

# Public Document Pack



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PUBLIC

To: Members of D2 Joint Committee For Economic Prosperity

Wednesday, 23 February 2022

Dear Councillor,

Please attend a meeting of the **D2 Joint Committee For Economic Prosperity** to be held at **9.00 am** on **Thursday, 3 March 2022** in Members Room, County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink that reads 'Helen E. Barrington'.

**Helen Barrington**  
**Director of Legal and Democratic Services**

## **AGENDA**

### **PART I - NON-EXEMPT ITEMS**

1. Apologies for Absence

To receive apologies for absence (if any)

2. Declarations of Interest

To receive declarations of interest (if any)

3. Minutes (Pages 1 - 4)

To confirm the non-exempt minutes of the meeting of the Derby and Derbyshire Joint Committee for Economic Prosperity held on 16 December 2022.

**Regional**

4. D2N2 Round Up

**D2**

5. Levelling Up White Paper and County Deals
6. Retained Business Rate - Progress Update (Pages 5 - 12)
7. Employment and Skills
8. Date of Next Meeting

The next meeting of the Committee will be 7 April 2022.

9. Exclusion of the Public

To move “That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph(s)... of Part 1 of Schedule 12A to the Local Government Act 1972”

**PART II - EXEMPT ITEMS**

10. Declarations of Interest

To receive declarations of interest (if any)

11. Minutes (Pages 13 - 14)

To confirm the exempt minutes of the meeting of the Derby and Derbyshire Joint Committee for Economic Prosperity held on 16 December 2022.

12. Freeport

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Agenda Item 3

**MINUTES** of a meeting of the **D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY** held on 16 December 2021 at County Hall, Matlock, DE4 3AG.

## PRESENT

Councillor B Lewis  
(in the Chair)

<b><u>Derbyshire County Council</u></b>	<b><u>Erewash Borough Council</u></b>
Councillor B Lewis	Councillor C Hart
<b><u>Derbyshire Dales District Council</u></b>	<b><u>High Peak Borough Council</u></b>
Councillor G Purdy	Councillor A McKeown

Also in Attendance –

Bolsover District Borough Council – G Galloway  
 Chesterfield Borough Council – H Bowen  
 Derby City Council – D Fletcher  
 Derbyshire County Council – E Alexander, J Battye, C Henning

Apologies for absence were submitted on behalf of Councillors K Buttery (Amber Valley Borough Council), T Gilby (Chesterfield Borough Council), R Horsley (QEDPR), J Jaroszek (Erewash Borough Council), C Poulter (Derby City Council), and A Westray-Chapman (Derbyshire County Council).

**31/21        DECLARATIONS OF INTEREST** There were no declarations of interest.

**32/21        MINUTES RESOLVED** that the Minutes of the meeting of the Committee held on 7 October 2021 be confirmed as a correct record.

**33/21        REGIONAL DEVELOPMENT UPDATE - INCLUDING MIDLANDS ENGINE**  
 The D2N2 LEP had launched a £6.5m grant fund to deliver a range of capital projects in the low carbon sector across D2N2. The call supported national and sub regional policy including Government’s “Net Zero Strategy: Build Back Greener” and the “The Ten Point Plan for a Green Industrial Revolution”. Both of which set out ambitious targets for carbon reduction and incentivising investment in both the public and private sector in to Green and carbon saving projects.

The D2N2 Low Carbon Growth Fund would support low carbon capital projects to create a pipeline of investable propositions that could be match funded

to help the region meet challenges around high carbon dioxide output and unclean industrial practices.

Both the criteria and the timelines had been confirmed within the report. The focus of Midlands Connect was framed around six areas of activity, all of which were set within the context of levelling up.

Two key projects were being taken forward and Midlands Connect was seeking support and input from local leaders:

- i. Project Gigabit: £5bn government infrastructure project to drive better digital connectivity. The East Midlands had been approached by BDUK to lead a regional gigabit project (the first of its kind).
- ii. Strategic Economic Corridors – specifically the A50/500 – for which £540,000 had been allocated from across Government departments (DLUHC, DfT) and Midlands Connect to focus on transport, green growth, digital and internationalisation

**RESOLVED** to note the above announcements and opportunities and discuss the most appropriate response for local authorities.

