

MINUTES of a meeting of the **D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY** held on 6 September 2018 at County Hall, Matlock.

PRESENT

Councillor B Lewis

<u>Amber Valley Borough Council</u>	<u>Derbyshire Dales District Council</u>
Not represented	Councillor L Rose
<u>Bolsover District Council</u>	<u>Erewash Borough Council</u>
Councillor A Syrett	Councillor C Hart.
<u>Chesterfield Borough Council</u>	<u>High Peak Borough Council</u>
Councillor P A Gilby	Councillor T Ashton
<u>Derby City Council</u>	<u>North East Derbyshire District Council</u>
Councillor C Poulter	Not represented.
<u>Derbyshire County Council</u>	<u>South Derbyshire District Council</u>
Councillor B Lewis	Not represented

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

Derbyshire Dales District Council – P Wilson.

Derby City Council – C Durrant.

Erewash Borough Council – J Jaroszek

High Peak Borough Council – S Baker

S Rose - D2N2 LEP

R Horsley - DEP

Apologies for absence were submitted on behalf of Councillor K Buttery (Amber Valley Borough Council), Councillor M Ford (South Derbyshire District Council) and Frank McArdle (South Derbyshire District Council).

19/18 **MINUTES RESOLVED** that the Minutes of the meeting of the Committee held on 15 February 2018 be confirmed as a correct record.

20/18 **DECLARATIONS OF INTEREST** There were no declarations of interest.

21/18 **MIDLANDS ENGINE AND MIDLANDS CONNECT** Mike Ashworth provided an update on the current position regarding Midlands Engine and Midlands Connect.

The Midlands Engine Vision for Growth, was developed as a response to the Government's Industrial Strategy and focused on five priorities and it was confirmed that bids had now been submitted

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.

It was noted that Worcestershire 5G consortium had been successful in its bid and it was highlighted what the potential massive benefits 5G could bring to both industry and Local Government. It was agreed that a more detailed presentation on 5G be presented to a future Board meeting

Excellent work continued on the international trade missions and the drive for closer working with China.

Members received a copy of the Midlands Connect “Our Routes to Growth” document which included a foreword from Rt Hon Chris Grayling MP, Secretary of State for Transport, which highlighted that Midlands Connect was partnering with government to help future-proof our roads and railways for the needs of tomorrow and many generations to come.

There was also a contribution from Sir John Peace, Chairman, Midlands Connect who highlighted that the Midlands was at the beating heart of our nation and the centre of the UK transport network

The document gave details of the projects involved and a regional overview of each of the 9 participating regions.

The document highlighted that In relation to Derby, Derbyshire, Nottingham and Nottinghamshire it was “ Home to iconic British brands like Boots Bomardier and Rolls Royce and, that the East Midlands boasted the highest proportion of manufacturing jobs in England. Improving all forms of transport serving the D2N2 area was fundamental to its future growth and prosperity”

It also emphasised that “As a manufacturer and assembler of trains, transporting sub-components from suppliers into our central facility in Derby was critical. Relieving congestion, improving the road networks and access around Derby was really important for us to be able to ramp up production on this site”

Details of timelines and partners were also include in the document

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.

22/18 UPDATE ON HS2 Joe Batty, provided members with a brief update on HS2 with the key point summarised below:-

HS2 Strategic Board – now to become a ‘forum’ and meet on a bi-annual basis.

HS2 Executive Board - was made up of key council leaders and economic partners e.g. LEP and HS2 Exec.

Chesterfield and Staveley Delivery Board – continued to meet. Progressing station masterplan, Staveley Regeneration Route and Staveley IMD

HS2 Hub (Toton) Delivery Board – revised governance arrangements being developed. New timetable of dates pending.

HS2 Mitigation Board – revised report from Lavelin-5 extra sites for consideration. The Officer Group discussion on outputs of report – preparation for the next Mitigation Board – mid to late September. Draft agenda : Lavelin report, public engagement strategy, resourcing plus feedback from meeting with Warwickshire CC

HS2 Skills and Supply Chain Board: Lack of profile and discussion on these issues. Recent meeting of officers had reviewed previous 'skills strategic framework' (Chamber). A brief report was being prepared for Strategic Board to early progress when new Skills and Supply Chain Board is established.

