

# Public Document Pack



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PUBLIC

To: Members of D2 Joint Committee For Economic Prosperity

Wednesday, 4 May 2022

Dear Councillor,

Please attend a meeting of the **D2 Joint Committee For Economic Prosperity** to be held at **11.30 am** on **Thursday, 12 May 2022** in Committee Room 2, 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**

## **A G E N D A**

### **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 03 March 2022.

## **Regional**

4. D2N2 Round Up

## **D2**

5. External Funding - Making the Most of the Opportunities (Pages 5 - 18)
6. Business Start Up (Vision Derbyshire) Progress Report (Pages 19 - 26)
7. Date of Next Meeting

To be confirmed for the coming year 2022/23.

8. 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**

9. Declarations of Interest

To receive declarations of interest (if any)

10. Minutes (Pages 27 - 28)

To confirm the exempt minutes of the meeting of the Derby and Derbyshire Joint Committee for Economic Prosperity held on 03 March 2022.

11. Developing Our Devolution Deal

**MINUTES** of a meeting of the **D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY** held on 03 March 2022 at County Hall, Matlock, DE4 3AG.

**PRESENT**

Councillor G Purdy taken over from Councillor B Lewis at 9:15 am  
(in the Chair)

<b><u>Amber Valley Borough Council</u></b>	<b><u>Derbyshire Dales District Council</u></b>
Councillor T Harper	Councillor G Purdy
<b><u>Chesterfield Borough Council</u></b>	<b><u>Erewash Borough Council</u></b>
Councillor T Gilby	Councillor C Hart
<b><u>Derby City Council</u></b>	<b><u>High Peak Borough Council</u></b>
Councillor C Poulter	Councillor A McKeown
<b><u>Derbyshire County Council</u></b>	<b><u>North East Derbyshire District Council</u></b>
Councillor B Lewis	Councillor J Kenyon

Also in Attendance –

Bolsover District Borough Council – G Galloway  
 Derby City Council – D Fletcher  
 D2N2 LEP – W Morlidge  
 Derbyshire County Council – E Alexander and J Battye  
 Derbyshire Dales District Council – P Wilson  
 North East Derbyshire District Council – L Hickin

Apologies for absence were submitted on behalf of H Bowen (Chesterfield Borough Council ), Councillor K Buttery (Amber Valley Borough Council), Councillor G Callingham (North East Derbyshire Council), A Dale (North East Derbyshire District Council), Councillor S Fritchley (Bolsover District Council), and Councillor R Horsley (Chairman of the DEP).

**01/22**      **DECLARATIONS OF INTEREST** There were no declarations of interest.

**02/22**      **MINUTES RESOLVED** that the Minutes of the meeting of the Committee held on 16 December 2021 be confirmed as a correct record.

**03/22**      **D2N2 ROUND UP**      An update had been given to the Committee by W Morlidge. The D2N2 LEP had been recruiting for a permanent Chief Executive as well as having vacancies for three business board members. Their priorities had included employment, skills and inclusion.

There had been an uncertainty of the role LEP's would hold in the Levelling Up White Paper; noted that the focus was on economy, skills and health which was welcomed. It was also recognised the LEP would need work with D2 and N2 authorities as county deal work progressed regarding their future role.

There had been a specific issue within the NHS and their future skills needs. It had been learnt during the pandemic that traditional nursing was not flexible enough and the NHS had been interested in how to modernise this role. Discussions were taking place with the NHS and it was agreed that a presentation to the committee on issues regarding skills and employment routes into the NHS would be a good future topic. It was agreed that W Morlidge and J Battye would liaise on appropriate timing.

An update was provided on HS2 and the recent discussions around the Integrated Rail Plan. The fundamental change in the proposals affecting HS2 East was noted and specifically, the new HS2 station at East Midlands Parkway. Derbyshire and proposals for Midland Mainline electrification. Various letters and representations had been made to the Transport Select Committee, as well as Secretary of State for Transport; a ministerial visit was planned for later in April/early May. The bid for the Great British Railway headquarters to be based in Derby was ongoing and support would be needed from leaders.

**04/22**      **LEVELLING UP WHITE PAPER AND COUNTY DEALS**

The long awaited Levelling Up White Paper had been published on 2 February 2022. The document outlined the Government's plans to transform the UK by spreading opportunity and prosperity to all. It focused on twelve national levelling up missions to be achieved by 2030. Proposals sought to shift Government focus and resources to Britain's left behind communities. This would bring together a number of policy ambitions into a single programme; a mixture of previous and new announcements, promises and intents.

Nine county areas had been invited to develop County Deals with an aim to "agree a number of these" by Autumn 2022, Derbyshire and Derby had been included as one of these areas. There was a new devolution framework designed to create a set of clear and consistent devolution pathways for places. This would enable areas to widen and deepen their devolved powers subject to meeting a number of pre-conditions.

It was noted the White Paper contained many other proposals about ambitions to level up the UK. The following announcements were of specific interest:

- Local Transport – Bus Transformation – Government proposals to fund improvements to transport connectivity in areas that needed it – bus improvements in Derbyshire outlined
- Education Investment Areas – Targeted investment and action to support 55 identified “cold spots” where school outcomes were weakest – included Derbyshire and Derby
- British Business Bank Regional Investment Funds – Pledge to extend geographical reach of partnership model. £1.6 bn identified of which £400m for Midlands Engine Investment Fund

The implications on Derbyshire and Derby were outlined within the presentation. Further discussions would take place on the streamlined working and the joint vision at the April meeting of the Committee.

## **05/22      RETAINED BUSINESS RATE – PROGRESS UPDATE**

Previous updates to the D2 Joint Committee had reported 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.