**34/21**      **BUILDING D2'S RAIL PROFILE**      A presentation was shared with the Committee to outline the 'future of rail'. It was noted there was a 'Great British Railway proposition' to relocate the national headquarters within the next 2 years and that Derby City and Chesterfield BC were jointly considering putting forward a proposition specifically considering the shared rail heritage within the City and County. As well as the area still having a thriving rail culture, this also created an opportunity for the Midlands to have a balanced and comprehensive travel eco-system. Derby was also home to a large cluster of significant rail organisations.

A working group had been put together with agreement from the government. The formal process had not yet begun but it was believed this would start within the next few weeks.

**35/21**      **PROGRESSING LOW CARBON MOBILITY**      A presentation was shared with the Committee to outline the Future Fuels opportunities.

The Low Carbon Mobility Task Force, chaired by Tony Walker, had been established to explore all aspects of low carbon transport opportunities. The view of the Task Force was that the future would inevitably involve both battery electric vehicles (BEV) and hydrogen vehicles – and associated infrastructure.

Work had continued to take place following the release of the Arup report (commissioned by Derby City) which had identified lots of opportunities but needed a clear pathway to support hydrogen to be identified. It was also noted that 2 bids from the D2 area had been submitted to the D2N2 LEP's Low Carbon

Growth Fund for hydrogen vehicles and infrastructure. An announcement was due in early 2022.

**36/21**      **PROGRESSING OUR TOWN DEALS**      Chesterfield had been allocated £22.5m from the Town Deals. Investment projects were being developed and included schools, rail and work on the Staveley Corridor. There were 8 project sponsors across 11 projects which were all running at different levels. Some of these projects included a construction skills hub at Chesterfield College, an extension of the canal by 1.5 miles, as well as a proposed new business hub at Staveley Basin.

Clay Cross did not have an identifiable town centre the focus of the town deal was to seek interventions that created a strong hub. Clay Cross has 10 projects within the draft Investment Plan, including moving the industrial area from the centre of town, creating a new leisure facility and a skills and enterprise hub. Improving the road networks and connectivity around the town centre were also a key project area, particularly the A61 that runs through the centre.

Long Eaton has a total of 7 projects that include improving the junctions on Derby Road, improved access and quality of build environment in the town centre, bus hub and cycle route. The vacant cinema was due to be renovated and there has been large community support for a cultural performance space. There was also a second vacant cinema that offered a development opportunity. Further work was being done on the walking and cycling network and adding a new bridge across the canal for access.

**37/21**      **PRIORITISING THE PIPELINE**      A presentation on creating a deliverable regeneration programme was shared with the Committee.

Four programme areas were noted around: D2 market towns, north and south growth zones and the Derwent Valley Corridor. Adding some complexity to this was the multiple Government funding announcements that influenced speed and prioritisation of projects such as: town deals, freeports, community renewal fund and levelling up fund. Local authorities had limited resources (people and money) to develop, drive and deliver the programme of projects so it was important to review and reshape the pipeline accordingly as a determined set of partners to maximise shared resources and agree what could be done, project leadership etc.

The delivery programme would mean a better allocation of resources to projects in the programme, based on a 'no surprises' approach and the ability to manage risk better and more systematic joint working. The project pipeline would also mean the county was better prepared for the opportunities presented by County Deals and the UK Shared Prosperity Fund.

The next steps were outlined to the Committee within the presentation.

**38/21**      **DATE OF NEXT MEETING** The next meeting of the Committee would be held on 3 March 2022.

**39/21**      **EXCLUSION OF THE PUBLIC FROM THE MEETING RESOLVED** that under Regulation 4 (2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the items of business, that if members of the public were present, exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 would be disclosed to them.

**SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING**

1. To receive declarations of interest (if any).
2. County Deals
3. Freeport

**DERBYSHIRE COUNTY COUNCIL**

**D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY**

**PROGRESS UPDATE ON D2  
RETAINED BUSINESS RATES PROGRAMME**

**1.0 Purpose of Report**

- 1.1 To provide an update on the key success areas regarding use of the D2 Retained Business Rates, most notably the grant programme and (Vision Derbyshire) business start up project.

