



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**Thursday, 14 November 2024**

**Report of the Executive Director - Place**

**East Midlands Investment Zone – Call for Projects**  
(Cabinet Member for Infrastructure and Environment)

**1. Divisions Affected**

1.1 County-wide.

**2. Key Decision**

2.1 This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

**3. Purpose**

3.1 To update Cabinet on a call for investment proposals under the East Midlands Combined County Authority's (EMCCA) 'sprint' programmes in support of the East Midlands Investment Zone (EMIZ) and the short timescales within which bids needed to be prepared.

3.2 To seek Cabinet approval in principle to:

- the receipt of grant funding from EMCCA for the three bids submitted (Advancing Staveley Waterside, Derbyshire Connectivity North and Derbyshire Connectivity South);
- the addition of approved, funded projects to the capital programme and the commercial pipeline; and
- the carrying out of consultation where required.

3.3 To seek Cabinet approval for the Executive Director – Place, to approve the acceptance of specific funding offers, in consultation with the Director of Finance and the Cabinet Member for Infrastructure and Environment, and to authorise any required consultation for funded projects.

#### **4. Information and Analysis**

4.1 Cabinet is aware that at its meeting of 7 December 2023, Full Council agreed to the creation of the East Midlands Combined County Authority (EMCCA) with the Council as a Constituent Member (Minute No 100/23 refers). Maximising the benefits of the devolution deal, which established EMCCA, has been adopted as a Council Plan objective. Whilst EMCCA is, for the most part, at an early stage of developing its strategies and investment programmes, some of the earliest investment will be in support of the East Midlands Investment Zone (EMIZ) which has the following objectives:

- to establish the East Midlands as the national centre of excellence for green technology investors;
- maximise the potential of EMIZ by investing in key regional assets;
- support investment by indigenous businesses to promote employment and productivity growth within target sectors;
- to sustain innovation that can secure local growth at the cutting edge;
- to provide access to opportunity for local residents and businesses, supporting local regeneration and community wealth building; and
- deliver the EMIZ Net Zero Ambition.

4.2 EMIZ status brings a number of advantages: it offers specific incentives to businesses located in defined sites across the East Midlands; and brings the benefit to EMCCA of 100% retention of business rates from these sites over a 30-year period. The defined sites are:

- Hartington/Staveley, within Chesterfield Borough.
- The Centre of Excellence for Modern Construction, within Nottinghamshire but adjacent to the Derbyshire boundary at Whitwell
- Infinity Park Derby, within Derby City but adjacent to the South Derbyshire Growth Zone within South Derbyshire.

4.3 At the time of drafting this report, Government is yet to confirm the formal establishment of EMIZ but is expected to do so imminently. In anticipation of this and taking into account that there is funding to be defrayed during 2024-25, EMCCA has taken steps to establish how funding for the current financial year will be deployed. It is doing this by

seeking to support 'sprint' projects under three separate strands defined below:

**4.4 Strand A: Planning and Development Sprint (2024-25 budget allocation: £2m)**

The fund will accept bids from organisations promoting sector related investments and activities within the EMIZ for investment to support business case development including (but not limited to) the following activities:

- market analysis and proof of concept;
- stakeholder engagement and marketing;
- technical feasibility assessments;
- design development;
- achieving planning and related consents;
- business planning and business case preparation; and
- minor capital works that contribute to de-risking the delivery of a designated site or future investment proposal.

4.5 Grants of more than £0.250m may be available for projects demonstrating the potential to achieve a major contribution to meeting the strategic objectives of the EMIZ and meeting the requirements for full grants outlined above.

4.6 This strand has been brought forward through a call for projects with a submission date of 15 October 2024, ahead of a November report to the EMIZ Development Board. For successful projects, payment will be made in one lump sum. It will be a condition of grant that recipients defray funding within the 2024-25 financial year and report on performance to inform the EMCCA quarterly/annual returns to Government. Variations to bids will need to be approved by EMCCA or may be subject to clawback provisions.

4.7 In assessing potential submissions for which the Council may act as sponsor and grant recipient, key criteria have been:

- That the local match funding required (of 25% for smaller projects and 50% for larger projects) can be met from existing sources.
- That the relevant project has existing status for the Council but could be enhanced through securing additional budget through this sprint funding.
- That the project supports the objectives set out in 4.1 above.
- That, given the need for rapid delivery, the project would not have undue impacts upon supply chain to the detriment of other priorities

4.8 Taking the above into account, the following projects were identified as valid submissions for funding:

- **Advancing Staveley Waterside** - the construction of a canal-side hub is underway utilising Council and Staveley Town Deal funding. The proposal is to seek EMIZ funding to add mooring facilities at the canal basin plus the fit-out of part of the hub to serve as an inward investment 'front door' for the Hartington-Staveley site.
- **Derbyshire Connectivity North** - through development of existing Key and Local Cycle Network infrastructure which would support the successful roll-out of the Hartington/Staveley site.
- **Derbyshire Connectivity South** - addressing the same objectives in support of Infinity Park Derby.

4.9 Cabinet will wish to note that other organisations (public, third and private sectors) will be preparing applications for this strand, some of which may have implications for Derbyshire. It is anticipated these may include proposals to add capacity for planning and inward investment, with a view to creating the optimum climate for inward investment in the EMIZ sites.

