

**MINUTES** of a meeting of the **D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY** held on 15 May 2018 at County Hall, Matlock.

**PRESENT**

Councillor B Lewis

<b><u>Amber Valley Borough Council</u></b>  Councillor K Buttery  <b><u>Bolsover District Council</u></b>  Councillor A Syrett  <b><u>Chesterfield Borough Council</u></b>  Councillor P A Gilby  <b><u>Derby City Council</u></b>  Councillor M Rawson  <b><u>Derbyshire County Council</u></b>  Councillor B Lewis	<b><u>Derbyshire Dales District Council</u></b>  Councillor T Morley  <b><u>Erewash Borough Council</u></b>  Councillor C Hart.  <b><u>High Peak Borough Council</u></b>  Councillor T Ashton  <b><u>North East Derbyshire District Council</u></b>  Not represented.  <b><u>South Derbyshire District Council</u></b>  Councillors M Ford
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Also in Attendance –

Amber Valley Borough Council – J Townsend.  
Bolsover District Council/North East Derbyshire District Council – D Swaine.  
Chesterfield Borough Council – H Bowen.  
Derbyshire County Council –M Ashworth, J Battye, F Horsley  
Derbyshire Dales District Council – D Bunton.  
Derby City Council – G Jennings.  
Erewash Borough Council – J Jaroszek and S Birkinshaw  
High Peak Borough Council – S Baker

M Wheatley D2N2 LEP  
R Horsley DEP

Apologies for absence were submitted on behalf of Councillor L Rose (Derbyshire Dales District Council).

**09/18**      **MINUTES**    **RESOLVED** that the Minutes of the meeting of the Committee held on 13 February 2018 be confirmed as a correct record.

**10/18**      **DECLARATIONS OF INTEREST**    There were no declarations of interest.

**11/18**      **MIDLANDS ENGINE AND MIDLANDS CONNECT** Mike Ashworth provided an update on the current position regarding Midlands Engine and Midlands Connect.

It was noted that Midlands Engine region offered the second largest economy outside London worth over £200 billion to the UK economy. It brought together 22 local authorities and 20 universities. It represented 17.9% of the UK population at 12m and included 11 cities, 25 science parks and 2 international airports. The varying governance arrangements in place across the ME region were noted as including: the Marches LEP; West Midlands Combined Authority and the Constellation Partnership (extending into Northern Powerhouse).

The Midlands Engine Vision for Growth, was developed as a response to the Government's Industrial Strategy and focused on five priorities:

1. Connecting The Midlands - by maximising new technologies to deliver a radical transformation of Midlands connectivity;
2. Investing In Strategic Infrastructure - by investing in the most sustainable and advanced technology to deliver the infrastructure to meet future business and resident needs;
3. Growing International Trade and Investment - in new in new markets to create jobs in a global economy;
4. Increasing Innovation and Enterprise by - creating the environment where strengths identified in our SIA could be maximised to benefit the whole region and help create successful growth businesses; and
5. Shaping Great Places - by promoting the Midlands as a great place to live, visit, learn and work. It was noted that Shaping Great Places was targeting 600,000 new homes over 15 years.

The five priorities were supported by initiatives such as the Worcestershire 5G Consortium; the Midlands Engine Investment Fund (MEIF) and the Midlands Management and Leadership Institute. MEIF was a £250m fund benefiting 1,500 SMEs and creating 3,800 jobs.

A range of key Achievements were noted including:-

- Nine international trade missions and a drive for closer working with China

- A successful Midlands pavilion at the MIPIM property fair investment portfolio of over 20 projects worth over £10 billion
- Government funding announced to boost autonomous vehicle development across the Midlands
- Opening the National College for High Speed Rail in Birmingham
- £80 million awarded for state of the art automotive battery development facility in Coventry and Warwickshire
- Securing the Commonwealth Games 2022 in Birmingham and Coventry named UK City of Culture 2021
- Over £105 million infrastructure investment awarded to help unlock 22,000 potential new homes -shaping great places to live
- Securing a Manufacturing Zone pilot in the East Midlands
- Launching the £250 million Midlands Engine Investment Fund
- The Midlands economy boasts over 14 per cent of the UK's high-growth businesses

There was an ambition to add £54 billion to the Midlands' and UK economies; helping deliver 600,000 new homes within the next 15 years and as previously mentioned, the 250 million Midlands Engine Investment Fund – supporting 15,000 SMEs and 3,800 jobs.

In relation to resources and support available, the Autumn Budget 2017 provided for £4 million to continue the work of the Midlands Connect Motorway Hub project; £2 million for the Midlands Connect Midlands Rail Hub; £250 million Transforming Cities Fund allocated to the West Midlands Combined Authority to improve connectivity and reduce congestion; and £300 million to ensure that HS2 infrastructure can accommodate Midlands and Northern Rail services.