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. An objective of the programme was to demonstrate a positive impact of targeted investment in securing business rate uplift in future years.

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.

Strand 1 (Business Support) was administered by Derby City Council through the Derbyshire Enterprise Growth Programme. Strand 2 (Enabling Future Delivery) and Strand 3 (Delivering Economic Impact) were being managed by Derbyshire County Council.

The report provided the Committee with an update on the three strands and progress. The question had been put to the Committee on how left over monies were to be spent. Committee members were to repond with suggestions.

**RESOLVED** to (1) agree the project change requests for Strands 2 and 3 outlined in paragraph 3.5 of the report for the projects listed; (2) note the strong progress of the Vision Derbyshire Business Start Up Project; (3) consider the broad outline of options for use of the remaining funding, and request officers return to the Joint Committee with firm proposals; and (4) agree small amendments could be made in the constitution.

**06/22      EMPLOYMENT AND SKILLS**

A progress update had been given to the Committee. £2m had been secured from the Community Renewal Fund. Hospitality Employers had chartered with Marketing Peak District. The Youth Hub in Chesterfield had been launched with Virtual Hub to be launched in March 2022. The Green Entrepreneurs Scholarship fund launched. As well as the Adult Careers Service supporting 1448 people to look for work, progressing 208 to learning, and 242 to employment.

There had been 35 events to date of the Festival of Business, with 2718 attendees representing 515 organisations / businesses. As well as the launch of a Careers Hubs and online portal taking place.

To date this financial year, 66 apprentices from 30 different employers across Derbyshire had been supported via the transfer of Apprenticeship Levy. The total since the programme started was 163 apprentices, from 95 different employers. The total value of funds committed to support this was £1,101,610.

The priorities and future work had been outlined within the presentation.

**07/22      DATE OF NEXT MEETING**

The next meeting of the Committee would be held on 5 May 2022.

**08/22      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. Freeport

**DERBYSHIRE COUNTY COUNCIL**

**D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY**

**OVERVIEW OF RECENT FUNDING OPPORTUNITIES TO DRIVE  
LEVLLING UP AND AID ECONOMIC GROWTH**

**1.0 Purpose of Report**

- 1.1 To provide a summary of the three major funding opportunities announced recently by Government: Shared Prosperity Fund (SPF), Levelling Up Round 2 (LUF2) and Multiply.

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

- 2.1 **The D2 Joint Committee is requested to note the summaries contained in this report and the importance of the funding opportunities in helping deliver ‘good growth’ and level up across the D2 area.**
- 2.2 **To undertake a wider discussion on how best to maximise the funding opportunities, ensuring a comprehensive, joined up approach to the development and delivery of priority projects in light of Government’s devolution agenda.**

**3.0 Overview**

- 3.1 Over the period March and April 2022, Government has published details of three major funding streams available to the County, City and district authorities – the SPF, LUF2 and Multiply. The funding announcements are in direct support of the wider Levelling Up agenda and its 12 stated ‘missions’.
- 3.2 The totality of funding available to the D2 geography from these three streams is:
- **Multiply** - £5.103m made up of £3.763m directly allocated to the County Council and £1.340m to Derby City
  - **Shared Prosperity Fund** – total of £25.7m directly allocated to the City and eight district authorities

- **Levelling Up Fund Round 2** – potentially over £100m available to the City and eight district authorities – based on priority local authority areas.

3.2 The remainder of this report provides a summary of each of the funding streams and is intended to support a more detailed presentation and discussion at the forthcoming meeting on 12<sup>th</sup> May 2022.

#### 4.0 Summary of Multiply Funding

4.1 Published on 13 April 2022, the following link provides access to the detailed documents (investment prospectus, technical guidance and indicative allocations):

<https://www.gov.uk/government/publications/multiply-funding-available-to-improve-numeracy-skills>

4.2 Government wants everyone to have the opportunity to learn and develop the essential skills they need to succeed at any age and it is recognised that numeracy is universally important for individuals' life chances, and for the economy as a whole. Almost 17m adults in England - half of the working-age population - have everyday maths skills roughly equivalent to those expected of a primary school child (Entry Level). This compares poorly internationally – below the OECD average, and behind countries such as Japan, Germany and Canada.

4.3 To help address this, Government has confirmed the first priority of the Shared Prosperity Fund will be 'Multiply' and has made up to £559million available to improve functional numeracy skills in adults (19years +). On this basis, Government has invited the GLA, Mayoral Combined Authorities and upper tier/unitary authorities to develop and deliver a three-year investment plan (2022/2023 to 2024/25) of bespoke programmes, against a set menu of interventions.

#### D2N2 Indicative Allocation of Multiply

	<b>Total Funding Allocation (£)</b>	<b>Funding Allocation 22-23 (£)</b>	<b>Funding Allocation 23-24 (£)</b>	<b>Funding Allocation 24-25 (£)</b>
Derby	1,339,565.49	404,984.92	467,290.29	467,290.29
Derbyshire	3,762,841.60	1,137,603.28	1,312,619.16	1,312,619.16
Nottingham	1,852,172.82	559,959.23	646,106.80	646,106.80
Nottinghamshire	4,255,272.91	1,286,477.86	1,484,397.52	1,484,397.52



