

DERBYSHIRE COUNTY COUNCIL

**CABINET MEMBER MEETING – ECONOMIC DEVELOPMENT AND
REGENERATION**

5 December 2019

Report of the Executive Director – Economy, Transport and Environment

**INVEST IN D2N2 PROJECT EXTENSION – DELIVERING AND
DEVELOPING “INVEST IN DERBYSHIRE” INWARD INVESTMENT
SERVICE**

(1) Purpose of Report

To provide the Cabinet Member with an update on the European Regional Development Fund (ERDF) “Invest in D2N2” (Derby, Derbyshire, Nottingham and Nottinghamshire) project and report on the progress of the Derbyshire Economic Partnership (DEP) “Invest in Derbyshire” service over the past 12 months. Also to approve the continuation of the partnership grant agreement (delivery contract) with Marketing Derby for a further 12 months and note the proposals for managing delivery and performance.

(2) Information and Analysis

The “Invest in D2N2” Inward Investment project was awarded an ERDF grant in November 2016 of £1,041,254 against a total project cost of £2,082,508. The project was delivered in collaboration with DEP, Marketing Derby, Destination Chesterfield and Marketing Nottingham and Nottinghamshire, with Nottingham City Council being the accountable body. At the meeting on 31 January 2017, Cabinet approved match funding towards the project and agreed the final terms of the required Partnership/Collaboration Agreements for the delivery of the project (Minute No. 31/17 refers).

The £90,000 match funding from Derbyshire County Council (secured through the DEP budget) was used to lever in ERDF funding to deliver a full programme of activity across Derbyshire during 2016-19. The aim of the project was to carry out a series of activities to support businesses looking to relocate or start up in the D2N2 area. The project also provided the opportunity for organisations across Derbyshire to establish a more co-ordinated approach to activity and pro-actively develop a new and more dynamic inward investment service for the County.

For the D2 (Derby and Derbyshire) area, it was agreed to enter into a partnership grant agreement with Marketing Derby to deliver project activity on behalf of the Council and DEP. This included appointment of a dedicated

‘inward investment executive’ funded by the project to work alongside the existing DEP Investment Co-ordinator. The benefits of contracting delivery to Marketing Derby were considered to be substantial given the reputation of the organisation around investment promotion and the level of management resource required to support the new post holder and other elements of the project. The arrangement provided a more responsive, local service working alongside contacts in borough and district authorities and enhanced marketing activity through events, publications and digital media.

The grant agreement between Derbyshire County Council and Marketing Derby was signed in May 2017 and enabled joint project activity to be procured through one central point. The agreement has been reviewed annually.

A specific work package was developed for delivering “Invest in Derbyshire” and a strategy document “Delivering Inward Investment in Derbyshire 2017-19”, endorsed by the DEP Board. The project reported to the DEP Board as a standing item and an Inward Investment Steering Group was established (reporting to DEP), chaired by the Cabinet Member, which monitored delivery of the project against the agreed strategy.

The impact of the project and the extra resource received very positive feedback from district/borough council and private sector partners and culminated in May 2019 with the formal launch of the new “Invest in Derbyshire” brand and website. A considerable body of activity was delivered and the detail is provided below.

Achievements to Date

The programme of activities from the first three years of the ERDF project have proved highly effective, with the Derbyshire element of the project achieving or over achieving on the spend and output targets.

The outputs that have been achieved for Derby and Derbyshire are as follows:

Output	Target	Achieved
C1 - Number of enterprises receiving support	45	45
P13- Number of enterprises receiving information, diagnostic and brokerage support	69	69
C4- Number of enterprises receiving non-financial support	45	45
C5- Number of new enterprises supported	11	11
C8- Employment increase in supported enterprises	86.05	111.78

The project has delivered key actions set out in the Strategy, effectively raising the profile of Derbyshire as an investment destination and establishing “Invest in Derbyshire” as a tailored service for all enquiries, regardless of size and sector.

Key achievements for Derbyshire include:

- New branding and website – following a soft launch of the new branding at MIPIM 2019, the new service and website was formally launched in May 2019 and is now fully operational www.investinderbyshire.co.uk/
- Library of investment images – the project commissioned a bank of over 200 professional photographs to be used as part of marketing collateral. The images include development sites, town centre/retail, transport links, leisure, business and education.
- Invest in Derbyshire Film – the key place promotional film is available on the website and is now used widely at events and social media promotion
- Marketing collateral - A new Derbyshire development map has been created in collaboration with District Council partners. The new map is in line with the Invest in Derbyshire branding and includes key site updates. A digital PDF version of the map is available on the Invest in Derbyshire website and professionally printed copies are also available. In addition, separately branded development maps have been developed for each district.
- Pitchbook for investors – highlighting key development sites across Derbyshire, the pitchbook has been presented across a range of national and international audiences including recent D2 delegations to China.
- Showcase at local, national and international events including MIPIM, Sitematch, Chesterfield Investment Summit and Hillhead exhibition.

Aside from the ERDF outputs, there have been 70 additional investment enquiries of which 41 are currently live.

Next Steps

Following the success of the first phase of the “Invest in D2N2” project, an application was made to the Ministry of Housing, Communities and Local Government (MHCLG) to extend the project for a further three years. The funding application for the project extension was for £3,230,666 with 50% of this funded through ERDF. The DEP element of this funding package is £355,855.