Reflections on the first anniversary of the Strategy had seen positive comments from both Sir John Peace, Chairman of Midlands Engine, and Sajid Javid, Housing Secretary and currently ministerial champion for the Midlands Engine.

In terms of Midlands Connect there were 3 key drivers:-

1. One Voice: There was currently an unprecedented will to work across larger geographies (22 LTAs & 9LEPs)
2. No more long “wish lists” – a need to develop an evidence-based rationale for transport investment in the region (post 2020) and clearly define the economic ‘prize’ on offer

3. Drive Economic Growth by rebalancing the UK's economy and ensuring the Midlands is "HS2 Ready".

It was agreed that the more business input that could be secured to confirming the growth assumptions underlying the work, the better. So far, the strongest evidence had come from the individual LEP strategic economic plans (SEP'S) from across the Midlands. These had proved a good start but input from businesses and other bodies with a view on the growth potential in the Midlands is considered essential in validating the demand assumptions made so far.

Details were given on the Connectivity Strategy showing the clear priorities for action.

The focus would be on the delivery of short term priorities; a rolling programme of development and business cases; being regionally connected, UK connected and internationally connected; HS2 connected and intelligently connected.

As part of the discussion it was noted that the key issues for Derby and Derbyshire were:-

- 1 To establish a regional transport strategy for the Midlands which must be recognised by central Government and its delivery agencies, and by councils within and adjoining the Midlands.
2. The strategy would establish recommended priorities for major road and rail investment in the Midlands, which the Department for Transport, Highways England and Network Rail would have regard to when setting their investment strategies.
3. To identify a 'major road network' (MRN) for the Midlands to complement the national network managed by Highways England, to establish its role and purpose to the regional economy. Midlands Connect would work with transport authorities from across the Midlands to set desirable standards for operation and potential applications of future technology.

To work with local transport authorities, combined authorities and others (such as West Midlands Rail and East Midlands Councils) to support the development and delivery of rail franchises and to be a statutory consultee on changes to services which are wholly within or run through the Midlands Connect area. This would help provide pan-Midlands input to specific rail franchise decision-making processes:- for instance, recognising wider east-west interdependencies, and complementing the individual roles of local transport authorities and combined authorities in this process.

To act jointly with the local transport authorities and combined authorities to create multi-modal ticketing schemes to cover the whole, or any part, of their combined areas (subject to the Bus Services Act). This part of the proposal will be worked up by the Technical Advisory Group

In relation to the East Midlands Gateway Study six strategic objectives were outlined for members.

The EMG study would look at corridors including Derby-Toton and Ripley-Toton, and would sift from a long-list of options for each including bus, rapid transit and tram-train. The A50/A500 study would be more focussed on performance of the corridor as a key requirement for major manufacturing operations.

In terms of HS2 readiness, the East Midlands Hub and Chesterfield/Staveley Growth Strategies were already in place and the potential Midlands Connect role exploring broader east-west connectivity was currently under discussion, with the aim of supporting the visitor economy and the potential offered by both the western and eastern HS2 routes and stations

Members were given the opportunity to ask questions and also raised a number of areas of concern which were duly noted and would be included in relevant discussions going forward

**RESOLVED** to note the update report.

**12/18      UPDATE ON HS2** Joe Battye, provided members with a brief update on HS2.

It was noted that good progress was being made in the northern growth zone around Chesterfield and Staveley and that the first meeting of the Mitigation Board was due to take place on 12 June. Terms of Reference had been established and relevant leaders for the areas materially impacted by the route would be invited to attend. The Toton (Hub) Board had recently paused and it was recognised that work need to be done to re-energise the work.

At strategic level it was noted that the HS2 East meeting had recently taken place in Leeds and feedback suggested that this had been a helpful meeting. The Committee noted that no similar meeting seemed to be in place for HS2 West.

Mike Ashworth informed the Committee that districts would be approached shortly to nominate representatives for the Mitigation Board and confirmed that representatives of HS2 had been invited to attend the meetings.

**RESOLVED** (1) to note and welcome the work to date to maximise benefits and minimise impacts arising from HS2 and support the further work outlined in the report;

(2) to continue to engage – through the established East Midlands governance, and as individual local authorities directly with HS2 – to achieve the objectives set out in the East Midlands HS2 Growth Strategy, and to mitigate local impacts arising from the new line and associated infrastructure

(3) to actively continue to consider how best to maximise the opportunities of Derbyshire's unique position between HS2 East and HS2; and

(4) to report back to future meetings on the outcomes of the Mitigation Board meetings.

**13/18**      **POSSIBLE STRATEGIC ALLIANCE** The Chairman asked the Committee to note the proposals for the potential creation of a strategic alliance for Derbyshire, Nottinghamshire, Leicestershire and Lincolnshire.