## General Principles

- 4.4 **Target Audience:** Target learners are adults 19+ who have not previously attained a GCSE Grade 4/C or higher maths qualification; it can include those working towards a maths GCSE or Functional Skills Qualification, those that need specific numeracy skills for work/ progression, or just want to brush up on the skills to help them get on in life.
- 4.5 **Existing arrangements:** Interventions should not displace, replace and/or duplicate any existing adult numeracy provision (e.g. that provided through existing Adult Education Budget (AEB)). Investment plans also need to pay due regard and coordinate where possible with wider skills and employment interventions in local areas - for example through Skills Advisory Panels) and interventions such as SPF to avoid duplication of provision and ensure effective wrap-around support is available.
- 4.6 **Funding allocations:** The funding is formula based (non competitive) and an allocation of £3.763m and £1.340m has been made available to Derbyshire County Council and Derby City Council respectively. Proposed programmes of work have to be developed into Investment Plans and submitted to Government by 30 June 2022, ready for commencing implementation by the start of the academic year in September. Confirmation of the allocation, grant agreement and first payments will follow once the Investment Plan is signed off.
- 4.7 **Partnerships:** Although each authority is expected to submit its own Investment Plan, there is an expectation of joint working by Government to draw in added value. Local areas are encouraged to develop interventions in partnership with providers and employers, as well as other partners in their local area as a means of ensuring value for money and delivery of effective solutions for learners.
- 4.8 **Peer to peer support and sharing evidence of what works:** Workshops sessions will be held in May to discuss arrangements in more detail and facilitate peer learning and networking opportunities.

## Success Measures

- 4.9 On the basis that the overall objective is to increase the levels of functional numeracy in the adult population, the following success measures have been identified:
- More adults achieving maths qualifications courses (up to, and including, Level 2 – with GCSEs and FSQs as the qualifications of choice in England – or equivalent)

- Increase in participation in numeracy courses.
- Improved labour market outcomes
- Increased adult numeracy across the population

4.10 Investment Plans and proposed interventions will be evaluated against these and other success measures and local areas will be asked to collect data in order to inform this evaluation.

#### Menu of Interventions

4.11 These interventions should be for adults aged 19 and over and need to be additional and differentiated from that which is already fully funded through the Adult Education Budget (AEB) legal entitlement and should not displace that provision. Numeracy courses aimed at:

- Increasing confidence with numbers for those needing the first steps towards formal numeracy qualifications.
- Helping people use numeracy to manage their money.
- Joint delivery with employers
- People who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill
- Intensive/ flexible provisions for people without Level 2 maths, leading to a Functional Skills Qualification.
- Parents wanting to increase numeracy skills.
- Prisoners and ex-prisoners.
- Those 19 or over that are leaving, or have just left, the care system
- Engaging the hardest to reach learners – for example, those not in the labour market – developed jointly with community organisations.
- Additional relevant maths modules embedded into other vocational courses.

#### Investment Plan Criteria

4.12 A template for investment plans will be issued but they are expected to meet the following criteria and be set over the full three-year period of funding:

- Deliverability
- Evidence of need and demand
- Interventions to be used from the menu.
- Strategic Fit
- Engaging and motivating learners

*NB: More tentative plans may be accepted for years 2 and 3 to enable local areas to build on the growing evidence base from year 1 of the programme on what works to improve adult numeracy. Investment Plans and funding allocations will be revisited each year by Government.*

#### Assurance, Accountability and Reporting

4.13 Government expects authorities to provide assurance, accountability and reporting around the Multiply funding:

- Outcome expectations for local areas based on the approved investment plans.
- Authorities reporting progress against these on a regular basis.
- Commitment to working with the Department for Education and ESFA on data collection to support the overarching evaluation of the programme.
- Allocation amounts may be subject to change in Years 2 and 3 according to delivery against agreed outcomes and spend against allocation profiles (there will likely be recovery of underspends).
- Need to capture individual learner data.
- Need to capture information from and about learners, teachers and providers to enable effective evaluation of the programme.

## **5.0 Shared Prosperity Fund**

5.1 Guidance was issued on 13 April 2022 and the following link provides access to the full suite of documents:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

5.2 In summary, the SPF is a £2.6 billion pot of new funding available to unitary and lower tier authorities for investment over the three year period to March 2025. Allocations are based on formula funding, rather than a competitive process. Money is expected to complement other funding sources such as the Levelling Up and mainstream employment and skills provision to maximise impact and simplify delivery.

5.3 Investment Plans have to be developed and submitted to Government in August 2022, with a nominated 'lead authority' responsible for the submission. However, investment in interventions (including administrative and preparatory costs) that start from 1 April 2022 can be supported by SPF where they fit with the relevant objectives and requirements of the Fund but would be at risk prior to the Investment Plans being signed off.