The next steps were highlighted below:-

Publication of Working Draft Environmental Statement – was due in September, with 8 weeks (minimum) consultation but was now expected to be published in mid to late October.

Likely to be lengthy and require considerable time and resource. Advice from Phase 1 areas. Leadership through Mitigation Board –supported by officer groups Group. DCC had recently allocated £500k towards.

Working with local pressure groups and parish councils.

Sifting and agreement of: areas for continued negotiation with HS2; areas of potential petition through Parliamentary process. It was anticipated that there would be petitions which would require a financial resource. Sharp Pritchard had offered to run workshops post New Year.

Preparation for Select Committee –more detailed studies/ evidence, professional advocacy.

Final ES accompanies the Hybrid Bill.

Resourcing implications – immediate to long term.

Public engagement strategy – Needed to be a collective effort.

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

RESOLVED to note the update report and the next steps required moving forward

23/18 **UPDATE ON LEP REVIEW** D Swaine and S Rose provided members with a brief update on HS2 with the key points summarised below:-

The LEP Review was based around 5 key themes:-

- Roles and responsibilities
- Leadership and organisational capacity
- Accountability and Performance
- Geography
- Mayoral Combined Authorities

The aim was to work with LEPs to develop revised proposals on geography by 28 September 2018.

A detailed plan for implementing changes would be provided before 31 October (at the latest) with an extra £20m being made available nationally 2018/19 - 2019/20 to support LEPs with the changes.

Members were informed of the Key issues and the subsequent actions required in terms of Roles and Responsibilities; Leadership & Organisational Capacity; Accountability and Performance; Geography; and Mayoral Combined Authorities

In terms of managing the transition the following points were highlighted:-

- The need to maintain momentum and move quickly to implement changes and establish themselves in their new form
- Set out a plan for reform
- Write to LEP Chairs to communicate the importance of the review and will work to develop revised proposals on geography by 28 September and a detailed plan for implementing changes before 31 October. Authorities had been consulted with comments requested by 14 September 2018.
- Transition/Local Industrial Strategies –would provide £20m of additional funding 2018/19 –2019/20 –what’s it for and how to access?

- Update national LEP Assurance Framework so that these changes are included within Local Assurance Frameworks ahead of April 2019.

It was noted that the D2N2 LEP had recently appointed a new Chair who was very keen to strengthen the role of LEPs and was very mindful of the geography of the D2N2 area,

A discussion took place, with Board members giving their views on governance and engagement; private sector representation; the proposals for private sector representation forming 2/3 of LEP Board; and the impact on local representation and inputting into LEP response to review.

All comments were duly noted and would be fed into the review process.

RESOLVED to note the update on the LEP review.

24/18 **UPDATE ON INTERNATIONAL RELATIONSHIPS** Members were updated on future activities and plans with regard to Toyota City and Anhui/Hefei to ensure that the opportunities were Derbyshire and Derby wide.

November 2018 would mark the 20th anniversary of the international relationship between Toyota City, Derbyshire County Council, Derby City Council and South Derbyshire District Council which was founded on the work the local councils did together to attract TMUK to Derbyshire. To mark the anniversary a number of anniversary events were taking place. The quality of the relationship between the councils demonstrated and underpinned the ongoing support for TMUK in Derbyshire and their commitment to ensure that Derby and Derbyshire remained one of the world's leading centres for transport equipment manufacturing. The impact of TMUK was huge contributing over £4.4bn to the local economy and over 14,000 people in the area employed directly and through the supply chain.

The potential for this relationship to be extended had been recognised by the establishment of the Toyota City Partnership Development Board (TCPDB) which aims to create further international opportunities in education, economic growth, environmental sustainability and sport. The members were:

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| ▪ Derbyshire County Council | ▪ Derby City Council |
| ▪ South Derbyshire District Council | ▪ Toyota City Council |
| ▪ East Midlands Chamber of Commerce | ▪ Toyota Motor Manufacturing UK |
| ▪ University of Derby | ▪ National Forest Company |
| ▪ Burton and South Derbyshire College | ▪ Derby College |
| ▪ Marketing Peak District and Derbyshire | ▪ Marketing Derby |

This anniversary year was followed by the 2019 Rugby World Cup in Japan and the 2020 Japanese Olympics and Paralympics when Toyota City will play a

part in staging both events. These global events create an opportunity for Derbyshire people and businesses to both participate and for businesses to grow their customer base.