On 9 May 2019, the Cabinet Member approved £177,928 match funding to support delivery of the “Invest in Derbyshire” service through the project extension. Alongside this, approval was also given to prepare a new agreement with Marketing Derby to manage and deliver the extended project, subject to development of a new delivery plan for the contract period (Minute No.04/19 refers).

The application for the project extension was approved by MHCLG in September 2019 and the contract letter has been issued to Nottingham City Council as accountable body.

A new contractual agreement with Marketing Derby to deliver the extended project has been drafted and this report therefore requests this is endorsed and subject to annual review, as with the original project. Subject to

satisfactory performance, it is proposed that the Executive Director – Economy, Transport and Environment has delegated authority to continue the agreement to the end of the project (October 2022). As part of this process, an annual performance review will be presented by Marketing Derby to the DEP Board via the DEP Investment Steering Group.

The project will continue to deliver a wide range of specialist inward investment support to small and medium-sized enterprises (SMEs) looking to launch or grow their businesses in D2N2. It is expected this will lead to increased productivity, the creation of new or expanded enterprises and jobs and new products and services. The focus will be on supporting businesses to grow and invest in the region as currently delivered through the “Invest in D2N2” project, but will 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 will attract more successful businesses to the D2N2 region supporting innovation and best practice, as well as delivering jobs in disadvantaged communities.

Specific activities will include:

- Providing advice and support to entrepreneurs and businesses looking to grow and invest in the region via specialist advisors.
- Developing tailored propositions for businesses to support their investment.
- Undertaking marketing campaigns and co-ordinated events, to help promote the region to prospective businesses/investors.

Through the extended project, the proposal is to further develop and expand “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”.

Following the success of the first phase of the project and the work generated as a result, the second phase includes a proposed additional inward investment executive for Derbyshire.

Managing Performance and Delivery

A detailed “Invest in Derbyshire” delivery plan for the period to 2022 has been drafted and the final draft will be taken to the next DEP Inward Investment Steering Group for endorsement.

The delivery plan will set out a framework for measuring performance including agreed outputs and performance measures, actions, timescales and resources. The proposal is for performance to be managed quarterly through the DEP Investment Steering Group with contractual management provided operationally by the Senior Economic Development Officer (Inward Investment).

The delivery plan will outline a range of activity including cross-cutting actions for further developing the service and key areas of focus including attracting and servicing Foreign Direct Investment (FDI) and developing sector specific activity including advanced manufacturing, logistics, hotel accommodation, retail and emerging sectors.

The delivery plan will also cover mandatory ERDF outputs proposed for delivery for the D2 element include 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).

The project, as a whole, and the “Invest in Derbyshire” element specifically continues to deliver the Derbyshire Economic Strategy Statement (DESS) and complements both the Midlands Engine Strategy and D2N2 Strategic Economic Plan. In addition, inward investment forms an integral part of the Council’s commitment to delivering new and enhanced enterprise and investment services as set out in the Cabinet report approved on 11 January 2018 (Minute No. 08/18 refers) which committed additional budget to support the Council Plan objective of delivering “A Prosperous Derbyshire”.

(3) Financial Considerations

The total cost for the “Invest in Derbyshire” element of the project (including 50% contribution from ERDF) is £355,855. The enhanced project requires match funding from the Council of £177,928 for a three year period which was approved by the Cabinet Member on 9 May 2019. The match funding approved includes the alignment of 0.3 full time equivalent (FTE) of an existing Senior Economic Development Officer (Grade 11) at a cost of £21,719 with remaining match funding of £156,209 allocated from the Economy and Regeneration budget (Minute No.04/19 refers).

(4) Legal Considerations

As set out in report approved on 9 May 2019, the Council has an existing Partnership Grant Agreement with Marketing Derby dated 11 May 2017, covering the three year period of the first phase of the project which ended on 31 October 2019.

Following ERDF approval, a new Agreement has been drafted to contract Marketing Derby to deliver the project extension from 1 November 2019, until the end date of 31 October 2022. The Agreement will be reviewed on a 12 month basis, as is currently the practice.

(5) Human Resources Considerations

As set out in the report approved on 9 May 2019, the match funding sought

will include 0.3 FTE of the Senior Economic Development Officer (Inward Investment) who will project manage the contract with Marketing Derby on behalf of the Council.

(6) Social Value Considerations

The aim of the project is to increase inward investment activity in Derbyshire, thereby creating new employment opportunities for local people and improve productivity and growth for local businesses and supply chains.

Other Considerations

In preparing this report the relevance of the following factors have been considered: prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

(7) Background Papers

Held on file in the Economy and Regeneration Service within the Economy, Transport and Environment Department.

(8) Key Decision No.

(9) Call-In

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(10) OFFICER'S RECOMMENDATIONS That the Cabinet Member:

- 10.1 Notes the report and the proposal to extend the "Invest in Derbyshire" service following the approval of the "Invest in D2N2" (Derby, Derbyshire, Nottingham and Nottinghamshire) European Regional Development Fund contract extension.
- 10.2 Notes and approves the proposals for managing performance and delivery and delegates authority to the Cabinet Member to monitor performance through the Derbyshire Economic Partnership Investment Steering Group.
- 10.3 Delegates authority to the Executive Director - Economy, Transport and Environment, to agree an extension of the partnership grant agreement between Marketing Derby and the Council on an annual basis until 31 December 2020, subject to satisfactory performance and achievement of agreed outputs.

Mike Ashworth
Executive Director – Economy, Transport and Environment