## Objectives

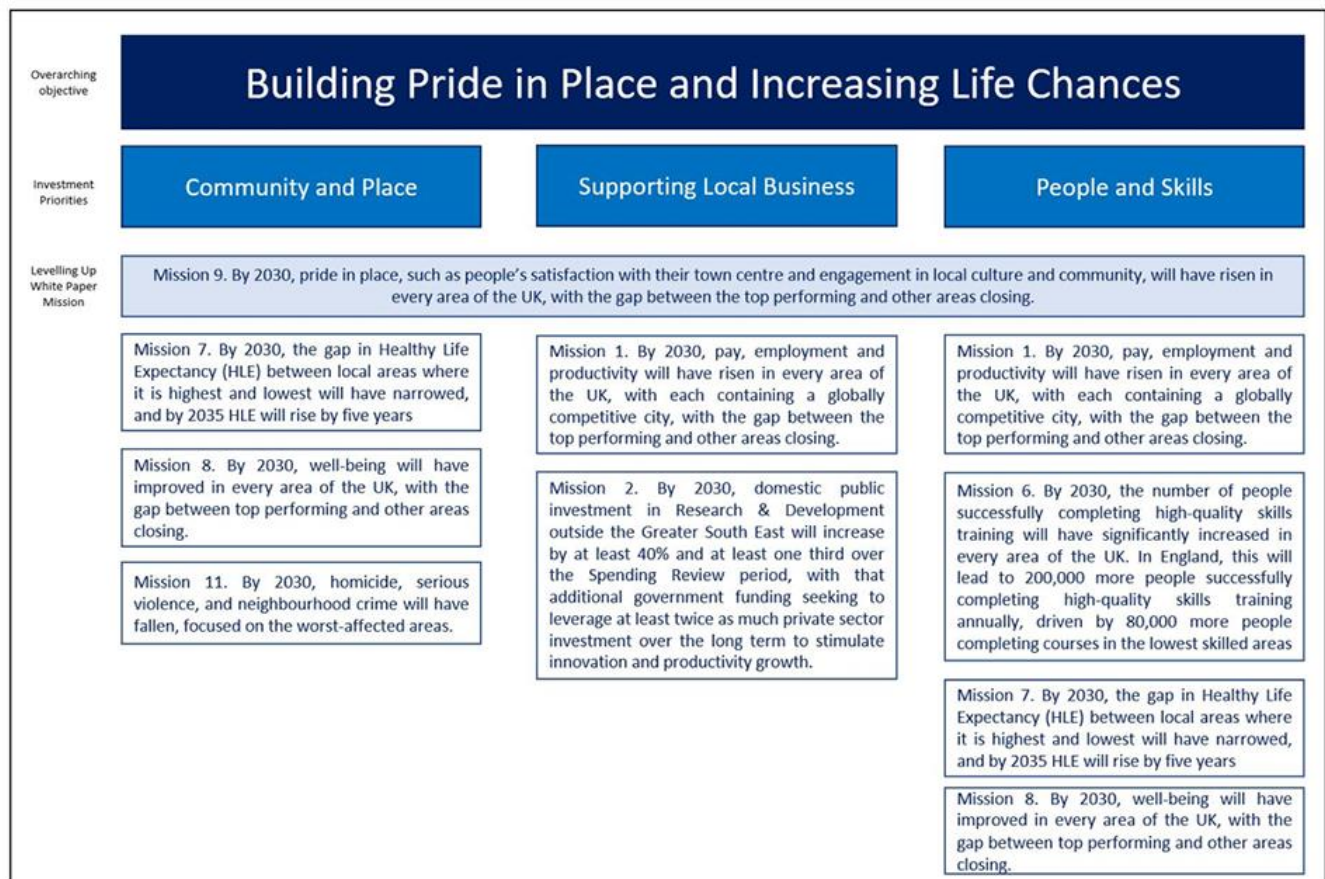
5.4 The stated aims of SPF are to:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

5.5 Linked to the above stated aims are following three investment priorities:

- Communities and place
- Supporting local business
- People and skills

5.6 There are detailed objectives associated with each of these priorities which are aligned to the relevant Missions of the Levelling Up White Paper.



## Funding for Derbyshire Authorities

- 5.7 The following table confirms the value of SPF allocated to Derby and Derbyshire. Profiling of the funding allocation is proposed to ramp up over the three year period, with the first allocation likely to be made in October 2022, increasing over the remainder two years – but notably with clawback potential for unspent allocations. The ramping up of SPF is directly linked to likely ramping down of the European Structural Fund over the next two to three years which has typically been the funding source for SPF-related projects.

<b>Local Authority</b>	<b>Core UKSPF</b>
Amber Valley	£2,977,839
Bolsover	£1,963,993
Chesterfield	£2,693,257
Derbyshire Dales	£1,954,752
Derby	£6,144,172
Erewash	£2,789,198
High Peak	£2,412,072
North East Derbyshire	£2,568,204
South Derbyshire	£2,156,374
<b>Total</b>	<b>£25,659,861</b>

- 5.8 The local split of capital and revenue for the Fund in England is as follows:

<b>Year</b>	<b>Core UKSPF: revenue</b>	<b>Core UKSPF: capital</b>	<b>Local multiply: revenue</b>
2022-23	90%	10%	100%
2023-24	87%	13%	100%
2024-25	80%	20%	100%

- 5.9 Each authority's allocation comprises both revenue and capital funding and the preferred mix of funding is to be set out in the Investment Plan. Up to 4% of the allocation can be used 'to undertake necessary administration' but Government is also exploring longer term capability support for local authorities – including funding and good practice networks. *NB: each place must identify a minimum percentage of capital funding, each year in line with the overall split of revenue and capital at UKSPF level set out in the above tables.*

## Success Measures

5.10 Measurable outcomes are required for each of the intervention programmes developed and need to reflect local needs and opportunities. A summary of each of priority theme is outlined below:

- **Communities and place:** focused on restoring community spaces and creating the foundations for economic development at neighbourhood-level - building 'pride in place'. This investment priority covers a wide range of local projects such as public realm, community-led initiatives, cultural and heritage projects.
- **Supporting local business:** focused on enabling places to fund interventions that support local businesses to thrive, innovate and grow. *NB note links to Multiply interventions.*
- **People and skills:** focused on reducing barriers to employment and supporting people to move towards employment and education. This priority has two primary elements: employment support for economically inactive people (benefit and non-benefit claimants) and funding skills to help people progress in life and work. *NB note links to Multiply interventions.*

5.11 The following link accesses the list of interventions for the investment priorities and indicative output and outcome indicators:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

5.12 Government advises that proposed SPF interventions also need to take account of wider, national policy agendas such as:

- Demonstrating the extent of contribution to net zero and nature recovery.
- Considering how projects can work with the natural environment to achieve project objectives.