**2.0 Discussion/Decision Required by the Meeting**

- 2.1 The D2 Joint Committee is requested to note and comment on the progress of the grant programme across the three strands of activity.**
- 2.2 To approve change requests made for specific projects identified.**
- 2.3 To decide on how to allocate the remaining funding.**

**3.0 Information and Analysis Update**

- 3.1 Members will 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.
- 3.2 There are three grant strands within the economic growth programme, all of which are 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. An objective of the programme is to demonstrate a positive impact of targeted investment in securing business rate uplift in future years.
- 3.3 It was agreed that at the outset of the programme, 75% of the available funding could be committed, with the remainder 25% pending confirmation of business rate receipts at year end.

- 3.4 The Committee will be aware that Strand 1 (Business Support) is administered by Derby City Council through the Derbyshire Enterprise Growth Programme (DEGF). Strand 2 (Enabling Future Delivery) and Strand 3 (Delivering Economic Impact) are being managed by Derbyshire County Council.
- 3.5 The paragraphs below provide an update on the three strands and progress.

**Strand 1: Business Support Grant (nominal allocation of £1.6m)**

The objective of this Strand has been to support existing D2 businesses to survive, expand or relocate. The grant has been aimed at helping create increased investment, job creation and business rates across the county and city. The level of grant available was between £2,000 and £50,000.

The scheme closed to new applications in September 2019 but an extension was applied to those existing businesses already committed to the scheme but experiencing hesitancy either because of Brexit or Covid. The scheme paid out the final grant award in March 2021 and is now complete.

**Outputs received to date:**

- Number of Business Supported - 47
- Job Creation – 115 FTE
- Private Sector Leverage - £2,031,525
- Turnover Growth - £3,934,524

**Value for Money:**

The value of grants came to £958,121 (further details of underspend are covered later in report)

- Cost per job - £8,331
- For every £1 spent £2 of private sector money was invested
- Turnover growth increased by £3.9m across the 2+ years of the project. This figure is lower than anticipated as many businesses were closed or offered a much-reduced service/ sales due to the pandemic.

**Strand 2: Enabling Future Delivery (nominal allocation of £1m)**

The objective of this Strand primarily has been to support feasibility studies and pre-development capital work required to bring forward those projects capable of delivering an uplift to business rates in future years. *NB: this latter programme area would typically struggle to achieve external funding.*



A total of 13 projects have been funded through this programme with projects amounting to £658,150. A number of delays have been experienced on projects throughout Covid which in the most part, have now been resolved. A number of change requests have emerged through this Strand:

- **(S206) South Normanton** - Change from a feasibility study to a grant scheme to improve shop fronts in the town. This would be the same approach as has been taken for S303 Shirebrook Shop Fronts. The systems are in place to enable the project to take place. The local authority felt it would be a better use of funding following the difficulties that town centre businesses have suffered during the pandemic.
- **(S209/14) Visit, Sleep, Cycle, Repeat** – Request to extend the timeframe of the project following delays due to Covid.

Details of the Strand 2 projects are set out in Annex A.

### **Strand 3: Delivering Economic Impact (notional allocation of £5.6m)**

The objective of this Strand has been to support the bringing forward of primarily capital projects that will deliver transformational change and deliver business rate uplift. Support has been split into two areas: those which have an obvious, direct impact on business rate uplift and those which are likely to be equally important but where economic impact is not direct (i.e. improvements to quality of place and ensuring attractiveness to inward investment). *NB: this latter programme area would typically struggle to achieve external funding.*

A total of nine projects have been approved (one of which is Visit, Sleep, Cycle, Repeat which is also part of Strand 2). The Assembly Rooms Project, which amounted to £975,000, did not go ahead and the business rate allocation was returned to the shared pot. As a result, the total value of capital projects that went ahead was £3,203,424.

The following change requests have been received for this Strand:

- **(S303) Shirebrook Shop Fronts** – The original application was to include a specific part of the town centre. A request has been made to expand the footprint of the grant to include more businesses in the town centre and due to increase in building material cost increase the maximum grant for a business from £15,000 to £20,000.

- **(S3/11) Cathedral Green Project** - Proposed funding to be diverted to other projects as it did not go ahead due to the pandemic. Further detail is required to understand the status of the funding.

Details of the Strand 3 projects are set out in Annex A.

3.6 An overview of the total allocation and spend to date is set out below:

	Total Budget	Spend to date	Remaining Allocation
Strand 2	£886,267	£658,150	£228,117
Strand 3	£4,963,096	£3,203,424	£1,759,672
Total	£7,267,390	£3,861,574	£1,987,789

3.7 In addition to the above business grant scheme, at the D2 Joint Committee on 3<sup>rd</sup> December, 2020 it was agreed:

- To initiate and launch a business start-up and associated grant scheme as part of the Vision Derbyshire economic development pilot.
- To allocate £1m funding for the business start-up and grant scheme from the retained business rate pilot – to fund business start-up advisers and offer grant support.

