

Agenda Item No. 8(b)

DERBYSHIRE COUNTY COUNCIL

CABINET

31 January 2017

Report of the Strategic Director – Economy, Transport and Communities

**D2N2 INWARD INVESTMENT PROJECT – MATCH FUNDING (STRATEGIC POLICY, ECONOMIC DEVELOPMENT AND BUDGET)**

(1) **Purpose of Report** To seek approval to endorse the European Regional Development Fund (ERDF) grant of £1.041m for the D2N2 (Derbyshire, Derby, Nottingham, Nottinghamshire) Inward Investment Project, seek delegated authority to accept and sign the Partnership Agreement and confirm £90,000 match funding towards project proposals.

(2) **Information and Analysis**

**Background**

At the meeting of the Cabinet Member - Strategic Policy, Economic Development and Budget on 3 November 2015, approval was given to provide a match funding contribution of £90,000 from Derbyshire Economic Partnership (DEP) budget towards a D2 (Derby, Derbyshire) Inward Investment Project over a three year period, alongside alignment of 0.5 full time equivalent (FTE) Senior Economic Development Officer (Grade 11) as match (Minute No. 50/15 refers). The applicant and lead partner were Marketing Derby, working alongside delivery partners DEP and Destination Chesterfield.

However, during the appraisal stage, the Department for Communities and Local Government (DCLG) requested the D2 Inward Investment Project be aligned with similar projects in Nottinghamshire to create a D2N2 Local Enterprise Partnership (LEP)-wide inward investment project. As a result of the project realignment, the required staffing match from Derbyshire has reduced from 0.5 full time equivalent (FTE) to 0.3 FTE. The overall match funding requirement of £90,000 contribution remains the same.

The revised bid was submitted in June 2016, with Nottingham City Council being nominated as the accountable body for the project. Derbyshire County Council, Chesterfield Borough Council (Destination Chesterfield), Marketing Derby and Marketing Nottingham and Nottinghamshire are co-operating as delivery partners for the project.

On 15 November 2016, DCLG approved the revised project in principle, awarding a European Structural and Investment Fund (ESIF) grant of £1.041m against a total project cost of £2.083m. Final acceptance of the Partnership Agreement and endorsement of the grant offer is now required by all delivery partners, including Derbyshire County Council, and is the subject of this report.

### **The Project**

The project objective is to make D2N2 more competitive as a place in which to invest by increasing the number of businesses locating in the area. The project builds on the success of existing inward investment activity across the County provided through the DEP “Invest in Derbyshire” service and Marketing Derby.

The project will carry out a series of activities, including place marketing, site specific promotion, supporting the County’s existing businesses to expand and joining partners at trade events to promote Derby, Derbyshire and ultimately the wider D2N2 area. Activity will involve bespoke (individually tailored) support to assist new businesses locating or looking to locate in the area. The support through the project will provide a customer focused relationship management service and align with the work of the D2N2 LEP Growth Hub and other business support programmes to ensure companies have access to incentives and seamless professional support to help them relocate, grow and develop. The project as a whole will support 483 businesses within the D2N2 area.

The project will support delivery of the Derbyshire Economic Strategy Statement (DESS) and the D2N2 Strategic Economic Plan, specifically in relation to growth sectors such as transport equipment manufacturing, logistics, food and drink, low carbon, and construction. It will also support investments relating to other sectors, where appropriate.

The financial contribution from the County Council will be used as part of a broader funding package which includes investment from Nottingham City Council, Marketing Derby and other delivery partners.

The public sector’s financial contribution (total £0.952m) will lever £1.041m of ERDF for the whole programme area over a three year period. For Derbyshire, some of the money will be used to fund a new, full time Project Support Officer – Inward Investment (two years initially), whose remit will be to support businesses across Derbyshire and add value to the existing “Invest in Derbyshire” (DEP) Service.

The funding will also be used to pay for 50% of the existing Senior Economic Development (DEP) Officer whose time (0.3 FTE) is being aligned to the

project. Development and delivery of inward investment 'products' will account for the other spend.

Together, the two officers will provide a more co-ordinated and responsive service than the current Invest in Derbyshire is able to offer and will extend the capacity and products available to businesses, e.g. enhanced marketing, events, publication and digital media. Close and co-ordinated work with Marketing Derby and officers in the borough/district councils will be an essential element of project implementation.

(3) **Financial Considerations** At the meeting of the Cabinet Member - Strategic Policy, Economic Development and Budget on 3 November 2015, a financial contribution of £90,000 was approved as match funding from the DEP budget, plus alignment of 0.5 FTE of the existing Senior Economic Development Officer (DEP) to support the D2 Inward Investment Project

The revised D2N2 Inward Investment Project maintains the funding contribution of £90,000 but reduces the required Senior Economic Development Officer time to 0.3FTE. A total of £0.952m Match funding has been confirmed from delivery partners Destination Chesterfield (£89,000), Marketing Derby (£510,000), and Marketing Nottingham and Nottinghamshire (£353,000) as part of the overall funding envelope.

(4) **Legal Considerations** Nottingham City Council, as the accountable body for the proposed project, will be the contracting body with DCLG. For the project, Derbyshire County Council is a delivery partner contributing match funding and delivering a key element of a wider project. The project governance structures require the Council to enter into a Partnership/ Collaboration Agreement. The Council will be required to sign the Agreement which will set out responsibilities of all delivery partners, project governance arrangements and risk apportionment.

The Director of Legal Services will advise on the Agreement which is currently in draft. It is proposed that consideration and sign off of the final Partnership Agreement is delegated to the Strategic Director – Economy, Transport and Communities in consultation with the Cabinet Member for Strategic Policy, Economic Development and Budget.

(5) **Human Resources Considerations** The creation of an additional Inward Investment Project Support Officer post is subject to job evaluation and further discussions/agreement with Marketing Derby in terms of management and delivery. This is subject to further discussion and potential Service Level Agreements (SLAs) between the Council and Marketing Derby to ensure the required project outputs are achieved.

(6) **Social Value Considerations** The strategic importance of inward investment activity in supporting economic growth is clearly recognised in the DESS, most notably through the strategic theme “boosting investment and place making”. This project aims to increase business activity in Derbyshire, support delivery of new employment growth sites, and to support creation of new employment opportunities for local people.

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

(7) **Key Decision** No.

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

(9) **Background Papers** Held on file within the Economy, Transport and Communities Department. Officer contact details – Nawaz Khan, extension 38481.

(10) **OFFICER’S RECOMMENDATIONS** That Cabinet:

- 10.1 Endorses the European Regional Development Fund grant of £1.041m for the proposed D2N2 (Derbyshire, Derby, Nottingham, Nottinghamshire) Inward Investment project.
- 10.2 Confirms approval of £90,000 match funding to support delivery of the project.
- 10.3 Notes the reduction in time of the Senior Economic Development Officer post on the project from 0.5 full time equivalent (FTE) to 0.3 FTE.
- 10.4 Authorises the Strategic Director - Economy, Transport and Communities and Director of Legal Services, in consultation with the Cabinet Member for Strategic Policy, Economic Development and Budget, to agree the final terms of and sign the Partnership/ Collaboration Agreements for the D2N2 Inward Investment project on behalf of the County Council.

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