5.13 Links to other funding streams is also highlighted as important to ensure SPF alignment with complementary interventions at national or local level – and the most effective use of all available funding. Considerations on alignment include:

- The Levelling Up Fund second round.
- The Community Ownership Fund – second launch in Spring
- Freeports
- Digital infrastructure delivery plans as part of Project Gigabit.
- National employment support provided through Jobcentre Plus
- Existing adult skills provision

- Ongoing European Structural Fund provision
  - Funding for rural areas where relevant.
- 5.14 Government is strongly encouraging engagement with local partners in the development to interventions – including current deliverers of EU structural fund programmes, managing authorities, LEPs, neighbouring local authorities, voluntary and community representatives, and higher/ further education bodies. This will ensure that local investment plans complement and do not duplicate other provision and that interventions are delivered at the appropriate scale.
- 5.15 Although a separate Investment Plan is expected for each local authority area, the above level of collaboration also extends to working with neighbouring authorities and places with common needs and opportunities. Government ‘strongly encourages’ authorities to work together to agree and commission people and skills activity, or business support activity over a larger scale representative of the full local labour market or business base.
- 5.16 The relevant local authority will be responsible for receiving, assessing, allocating and managing the Fund - including processing payments and day-to-day monitoring. Government has advised its role will be in monitoring and reporting to ministers, plus overall evaluation of the programmes. Flexibility is available to local authorities on how best to apply the funding e.g. mix of competitions for grant, procurement, commissioning or deliver some activity through in-house teams.
- 5.17 There is an expectation that ‘comprehensive and balanced local partnerships’ will be a core component of how the Fund is administered locally. Although the precise composition of the arrangements will be bespoke to local areas, the range of partners includes (*NB there is some correlation with the Town Deal Board*):
- Representatives from the lead local authority – and possibly neighbouring authorities
  - Local businesses and investors
  - Business support providers or representatives, including sectoral representatives (e.g. tourism organisations)
  - Local Enterprise Partnerships or Local Skills Improvement Partnerships
  - Representatives of arms-length bodies of government where appropriate
  - Prominent local community & faith organisations
  - Voluntary, sector social enterprise

- Rural representatives
- Education and skills providers e.g. colleges
- Employment experts and providers e.g. Jobcentre Plus
- Nature, environmental or associated representatives
- Public health representatives
- Police and crime representatives
- Members of Parliament - will provide an advisory role to local authorities in reviewing the investment plan prior to submission. Each plan will need to detail whether each are supportive of the final plan submitted to the UK government for consideration.
- Government representatives

## **6.0 Levelling Up Round 2**

6.1 The Prospectus was published on 23 March 2022, and more detailed guidance only issued in the last couple of weeks. On that basis, consideration of all the Government's documents is still being undertaken and a fuller appraisal of the proposals will be provided at the Joint Committee meeting on 12<sup>th</sup> May.

6.2 In summary however, the core elements of LUF2 are outline below:

- Fund focuses investment at smaller scale, local projects that require less than £20m – available to lower tier and unitary authorities, including those who were in receipt of Round 1 funding.
- Applicants can submit a bid for a single project or a package bid consisting of up to three projects – but these must explain how their component elements area aligned and represent cohesive interventions.
- Submissions must be made by noon on 6<sup>th</sup> July 2022. Spend is available from 2022/23 financial year but has to be completely spent by 31 March 2025 (2026, by exception).
- Formal MP support needed and clearly based on constituencies – support can be offered to only 1 bid on a formal basis – but can provide general support to others as a local stakeholder. Formal support is not a pre-requisite for project submission. NB: some districts covered by multiple MP constituencies. There will be a proforma for MPs to register their interest.
- LUF2 is a fully competitive process – not formula funding allocations.



- Match funding is not essential but 10% local contribution expected. If the project directly benefits a developer then Government would expect to see an additional contribution from them.
- Broad themes and priorities are the same as round 1:
  - **Transport Investment:** *public transport, active travel, bridge repairs, bus priority, local road improvements, major structural maintenance and accessibility improvement. Schemes to demonstrate reduction in carbon emissions, improve air quality, cut congestion, support economic growth*
  - **Regeneration and Town Centre Investment:** *building on the Towns Fund framework to upgrade buildings and infrastructure, acquire and regenerate brownfield sites, invest in community infrastructure and crime reduction, bring public services and safe community spaces into town centres*
  - **Cultural investment:** *maintaining, regenerating or creatively repurposing existing cultural, creative, heritage and sporting assets – or creating new assets – that support the visitor and cultural economies*
- Focus is on high impact and high priority projects that will make a visible, positive difference to place
- Local authorities are free to submit any combination of projects across the three investment themes where a split of funding genuinely reflects needs.
- Criteria for assessment are:
  - *Strategic fit*
  - *Value for money/ economic case*
  - *Deliverability*
  - *Characteristics of Place*

6.3 Local authority areas have been categorised into ‘priority places’ similar to LUF Round 1. For the D2 geography, these are confirmed as:

**Priority Place: 1**

- Chesterfield
- Derby
- Derbyshire Dales
- Erewash

- High Peak

### **Priority Place: 2**

- Amber Valley
- Bolsover
- North East Derbyshire

### **Priority Place: 3**

- South Derbyshire

6.4 In Round2, Government has advised that places can move into a higher category, or remain in their existing one, but won't move down. Category 1 has been expanded on an exceptional basis to capture local areas whose levels of need have increased since the Fund was launched – these 'new Category 1 authorities' are also entitled to £125,000 capacity building money to support preparation of bids.