Within the Midlands Engine region, it was a commonly shared view that the East Midlands was currently 'losing out' to the West Midlands in terms of profile and funding both with Government and with the international market. A recent East Midlands Councils report showed that people in the area received the lowest amount of Government spending on economic development and transport in the country, with rail expenditure in the region at just £91 per person, compared to £746 per person in London.

Conversely, the East Midlands had much to offer the UK economy in terms of current GVA contribution, potential uplift, strong sector growth and international investment. HS2 alone provides Derbyshire with a unique position and economic advantage in maximising the growth potential of the East and West high speed routes.

To ensure the East Midlands 'punched at its weight' there was a need to create a stronger and more cohesive platform for discussion with Government and strategic decision making if the region was to fulfil its potential. This had been the subject of very recent discussions between leaders within the context of Transport for the East Midlands (TfEM) where the potential for better infrastructure planning across the region had been recognised in supporting strategic housing, skills and growth.

The Committee noted previous efforts to create a D2 Combined Authority and D2N2 Combined Authority and devolution deal. The strong progress that had been made in partnership working across the county was also noted and that a good platform of joint working existed.

Since 2015 it was noted that other counties and regions in England have gone on to secure combined authority arrangements and devolution deals, including the West Midlands where a mayor was elected last year. Having regard to the TfEM context, recent discussions with leaders of the upper tier authorities in Nottingham/ Nottinghamshire, Leicester/ Leicestershire, Lincolnshire and Derby City have suggested there was an appetite to explore the benefits that a strategic alliance of upper tier authorities could bring to the East Midlands region.

The draft core purpose of a strategic alliance was outlined for the Committee, including:

- Providing a stronger, coherent voice for the East Midlands in the Midlands Engine.
- Building on the current strength of partnership working across the public sector (including Transport for the East Midlands as part of Midlands Connect) and further strengthening partnerships between

cities and counties (e.g. growth potential between Nottingham and Derby alone is estimated to £11bn).

- Providing a locus for strategic debate with Government around growth ambitions and inward investment, including grant funding
- Delivering the Industrial Strategy and regionally developed, local industrial strategies (LEP level).
- Provide strategic oversight and cohesive public sector input into links with business e.g. LEPs, Chambers of Commerce etc to help drive 'good growth'.
- Simplifying decision making on strategic matters – eg connectivity, infrastructure investment, trade, strategic housing, skills and improving efficiency and effectiveness in the delivery of such matters (e.g. savings around procurement, legal etc).
- Improving the coherence and speed of major infrastructure delivery to support growth and providing a better platform for district councils to deliver more/ better local jobs and accelerate housing supply.

A general discussion took place amongst the Committee and members were given the opportunity to ask questions and also raised a number of areas of concern which were duly noted and would be included in relevant discussions going forward. The consensus was that all districts/boroughs supported the proposals in general, but wanted to be closely involved in any continuing discussions, prior to proposals being submitted to the Minister.

Further discussions would then take place with the upper tier leaders to identify areas of common ground – with feedback to the D2 Committee.

Subsequent discussions would then be undertaken with relevant Government ministers (James Brokenshire) and departments (including BEIS) regarding the level of support for such an arrangement, including exploring the potential economic or funding benefits it could attract.

An appropriate engagement framework would be developed to ensure appropriate opportunities for debate and feedback.

**RESOLVED** to note the proposal and draft core purpose/ principles as set out in the report and that further discussions would take place with the upper tier leaders to identify areas of common ground, with feedback to the D2 Committee.

**14/18      UPDATE ON D2N2 LEP** Matthew Wheatley, Interim Chief Executive, D2N2 LEP attended the meeting and provided members with a draft agenda for the LEP Board which was due to take place on 18 May, to give a flavour of topics currently under discussion.

The recent 'Annual Conversation', which was a Government led assessment process had resulted in an overall good rating but had identified a number of area areas of governance requiring improvement.

With that in MW advised that the agenda for the LEP Board focussed on governance issues. A new Chair was to be appointed from July with the introduction of two new private sector representatives onto the Board. There would also be two new vice- chairs appointed, one from the public and one from the private sector. A D2 district council representative would also need to be confirmed for the LEP Board from July onwards.

The Chairman commented that there was a lot currently going on with a new Chairman and Chief Executive being appointed and welcomed regular updates back to this Committee.

**RESOLVED** to note the report and for D2 district councils to convene a discussion to nominate and agree the district representative on the LEP.

**15/18 BUSINESS RATE POOLING** Members had received in advance of the meeting a detailed report setting set out proposals for the organisation, assessment and delivery of a grant scheme to support suitable 'economic growth' projects to be funded from 30% of the D2 Business Rate pilot.

To support the more detailed report, Joe Battye, gave a short presentation to members detailing the overview and objectives.

