

**DERBYSHIRE COUNTY COUNCIL
IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES**

23 July 2020

Report of the Chairman of the Committee

Local Enterprise Partnership Scrutiny Working Group – Update

1. Purpose of the Report

To inform the Committee of the proposed next steps of the working group established to scrutinise the activities of the D2N2 Local Enterprise Partnership (LEP).

2. Background Information

The working group was established, in September 2019, to scrutinise the activities of the D2N2 LEP. It is made up of Members from this Committee and a representative from each of the following councils: Bassetlaw District Council, Chesterfield Borough Council and Nottingham City Council. The meetings held to date have considered delivery of the Local Growth Fund programme, because, the LEP's delivery progress was considered to "require improvement" in the 2019 Annual Performance Review (APR). Now in 2020, following the most recent APR delivery is rated as "Good".

The 2020/21 Financial Year is the final year of the 6-year LGF programme, all funding for the entirety of the programme must be spent by 31st March 2021. Any grant that is given to projects must be able to evidence they have used the LGF by proving their expenditure figures on the project. Central Government have made clear the 31st March 2021 deadline still must be met and there will be no extensions to the LGF programme, which includes no further funding being made available.

3. Update

On 3 June 2020 Sajeeda Rose (Chief Executive, D2N2 LEP) and Tom Goshawk (Head of Capital Programmes, D2N2 LEP) attend a working group meeting. Their presentation focused on the impact of the Covid-19 pandemic on the delivery of Local Growth Fund (LGF) programme.

Lockdown conditions from the Covid-19 pandemic had an initial impact on projects which were on site, whilst all those projects are now back on site, social

distancing and supply chain issues are causing additional cost and time pressures to projects. Projects which are near completion and have mainly indoor work left to be completed have been hardest hit. The LEP is working closely with projects to look at what flexibilities are possible and review the situation around costs once full assessments can be carried out to understand the extent of price increases to the projects across the whole programme.

Most projects yet to be finally approved have continued to progress and some have been able to submit full business cases and come forward for approval. One project has now been withdrawn from the programme as the Local Authority promoter did not want to commit to any additional borrowing in the current climate to fund the project. This has now left the programme under programmed by £710k. The LEP are now in discussions with 2 further projects from the pipeline to see if these projects can be brought forward onto the programme. These must be able to do two things, be compliant with the Local Assurance Framework as quickly as possible to ensure it is 'contractually committed' and spend its allocation before 31st March 2021.

Lobbying Government for an extension of the programme will continue as these types of projects will play a vital role in the recovery from the pandemic with new jobs being created, jobs being safeguarded, new homes being built, and new learners engaged.

Some projects are rethinking the delivery of their project and presenting different ways of bringing them forward, for example re-phasing them in a different order to ensure the deadline can be met

4. Next Steps

The working group will meet again in November 2020 when the mid-year data will be available. The focus will be on the LEP's Strategic Economic Plan and how it is tailored to local need to support economic recovery. Members have indicated that they wish to consider the local skills base, opportunities to repurpose local industry, access to learning, jobs and training and projects to boost productivity in Derbyshire.

5. Officer's Recommendations

The Committee notes this progress report.

Cllr Tony Kemp

Chairman of the Improvement and Scrutiny Committee - Resources