6.5 As with the first round of the Fund, assessment of projects will focus on four criteria:

- Characteristics of place,
- Deliverability
- Strategic Fit with local and LUF priorities
- Economic case – in line with published framework

6.6 Government has also advised there will also be a three-stage process to decision making:

- Gateway – essentially a pass/fail assessment
- Assessment and shortlisting – projects assessed on the above four criteria and drawing in the relevance of 'place priority' categories
- Decision Making – shortlist presented to Ministers for funding decisions, wherein some discretion will be exercised around additional considerations such as: thematic split; geographical spread of projects, prioritisation of a specific criterium; other investment in the area

## **7.0 Issues and Considerations**

7.1 The Director of Economy and Regeneration met with district representatives, LEP, Chamber and Derby University colleagues

between 26 April and 11 May to assess level of progress, emerging project areas and key challenges. A summary of issues and opportunities is outlined below:

## **Challenges**

- Pace needed – there are only short development windows to create the detailed projects and Investment Plans. The confirmed submission dates are as follows:
  - Multiply - Investment Plans have to be submitted by 30<sup>th</sup> June 2022
  - SPF - Investment Plans have to be submitted between 30 June 2022 and 1 August 2022
  - LUF2 timescales – project submission opens on 31<sup>st</sup> May and closes on 6<sup>th</sup> July 2022.
- Capacity and resources – the funds will generate new projects (capital and revenue) that will sit alongside the existing pipeline – including town deal projects. Capacity is already stretched in the authorities and recruitment is difficult so careful consideration will need to be given to dealing with the additional workload.
- As an extension of the issue above, there are inevitable impacts on capacity between the county and district councils – particularly on capital projects around transport and infrastructure. Also, there is a limit to community capacity – e.g. existing Town Deal Boards and requirements of SPF Boards and LUF stakeholder engagement.
- There is a strong expectation by Government to join up discussions across local delivery partners and authorities and develop a meaningful programme of work across the three funding streams; ensuring the whole is greater than the sum of the parts. There is a huge amount of funding potentially available and collaboration/ strategic approach is needed to ensure there is no duplication, no gaps in delivery etc
- Making sure comprehensive and complementary Investment Plans not only meet each fund's Investment Prospectus but also the challenges facing local residents, communities and economy and add value to existing national, regional and local funding. There is a strong focus on embedding net zero into schemes.
- Funding runs for three years and would run in parallel with any future devolution discussion with Government – e.g. SPF -will need managing alongside any new arrangements.

## **Opportunities**

- Potential to develop new ways of working across D2 and craft meaningful projects that have resonance with other Government agendas e.g. devolution.

- Building on existing strong partnerships e.g. business start-up and other Vision Derbyshire projects, to join up more fundamentally, perhaps around administering delivery: how can we work better together to achieve agreed outputs and outcomes?
- Government has recognised the value of culture-led regeneration through the allocation of up to two, large scale (£50m) LUF2 schemes. Opportunity for consideration of culture-led regeneration schemes e.g. within World Heritage Site.
- Alignment to East Midlands Freeport (specifically mentioned in the prospectus) – opportunity for delivery of additional projects that can't be met by Freeport retained business rates.
- Potential to deliver some county-wide projects e.g. 'smart counites' as part of Vision Derbyshire programme – picking up Project Gigabit.
- Potential to “pool” a small element of some funds to support shared delivery of county-wide projects that benefit all geographies. For example, if employment & skills or business support programmes emerged as a common theme for all nine areas, it would be possible to pool funds to create one administration point, one delivery mechanism etc.

## **8.0 Recommendations**

### **8.1 That the D2 Joint Committee:**

- a) Notes the above summary of the funding opportunities, including the challenges and opportunities outlined in section 7.
- b) Considers the more detailed presentation that supports the summary
- c) Undertakes a wider discussion on how best to maximise the funding opportunities, ensure a comprehensive approach to the proposed programme and embed joint working in preparation for devolution discussions.

**DERBYSHIRE COUNTY COUNCIL**

**D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY**

**PROGRESS UPDATE ON D2  
VISION DERBYSHIRE BUSINESS START UP PROJECT**

**1.0 Purpose of Report**

- 1.1 To provide an update on the key success areas regarding the D2 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 Business Start Up Project**

- 2.2 **To approve change requests made for the project.**

- 2.3 **To approve the additional budget requests.**

- 2.4 **To note the project which is currently being scoped as part of the Seizing Innovation Phase 2 programme for Vision Derbyshire.**

**3.0 Information and Analysis Update**

- 3.1 Members will recall that at its meeting on 3<sup>rd</sup> December 2020, the D2 Joint Committee agreed:

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

- 3.2 The need for such a scheme was acknowledged in the Derbyshire COVID Economic Recovery Strategy and project proposals have been developed through the active involvement of officers in all ten local authority areas. The project was developed with a primary offer of free, one to one,

bespoke support to individuals wishing to set up their own business and a grant of up to £10,000 for new entrepreneurs to help kick start their new business.

- 3.3 The service is open to Derby and Derbyshire residents who are starting their own business or have set up a business within the last year. The focus is on supporting clients to build a viable and sustainable business. Networking opportunities and help in securing a wide range of services necessary to help entrepreneurs turn their venture into a success are also part of the support package on offer.
- 3.4 To date, there has been an 'informal' focus on those clients aged between 17 and 30, or who are aged over 50 and who lost their jobs or livelihoods during COVID.
- 3.5 An officer group, with full district, borough and city representation has been established to oversee implementation of the project at operational level, meeting weekly during early stages. The project was launched in July 2021 and recruitment to all posts was completed by December 2021. The full team comprises five Business Advisors. A co-ordinating officer, responsible for monitoring, marketing and communication, supports this and other projects.
- 3.6 The Advisors have been allocated a geographical patch as set out below, and although they are employed by the County Council, relationships with the districts, boroughs and city are critical for day-to-day activity to ensure the smooth running of the project. There is an excellent range of expertise across the team and as the project develops, good use is being made of Advisors' specialist skills and knowledge:
  - Jaswindar Powar- Derby City, Erewash BC, Amber Valley BC
  - Sarah Smith – Bolsover DC and North East Derbyshire DC
  - Sara Martin – Chesterfield BC
  - Shameit Bali – South Derbyshire DC
  - Russell Harrison - High Peak BC and Derbyshire Dales DC
- 3.7 Networking with other agencies and providers of business support activity is integral to the success of the project, for both receiving referrals as well as making referrals to other agencies for support. There has been a high degree of collaboration with individual local authorities' business support schemes, the D2N2 Growth Hub, Push the Button Project, the University of Derby, the Chamber of Commerce and Marketing Peak District and Derbyshire, particularly through the CRF 'Accelerator' programme. Further connections are being made with the Department of Works and Pensions, the YMCA and Federation of Small Businesses.