Since the announcement, section 151 officers within the 10 local authorities had collaborated and advised the overall value of the pilot fund was approximately £27million and agreed an approach for its dissemination; 70% of the monies would be retained by the individual authorities and 30% (approximately £8 million) would be aligned to supporting economic growth, under the direction of the D2 Joint Committee. The final value of the pilot BR fund will not be known until this time next year.

The objectives of the economic growth fund pot were explained including Links to original business case (profile and SMEs); Invest to generate fund; retain existing business rates as well as attract uplift; Heineken' pot –not LGF, GPF, HIF; Proportionate assessment ; and good geographical spread.

A set of proposals had been developed through the joint work of D2 heads of economic development. There were 3 funding strands, but only 75% was committed until the funding envelope was confirmed. All the strands had a named accountable body, performance measures and assessment criteria

**Business support grant – approx. £1.6m**

- For micros, start-ups and SMEs - £2,000 -25,000 –match funded
- Building on similar schemes e.g. Enterprise Growth Fund
- Run by Derby City, supporting productivity, systems, supply chain, skills

**Enabling Future Delivery – approx. £1m**

- Derbyshire County Council accountable body



- Pump priming fund –to provide (feasibility and pre-compliance) monies to deliverable projects to help develop the pipeline –impacts will be longer term
- Independent appraisal with assessment panel

### **Economic Impact –approx. £5.6m**

- Derbyshire County Council accountable body
- Capital works -split into direct impact (e.g. new buildings) and indirect (e.g. 'gateways')
- Independent appraisal with assessment panel

In terms of managing the assessment, it was noted that at the moment there were no known restrictions on the timescales for spend. However it was felt that expediency was key and so a call for projects would be issued as quickly as possible. Additional resources would be provided to appraisal of projects – independent (Strands 2 and 3). Timescales for processing would need to be agreed.

The Core principles would be that: -

- Project managers would be responsible for delivery and monitoring.
- The need for proportionate business cases and methodology
- An Assessment panel be established to include chief officers (2x upper tier and 2x districts) plus s151 officer.
- Simplified monitoring of success and impact.

Members were given the opportunity to ask questions and also raised a number of areas of concern which were duly noted and would be included in relevant discussions going forward.

After discussion it was decided that in relation to the Business Support Grants the maximum size of potential award should be increased to £50,000.

**RESOLVED** (1) that the objectives outlined in section 3 of the report be agreed;

(2) that the three strands of the economic growth fund be agreed, including the specific details of each proposal as set out in paragraphs 3.4 to 3.9 of the report;

(3) that the arrangements for managing the assessment process be agreed as set out in paragraphs 3.10 to 3.11 of the report;

(4) that officers be requested to finalise the finer details of the BR arrangements, specifically in relation to: upper and lower limits of grant, assessment criteria for strands 2 and 3, assessment methodology following procurement of independent consultant, levels of match funding.

(5) to agree the proposed assessment panel and arrangements for final sign off of projects to be funded.

(6) that subject to satisfactory completion/ agreement of the above, in liaison with Chief Executives, agree that the call for projects be launched in June and progress reports be provided to the Joint Committee on a regular basis.

(7) to note the initial list of project types being proposed as appended to the report.

**16/18      HS2 TOTON** Steve Birkinshaw, Head of Planning and Regeneration, Erewash Borough Council attended the meeting and gave a brief presentation on the HS2 Toton project highlighting the impact this would have in Erewash and particularly in Long Eaton, but also the potential benefits that it could bring to the area.

Discussion took place around the mitigation conversation that was ongoing with HS2 with regard to funding for the planned viaduct. This had been successfully secured following lobbying and other mitigation issues in relation to the high level line and western chord were also noted, particularly in relation to the rail links to Derby.

A proposal was to be submitted to HS2 Strategic Board to see if funding could be made available to commission a study on the rail connection and high level line to Derby.

Other areas of mitigation included the potential for tram routes and road access to the Hub station. This would necessitate Long Eaton Green being revisited as a traffic system.

The vision was to make Long Eaton an HS2 ready town by providing town centre/tourist improvements and an environmental improvement scheme. This was included in the list of projects as part of the Business Rates Pilot initiative.

The overall aim was to ensure that Erewash secured the best possible outcome from the HS2 Toton project.

**RESOLVED** to note the update report.

**17/18      D2 CULTURE AND TOURISM BOARD** Councillor Lewis confirmed that following the discussions at the previous meeting, the composition and size of the Board was being finalised with the first meeting due to take place on 21 June in Buxton.

The leaders of any local authorities wishing to be considered for membership should contact Councillor Lewis.

**RESOLVED** to note the update

**18/18**      **DATE OF NEXT MEETING RESOLVED** that the next meeting would take place on Thursday 6 September 2018, between 10am-12 Noon at County Hall, Matlock