3.8 The need for such a scheme was acknowledged in the COVID Economic Recovery Strategy and project proposals have been developed through the active involvement of officers in all ten local authority areas. The scheme launched in July 2022 and progress has continued at pace since this time with high levels of interest from residents and future entrepreneurs across the County. A full update on the progress made will be provided by brief presentation at the Joint Committee meeting on 3<sup>rd</sup> March 2022.

3.9 Having regard to the additional £1m allocation to support the business start-up project, circa £900,000 remains in the Retained Business Rate pilot budget and is available to the D2 Joint Economic Prosperity Committee.

3.10 Although not a vast amount of money, the remainder fund could make a significant difference to joint work across the County. Options include:

- Support to employment and skills delivery – including extended work on youth hubs and careers hubs and more meaningful liaison with businesses
- Extended grants and support to businesses (as per business start up or capital schemes)
- Support to the next phase of the market towns programme

- d) Support to other aspects of the Recovery Strategy which haven't yet progressed e.g. wifi enablement/ smart and digital connectivity across the County

#### **4.0 Recommendations:**

4.1 That the D2 Joint Economic Prosperity Committee:

- A) Agrees the project change requests for Strands 2 and 3 outlined in paragraph 3.5 of this report for the projects listed.
- B) Notes the strong progress of the Vision Derbyshire Business Start Up Project.
- C) Considers the broad outline of options for use of the remaining funding, and requests officers return to the Joint Committee with firm proposals.

Annex A

**Strand 2: Enabling Future Delivery**

Approved Projects:

<b>Ref</b>	<b>Project Name</b>	<b>BRRP approved</b>	<b>Comments</b>
S2/01	Eckington and Dronfield Town Centre Regeneration Studies	40,000	Project due to be completed Q4 2021.
S2/02	Dales Central Area Workspace	18,000	Project delayed due to Covid. Will be complete Q1 2022.
S2/03	Coalite Innovation Park Enabling Delivery Study	31,500	Project completed.
S2/04	Glossop A57 Economic Growth & Gateway Study	40,000	Project Completed
S2/05	Creswell Station Business Centre	13,500	Project Completed
S2/06	South Normanton Market Place Feasibility Study	13,500	Project change request made to provide shop front grants rather than a feasibility study.
S2/07	DRIVE Innovation Centre	45,000	Feasibility work complete. Now part of the Staveley Town Deal. Continue monitoring
S2/08	Development of employment land for incubation units/new business start-ups (Amber Valley)	30,000	Project completed.
S2/14	Visit. Sleep. Cycle. Repeat.*	27,000	Project change request made to extend.
S2/15	HS2 East Midlands: South Derby Growth (SDGZ) Zone/Infinity Garden Village (IGV) and Celanese Urban Village	150,000	Project completed.

S2/16	Connecting Growth: Mobilising innovation project	30,000	Project complete
S2/17	Science and Innovation Zone (Infinity Park)	185,000	Delays in Skills assessment. Continue to monitor
S2/18	Ilkeston Gateway Flood Risk Assessment	34,650	Project completed.

### Strand 3: Delivering Economic Impact

#### Approved Projects

Ref	Project Name	BRRP approved	Comments
S3/02	Buxton Crescent & Thermal Spa	750,000	Project complete
S3/03	Shirebrook Shop Front Grants Scheme (Phase 2)	375,000	Project Change request made.
S3/06	Swadlincote Depot	63,750	Project complete.
S3/08	Derby and Derbyshire Energy Efficiency (Phase 2)	224,904	Longer term project matched with ERDF. Progressing as planned.
S3/11	One Cathedral Green, Full Street, Derby	319,770	No information provided. Project stalled.
S3/12	Retail Diversification and Make and Trade Zone	350,000	No information – project stalled.
S2/14	Visit. Sleep. Cycle. Repeat.	70,000	Requested extension.
S3/05	Re-vitalising the Heart of Chesterfield (approved at a later date)	£1,050,000	Timescales impacted upon due to covid but the project is progressing and should be complete by the end of 2022. Part of a much larger project.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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