3.8 The team is also delivering presentations to target groups such as college students; a recent example is a presentation to an audience of over 200 students at Chesterfield College on 9th March 2022, encouraging budding entrepreneurs to come forward. The team has since been asked back to deliver the presentation to the College’s adult learners and to roll out the engagement package to the other Derbyshire colleges and University under-graduates.

### Monitoring & Enquiries

3.9 In terms of the operation of the project, work to put in place robust monitoring arrangement is well underway. The project is using the Tractivity CRM as this is a system DCC already purchases for all councils in Derbyshire; on-going amendments are being made to the system, alongside bespoke staff training, to ensure consistency of inputted data and meaningful demographic reports are generated to assess project impact.

3.10 The table below sets out registered clients to date, and clearly demonstrates the level of demand for the programme. There are **327** clients registered in Tractivity. **235** of those are “Live” or actively being supported with the remainder having been closed or referred to other schemes. The table also shows the level of activity across each geographical area. The project is working slightly differently with Erewash Partnership who are working with their clients to get them grant ready, as they already have support in place for start-ups.

### Enquiries by District 26.04.2022

High Peak Total - 22	<u>Derbys</u> Dales total – 45	Chesterfield total - 43	NE Derbyshire - 26
Live - 12	Live - 24	Live - 32	Live - 25
Erewash Total – 7	Bolsover - 21	Amber Valley - 32	South <u>Derbs</u> – 81
Live - 4	Live - 20	Live - 28	Live - 60
(working with 27 potential clients for grants)			
Derby City - 48	Out of Area – 2		
Live - 29	Live - 1		

### Grant Applications

3.11 The project has received 26 applications for grants and seven have been approved. Six are going through appraisal, three are currently being contracted, four have been referred to other schemes eg. Green

Entrepreneurs & CRF Accelerator Fund, five are awaiting further information and one has been withdrawn.

3.12 **£30756.01** worth of grants have been currently awarded. Private Sector investment is £72020.01 based on client investment (a leverage of 1:2) generating a total of £102,776.02 investment into the local economy.

### **Types of businesses**

3.13 Types of businesses and ideas coming forwards are wide ranging - the largest sectors represented are Retail, Hair & Beauty, Retail, Management consultancy (not finance) Specialised design, Food & Drink.

3.14 Based on the current data, the majority are pre start or start ups, with a smaller number under 12 months trading.

3.15 Grant applications include hairdresser, furniture manufacturer, interior designer, dog grooming service, play centre for children, distillery, consultancy service, mobile shiatsu bus, community hub and cafe.

### **Application Process and Proposals**

3.16 In terms of continued project development, an 'agile and flexible' approach has been adopted, specifically in relation to accommodating changes to grant application processes to make sure it is fit for purpose and meeting the identified needs. For example, the introduction of a small grant of up to £1k at the discretion of the Business Advisors; this has been implemented on the basis of feedback from the Business Advisors, the external grant assessor and district officers in recognition of low value level support needed by certain client groups without the necessary collateral to offer match funding.

3.17 It is proposed that the eligibility criteria be strengthened to ensure the project can prioritise certain groups; on that basis, the 'informal' focus of support for those between 17 and 30 years, or those aged over 50 and who lost their jobs during COVID and who do not have existing business/es is proposed to be included as a clear criterium for project support. This will allow the marketing and communication strategy to effectively target the relevant groups.

3.18 It is also evident that greater flexibility of the grant intervention rate is needed. Currently, the intervention rate up to £4k is 50%, it then reduces to 25%. It is proposed the project adopts a broader intervention rate of "up to 50%", allowing the external grant assessor more scope to ensure the intervention rate suits the individual client needs, streamlines processes and gives greater flexibility where support is justified.



- 3.19 As the project continues to develop it is evident that dedicated budget is needed to accommodate costs for operational activity within the project such as hosting events, hiring premises, marketing and communications, hosting workshops, staff training, systems development etc. Such additional costs were anticipated when the project was initially set up but it had been agreed to review specific funding requirements once there was clarity on the issues and resources required.
- 3.20 The economic circumstances have also changed since inception of the project and it is likely there will be further challenges arising from increased energy costs and inflation. With this in mind, there is potentially a need for adjustments in the service being provided e.g. an enhanced triage service at project registration or prioritisation of sector support.
- 3.21 A budget of up to £50,000 over the two year period is requested to be set aside within the current financial envelope of the retained business rates pot to support running costs and implementing specific projects to improve the service on offer.
- 3.22 Confirmation on the appropriate use of the Vision Derbyshire logo and branding is also required to enable professional and consistent external communication regarding the marketing and visibility of the project. A pragmatic and 'blended' approach is required to resolving the branding issue and suggestions will be shared with the Joint Committee at the meeting on the 15<sup>th</sup> May.

