	17
Employment increase in supported enterprises (businesses)	130
Number of enterprises (businesses) receiving information, diagnostic and brokerage support	100

So far the project is achieving its targets on both spend and outputs for the first year of the project.

(3) **Financial Considerations** Council match funding to the project (via the DEP budget) was approved by Cabinet in January 2017. No further budget is required at this stage.

(4) **Legal Considerations** In January 2017, Cabinet delegated authority to the Strategic Director - Economy, Transport and Communities, to finalise and approve the relevant Partnership/Collaboration Agreements for the D2N2 Inward Investment project, in consultation with the Cabinet Member for Strategic Policy, Economic Development and Budget. As part of the negotiations, the Council signed a partnership grant agreement with Marketing Derby to deliver the project. The report requests that the agreement between Marketing Derby and Derbyshire County Council is extended for a further year until 31 December 2018. Any further extensions until the end of the project (December 2019) will be subject to review and further approval.

(5) **Social Value Considerations** The aim of this project is to increase business activity in Derbyshire and create new jobs. 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 Communities 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.

9.2 Delegates authority to the Strategic Director - Economy, Transport and Communities, to agree an extension of the partnership grant agreement between Marketing Derby and the Council until 31 December 2018.

Mike Ashworth
Strategic Director- Environment, Transport and Communities