

MINUTES of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES (LOCAL ENTERPRISE PARTNERSHIP WORKING GROUP)** held at County Hall, Matlock on 2 December 2019.

PRESENT

Councillor J Boulton (in the Chair)

Working Group Members

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| Cllr N Barker | Derbyshire County Council, |
| Cllr B Bingham, | Derbyshire County Council |
| Cllr Peter Innes | Chesterfield Borough Council |
| Cllr John Shepard | Bassetlaw District Council |
| Cllr J Twigg, | Derbyshire County Council |
| Cllr M Wall | Derbyshire County Council |
| Cllr G Wharmby | Derbyshire County Council. |

Also in Attendance

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| Sajeeda Rose | Chief Executive D2N2 |
| Tom Goshawk | Head of Capital Programmes |
| Natalie Gasson | Head of Operations D2N2 |
| Sarah Wainwright | Accountable Body |
| Roz Savage | Improvement and Scrutiny Officer |

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| 1/19 | <p><u>Apologies</u> Apologies for absence were received from: Cllr T A Kemp Derbyshire County Council. Cllr C Moesby Derbyshire County Council.</p> | |
| 2/19 | <p><u>Declarations of interest</u> None</p> | |
| 3/19 | <p><u>D2N2 Programme Delivery</u></p> <p>As this was the first meeting the Chairman gave a brief introduction about the scope and role of the Working Group. He stated that :</p> <ul style="list-style-type: none"> • It is proposed that the initial focus of the working group will be Programme Delivery. The rationale for this being that the D2N2 Local Enterprise Partnership (LEP) received “Requires Improvement” at the last Annual Performance Review. • The role of the working group will be to undertake a strategic overview of the mechanisms in place to ensure programme delivery, and that for this initial piece of work the emphasis will be on the Local Growth Fund. • It is not the intention that the working group will look at individual | |

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| | <p>schemes in detail, particularly as individual LGF schemes are being evaluated through a commissioned project due to be completed in early in 2010. It is anticipated that final report of this project will provide useful evidence to the working group.</p> <p>Sajeeda Rose and Tom Goshawk gave a presentation which included the following: The LEP's role and structure; D2N2 Assurance Framework; Capital Programme; Project Approval Process; Programme and Risk Management; Performance and Evaluation (See attached presentation slides).</p> | |
| 4/19 | <p><u>Next Steps – Member Discussion</u></p> <p>During the discussion the following issues and action points were raised:</p> <ul style="list-style-type: none"> a) Members agreed that initially the correct focus for the working group should be corrective action following the LEP's delivery being assessed as "requires improvement" b) It is not the intention for the working group to replicate the work of LEP officers and the Investment Board in analysing the quarterly figures. The working group will adopt overseeing role to ensure that the LEP and IB are operating in the way they have outlined and that the approach is effective. c) Members requested a copy of the BEIS Annual Performance Review Guidance d) Members discussed what information they would like to receive at future meetings, including more detail about the corrective measures that have been identified to ensure high risk projects meet their delivery targets, how effective the measures have been and what steps the Investment Board takes to ensure progress against the corrective measures. e) Periodically scrutiny members may invite members of the Investment Board to present to the working group. f) Members considered the timing of future working group meetings It was noted that project outputs are "tail end weighted" and that the impact of this is that when outputs are reported at the end of the year there can be big gains or losses. Members need to be mindful that some projects only report annually and also that the timing of the working group meetings need to allow sufficient time for corrective actions to be identified. g) The working group would like to be informed about when quarterly figures are available. h) It was proposed that the working group meets early in the New Year to determine its Work Programme and then meet with appropriate witnesses after the end of the financial year (when the annual figures are available) and when quarter 2 figures are available. | <p>c) RS to circulate guidelines.</p> <p>g) RS to ascertain when quarterly figures are available</p> |

D2N2 LEP Scrutiny Meeting

Sajeeda Rose, Tom Goshawk and
Sarah Wainwright

December 2019



Local Enterprise Partnerships

- Strategic Partnership for enabling Growth
- Public-Private partnerships
- One of 38 LEPs across England
- New era for LEPs and D2N2
- LEP review – strengthened purpose to drive economic growth and emphasis on stronger accountability and transparency