### **Going Forward**

- 3.23 Notwithstanding the success of the project to date in terms of client contact, support and grants issued etc, the strong partnership foundations that have been developed over the past year are tangible. Relationships between the Business Advisors and the relevant district council lead are effective in confirming local priorities and ensuing needs are met; the County Council's role in co-ordinating and driving forward the work is bringing clear added value; the inter-relationship with other local products offered by the LEP (Growth Hub) and the Chamber of Commerce (Push the Button, Kickstarter etc) is being maximised for the benefit of the client.
- 3.24 The approach being taken therefore, provides confidence that collaborative working, at pace and across our whole D2 geography, is deliverable and this provides a sound platform from which to springboard our forward work – through Vision Derbyshire and through any future devolution deal.

3.25 As members will be aware, the business start up project has been developed collectively by the ten D2 authorities as part of the Vision Derbyshire Seizing Innovation programme. It was possible to secure full support to the project as it was addressing a common and pressing issue on the back of the COVID Recovery Strategy, supported by shared funds from the Retained Business Rate pot.

3.26 Given the strong progress made to date, the team has started exploring a second major project which would have equal, county-wide benefit and has a locus in our shared recovery strategies. A proposal for 'smart counties' (working title) has come forward through discussion with economic development and transport leads. In summary, this would cover projects and place shaping interventions 'to support to improved digital connectivity, sustainable travel, tourism and business growth' across the whole geography. An outline of the potential scope and content of the project will be shared at the Joint Committee meeting on 12 May 2022 but essentially, it could include: interventions to secure full digital connectivity of the hardest to reach areas; data and intelligence systems that support improved travel and lower carbon emissions; hyper-digital business hubs (on high streets and even in more remote communities); dial up and application services to drive sustainable travel choices.

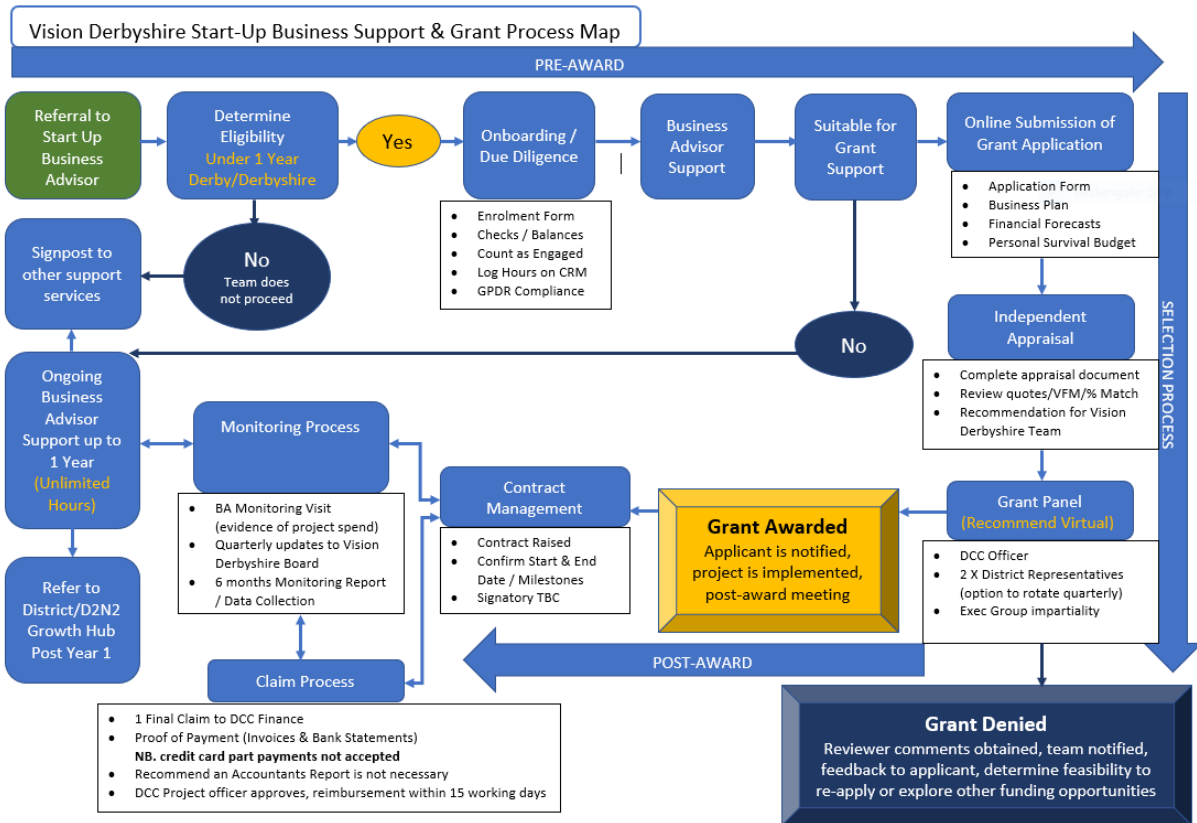
#### **4.0 Recommendations:**

4.1 That the D2 Joint Economic Prosperity Committee:

- a) Notes the strong progress of the Vision Derbyshire Business Start Up Project.
- b) Agrees the establishment of a separate budget of £50,000 taken from the current £1m funding envelope to support running costs, service improvement and project delivery.
- c) Agrees that grant criteria and branding be refined to enable a clear focus on key groups as set out in paragraphs 3.17, 3.18 and 3.22 above.
- d) Considers and agrees that economic development leads in all authorities build on the strong partnership working that is already in place and scope the proposed Phase 2 project for 'Smart Counties/ Smart Communities'; and report back to the Joint Committee once firmed up, with suggestions for next steps.

**Below: Encouraging young entrepreneurs at Chesterfield College, March 2022**





**Appendix 1 Process Map**

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

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