

MINUTES of a meeting of the **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND REGENERATION** held on 9 May 2019 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillors G Hickton and R Mihaly

03/19 **MINUTES RESOLVED** that the minutes of the meeting held on 14 February 2019 be confirmed as a correct record and signed by the Cabinet Member.

04/19 **INVEST IN D2N2 PROJECT EXTENSION – MATCH FUNDING AND DELIVERY ARRANGEMENTS** Approval was sought to endorse the “Invest in D2N2” project extension for additional European Regional Development Fund (ERDF) support and a match funding contribution of £177,928.

At the Cabinet meeting on 31 January 2017, approval was given to endorse the ERDF grant of £1.041m for the “Invest in D2N2” project and commit £90,000 match funding and the alignment of 0.3 full time equivalent (FTE) Senior Economic Development Officer towards delivering an enhanced “Invest in Derbyshire” inward investment service on behalf of Derbyshire Economic Partnership (DEP) Following approval, the Council (on behalf of DEP) entered into a partnership agreement with Nottingham City Council, as accountable body for the project, and other delivery partners including Marketing Derby, Destination Chesterfield, Marketing NG.

The aim of the project has been to deliver a series of activities to support businesses looking to relocate or start up in the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) region. Specifically for Derbyshire, the project provided an opportunity to develop a more dynamic and pro-active investment promotion and inward investment service for Derbyshire. Previously, the DEP service had focused on a reactive strategy working closely with districts to attract investors with very little promotional activity. In addition, closer collaboration with Marketing Derby and Destination Chesterfield allowed partners to establish a more co-ordinated approach to activity across Derby and Derbyshire as a whole.

To deliver the added value benefits through the project, it was agreed to enter into a partnership grant agreement with Marketing Derby to deliver the project on behalf of the County Council and DEP. As a result, a specific work package was developed for delivering “Invest in Derbyshire” and a strategy document “Delivering Inward Investment in Derbyshire 2017-19” endorsed by DEP Board. Since endorsement, the project has reported to DEP Board as a standing item and an Inward Investment Steering Group established (reporting to DEP), chaired by the Cabinet Member for Economic Development and Regeneration, which oversaw the delivery of the project against the agreed strategy.

The grant agreement had been operational on a 12 month rolling period to allow an annual review of performance against the strategy. The final review for the current project was undertaken and endorsed at the Cabinet Member meeting on 13 December 2018 and a further extension granted via side letter until the end of the project scheduled for 31 October 2019.

Details of the project progress were given in the Strategic Director’s report and it was noted that in relation to the proposed project extension an update had been given at the Cabinet Member meeting on 13 December 2018, at which it was reported that partners were developing a proposal to extend the project until December 2022. An expression of interest was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) on 24 November 2018 as part of an open call for projects under ERDF Priority Axis 3 (small and medium-sized enterprise (SME) Competitiveness). Partners were now preparing a full application for submission by 10 May. MHCLG has indicated that the application would not be subject to full appraisal but treated as a project extension with any approval agreed through a Project Change Request. This should shorten the approval process and allow a seamless continuation of the project beyond the current end date of 31 October 2019.

The extended project would continue to deliver a wide range of specialist inward investment support to SMEs looking to launch or grow their businesses in D2N2, leading to increased productivity and inclusion, the creation of new or expanded enterprises and jobs, and new products and services. The focus would be on supporting businesses to grow and invest in the region as currently delivered through the “Invest in D2N2” project but would build upon lessons learnt by providing more comprehensive support for the customer journey, and include the added value activities of foreign direct investment (FDI), and fostering entrepreneurship. These enhancements would attract more successful businesses to the D2N2 region supporting innovation and best practice, as well as deliver jobs in disadvantaged communities.

Specific activities.

Details of specific activities were detailed in the Strategic Directors report and the total funding for the project extension would be £3,751,720 for which 50% ERDF was being sought. The funding package for the delivery of the DEP element of the project is £355,855 which would be 50% funded via ERDF. The match funding required from the Council on behalf of DEP was £177,928 in total for a three year period.

Similar to the current project, the proposal was to further develop and expand the “Invest in Derbyshire” service as part of a collaborative D2 whole approach, working alongside Marketing Derby and Destination Chesterfield and building upon the excellent progress made to date in raising the profile of Derby and Derbyshire as the “Capital of Innovation”.

ERDF outputs proposed for delivery for the D2 element included 80 enterprises receiving information, diagnostic and brokerage support (P13); 55 enterprises receiving non-financial support (C4); 11 new enterprises supported (C5) and 90 new employment opportunities created (C8).

However, the ERDF outputs only reflect a mandatory measure of the project and the proposal is to develop a new strategy document outlining detailed delivery of the project from 2019-22 and contract with Marketing Derby (on a 12 month rolling basis) to deliver the project on behalf of the Council and DEP.

RESOLVED (1) to approve £177,928 match funding to support the delivery of the “Invest in Derbyshire” service through the project extension to the “Invest in D2N2” European Regional Development Fund project ; and

(2) to note and authorise the preparation of a new agreement with Marketing Derby to manage and deliver the extended project subject to the provision of a new delivery plan for the contract period.