4.10 **Strand B: Research and Innovation Sprint** (Year 1 budget allocation: £0.735m)

This will consist of two elements:

- **Innovation Roadmaps** to inform the development of a four-year Innovation Programme for the Green Industries and Advanced manufacturing sectors. A budget allocation of £0.185m is proposed, supporting the delivery of sector workshops, mapping of sector businesses, supply chains and related stakeholders, coordinating investment plans around priority themes, and accelerating business case development for priority projects. This element will be coordinated by the University of Nottingham, using existing resources and commissioning external consultants. The University of Nottingham will be invited to share a detailed proposal, confirming the scope of the work to be undertaken, proposed delivery arrangements and costs.
- **Pilot Projects** focussed on initiatives testing routes to market for innovative green industries sector products/processes within the East Midlands. As proposed, the pilot initiative will be coordinated by the University of Derby, with £0.050m of the overall programme committed to administering project grants and monitoring. The University of Derby will be invited to prepare a high-level business case detailing the scope of the programme.

- 4.11 It is not intended that the Council plays a delivery role in this Strand, although officers will liaise with partners in order to encourage outcomes beneficial to Derbyshire.
- 4.12 **Strand C: Skills Sprint** (Year 1 budget allocation: £0.150m)  
This Sprint will allocate funding to support the development of Green Industries and Advanced Manufacturing-related skills based on the design and implementation of skills and training plans. As proposed, this element will be led by the University of Derby and will involve:
- coordination of strategy and plans across the Green Industries and Advanced Manufacturing sectors (including work across nuclear, hydrogen, retrofit activities);
  - business and partner engagement around skills and training needs;
  - development of a pipeline of interventions for delivery in future years; and
  - provide resources to support bid readiness in the form of an advisor to assist in developing and coordinating proposals.
- 4.13 The University proposes to work with a Task and Finish Group made of key stakeholders including Higher Education (Nottingham Trent University), Further Education (Chesterfield College, Nottingham College or other FE partners by agreement), business representation partners and EMCCA. As with Strand B, officers will monitor this but will not be making any direct submissions for funding.
- 4.14 As noted above, successful delivery of any projects for which grant funding is offered will require rapid mobilisation to enable spend by the end of March 2025. In the anticipation (although not guaranteed) that one or more of the applications will be successful in securing grant funding, the requisite approvals need to be in place. As a result, Cabinet is requested to give its approval in principle to the following (subject to the applications being successful):
- The acceptance of grant funding from EMCCA towards Staveley Waterside, EMIZ Connectivity North and EMIZ Connectivity South.
  - The addition of EMIZ Connectivity North and EMIZ Connectivity South to the capital programme and the commercial pipeline.
  - The carrying out of any consultation required in order to progress the above projects.
- 4.15 In order to allow the Council to exercise agility over project mobilisation, Cabinet approval is also sought for the Executive Director – Place, to approve the acceptance of specific funding offers, in liaison with the

Director of Finance and the Cabinet Member for Infrastructure and Environment, and to authorise any required consultation for funded projects.

## **5. Consultation**

- 5.1 No consultation is required relating to the recommendations of this report. In the event of any applications for grant funding being successful there may be a need for local consultation around proposed schemes, hence the in-principle approval and delegated authority sought through this report.

## **6. Alternative Options Considered**

- 6.1 Option 1: The Council is under no obligation to seek funding through this opportunity. As noted above, there is a specific Council Plan objective to maximise the benefits of the devolution deal, and this opportunity provides the potential to introduce or enhance existing aspirations.
- 6.2 Option 2 - Other than those set out in this report, the Council would be at liberty to seek funding for alternative projects. The criteria set out in paragraphs 4.4 to 4.7 above, though, have limited the range of projects that would secure funding, and within this reduced scope officers have prioritised on the basis of strategic fit, value for money and deliverability.

## **7. Implications**

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

## **8. Background Papers**

- 8.1 Report to Full Council on 7 December 2023 on Consent to the East Midlands Combined County Authority Regulations (Minute No 100/23 refers).

## **9. Appendices**

- 9.1 Appendix 1 - Implications.

## **10. Recommendations**

That Cabinet:

- a) Notes the call for investment proposals under the East Midlands Combined County Authority's 'sprint' programmes in support of the East Midlands Investment and the short timescales within which bids needed to be prepared.
- b) Approves in principle:
  - the receipt of grant funding from EMCCA for the three bids submitted (Advancing Staveley Waterside, Derbyshire Connectivity North and Derbyshire Connectivity South).
  - the addition of projects to the capital programme and the commercial pipeline
  - the carrying out of consultation where required
- c) Authorises the Executive Director – Place, to approve the acceptance of specific funding offers, in consultation with the Director of Finance and the Cabinet Member for Infrastructure and Environment, and to authorise any required consultation for funded projects.

## **11. Reason for Recommendations**

11.1 To enable rapid mobilisation of any projects for which grant funding is offered, to be defrayed during 2024-25.

## **12. Is it necessary to waive the call in period?**

12.1 No.

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### **Implications**

#### **Financial**

- 1.1 The report seeks authorisation to accept grant funding, which will carry conditions relating to the provision of local 'match' resources. The selection of projects has been on the basis that this local match must already be secured without any need for additional Council resources.

#### **Legal**

- 2.1 The Constitution requires Cabinet approval for the acceptance of grant of over £500,000 not included in the Service Plan, which would be the case should offers be received for all projects to which this report applies.

#### **Human Resources**

- 3.1 There are no human resource issues directly associated with this report. However, the portfolio of regeneration projects has significant implications for the workload of staff within the Economy and Regeneration Service, alongside Highways and Legal, Property and Finance services.

#### **Information Technology**

- 4.1 None as a result of this report.

#### **Equalities Impact**

- 5.1 If grant funding is offered, funded projects will be the subject of Equalities Impact Assessments, either specific to the project or under the wider programmes within which they fall.

#### **Corporate objectives and priorities for change**

- 6.1 The recommendations of the report are in pursuit of an existing Council Plan commitment to maximise the benefits to Derbyshire of the devolution deal to support sustainable economic growth.

#### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 None arising directly from this report. If grant funding was secured, some property implications would arise in delivering the supported projects.