The TCPDB was building on these three years of activity with a five year plan to grow local opportunities in relation to Education & Culture; Economy; Environment, and Sport, which were summarised for members.

The city of Hefei and Derby City Council and the province of Anhui and Derbyshire County Council had continued to develop closer linkages over the past year. This had culminated in the joint funding of a D2 China Project Director who was based in an office in Hefei University with the post having commenced in July. He was currently involved in a comprehensive induction programme in the UK at present and would return to China on 8 September. Members were informed of the most significant recent and forthcoming activities with our partners in China.

RESOLVED to note the update on International Relationships.

25/18 **BUSINESS RATE RETENTION – BID FOR 2019-20 PILOT STATUS** Approval was sought to submit a bid for Derbyshire to become a business rates retention pilot area for 2019/20. Bids need to be submitted to the Ministry for Housing, Communities and Local Government by 25 September 2018.

Derbyshire was currently a 100% business rates retention pilot area for 2018/19, following a successful bid to government last year. One of the added values of the current pilot was that there could be 'no detriment' to any of the Councils should their business rates income fall short of the forecasted amount in 2018/19.

D2 Joint Committee decided that 30% of the forecasted business rates income in 2018/19 should be pooled and be used as a regeneration fund to receive bids from the respective Councils for the benefit of business growth and job creation projects throughout the county. The estimated value of the Regeneration Fund is £8 million.

The remaining 70% of the forecasted business rates income in 2018/19, amounting to an estimated value of £19 million, was being retained by the ten Councils in Derbyshire for the benefit of Council tax payers in their areas. The income could be spent on revenue services or capital projects.

The Fire and Civil Defence Authority also benefitted from the 2018/19 pilot and would continue to do so should the 2019/20 bid be successful.

All Chief Finance Officers in Derbyshire Councils had provisionally agreed to support a further bid for 2019/20 and would be finalising this decision at a meeting in Erewash Council Offices today (6 September 2018).

The conditions of the 2019/20 bidding round are less favourable than the current pilot in that successful bidders will be able to retain 75% of the business rates income collected and the 'no detriment' protection will not apply.

A successful bid would still benefit the area by over £20 million and the removal of the 'no detriment' was considered to be a minimum risk and one that was worth taking.

If successful, the Committee might wish to continue to support the Regeneration Fund where the forecasted income would be around £6 million. The remaining £14 million would be retained by the ten Councils for the benefit of their respective areas.

Should the Committee support the bid, the proposal would be for the Derbyshire Chief Finance Officers to commission the support of 'Pixel Consultancy' who supported our successful bid last year.

RESOLVED that subject to the approval of the District Finance Officers to support the bid for business rates retention status from 1 April 2019 on the basis that 75% of the business rates income collected during 2019/20 would be able to be retained for the benefit of the Councils in Derbyshire rather than 50%.

26/18 BUSINESS RATE PILOT – PROPOSALS FOR SUPPORTING ECONOMIC GROWTH Members were provided with an update on progress and preparations for full implementation of the D2 Business Rate Pooling pilot. Members would recall previous updates to the D2 Joint Committee advising that approximately £8.6m (30% of the total business rate pool) had been set aside to support a programme of grant schemes enabling economic growth across the County. The overall value of the funding pot would be confirmed at the end of financial year 2018/19 once all business rate receipts, appeals etc. had been reconciled.

There were three grant strands within the economic growth programme all of which were geared towards supporting projects on an 'invest to generate' basis that otherwise might struggle to secure funding, either at all, or within an appropriate timescale.

The report gave a brief update on the three strands and progress in terms of preparation and launch of 'call for projects' which were: Strand 1: Business Support Grant; Strand 2: Enabling Future Delivery; and Strand 3: Economic Impact.

RESOLVED to note the update

27/18 **DATE OF NEXT MEETING RESOLVED** that the next meeting would take place on a date to be arranged.

28/18 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public, including the press, be excluded from the meeting during consideration of the remaining item on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC, INCLUDING THE PRESS, WERE EXCLUDED FROM THE MEETING

1. Possible Strategic Alliance (Contains information relating to the Financial or Business Affairs of a Particular Person (Including the Authority holding that information))