D2N2 Capital Programme

- The D2N2 Capital Programme is made up of £250m of Capital Grant Funding called the Local Growth Fund
- The Local Growth Fund has 48 projects across Derbyshire and Nottinghamshire
- The funding covers a wide range of programmes which include Place Making, Flood prevention, Transport Infrastructure and Digital Infrastructure



D2N2 Investment Board

- The D2N2 Investment Board is part of the D2N2 Governance Structure, Chaired by the LEP Chair and oversees all Capital Programmes delegated to the LEP.
- The Board is made up of:
 - Four Upper tier authorities (One Member each)
 - Four District Members (Two Derbyshire, Two Nottinghamshire)
 - Three Private Sector Members
 - One Social Inclusion Member
 - Department for BEIS (Government representative)



Role of the Accountable Body

- D2N2 has a single accountable body which is contracted to ensure that the LEP discharges its accountability and governance procedures in line with the National Assurance Framework
- All Accountable Body functions are signed off by the Section 151 officer:
 - Oversight
 - Fund management
 - Contract Management
 - Scrutiny
 - Governance Compliance



D2N2 Local Assurance Framework

- The D2N2 Local Assurance Framework is the governing document which sets out the approval process for projects and all aspects of LEP Governance and accountability
- The document sets the guiding principles that the LEP and Accountable Body must comply with in accordance with the National Assurance Framework
- The document is approved by the D2N2 Board and Investment Board



Approval Process

- Projects are brought forward using a three stage process:
 - Expression of Interest
 - Outline Business Case
 - Final Business Case
- Following the approval of a Final Business Case, a funding agreement is signed by the project applicant and D2N2/Derbyshire CC.



Programme and Risk Management

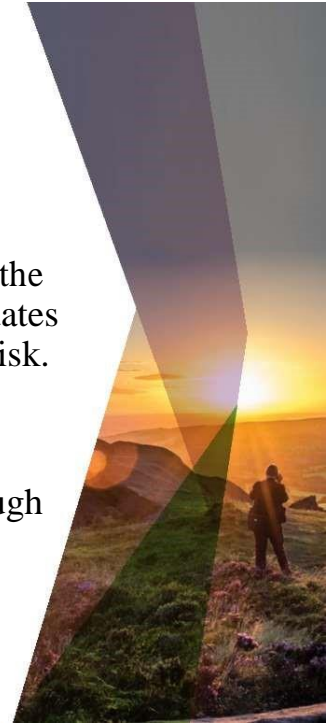
- Each project is given an individual RAG rating based on, Expenditure in year and programme, Delivery against programme and Output delivery
- High Risk Projects are individually flagged at each Investment Board meeting in the 'High Risk Update'
- Regular progress meetings are held with unapproved projects and all are held to account on a series of milestones up to FBC Delivery





Risk and Change Management

- Any project that is deemed to be a ‘High Risk’ by the Investment Board is asked to provide regular updates to The Board on progress and mitigations to the risk.
- Any changes to the approved contract must be formally approved by the Investment Board through a project change process.



Programme performance to date

- D2N2 has currently approved 42 of its 48 projects and is programmed to commit the remaining projects by March 2020.
- £188.5m of Local Growth fund has been allocated to projects to date out of the £250m
- The LEP has previously recorded underspends of its LGF allocation in the 16/17 and 17/18 financial years.



Remaining Programme

- All projects are now working to milestones to achieve Final Business Case sign off and deliver spend before March 2021
- Significant progress to reducing previous years underspend and strengthen delivery
- Currently on track to ensure full commitment of the programme by March 2020 and spend by March 2021



Outputs and Evaluation

- Jobs, Homes and Learners are the key output areas
- D2N2 is required to deliver 29,000 jobs and 10,700 homes through its Growth Deal.
- Quarterly monitoring on programme against contracts, variances are reported to the Investment Board
- Impact evaluation of the programme is underway and evaluating the impacts to the wider economy

