

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3524

Author:

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Department:

Development and Growth

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Subject:

Transfer of D2N2 Accountable Body status for Growing Places Fund and Enterprise Zones to Derbyshire County Council

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£15,000,000. Cost neutral, as the City Council manages the funds on behalf of D2N2. (Type: Capital and Revenue)

Decision Being Taken:

- 1) To note the transfer of Accountable Body status for the Growing Places Fund (GPF) and Enterprise Zones (EZ) on behalf of the D2N2 Local Enterprise Partnership (LEP) to Derbyshire County Council, and the transfer of the GPF loans and funds held by Nottingham City Council on behalf of the D2N2 LEP to Derbyshire County Council.
- 2) To delegate authority to the Corporate Director for Development and Growth to negotiate and sign all necessary legal agreements to give effect to the transfer.

Reasons for the Decision(s)

In 2011, the Department of Communities and Local Government (CLG) made available approximately £26,000,000 to the D2N2 LEP via the GPF. The GPF is a 'revolving fund' aimed at delivering infrastructure that directly supports economic activity, job creation and unlocks development opportunities with the funding paid back over an agreed period.

The D2N2 LEP identified the Nottinghamshire EZ, focused on the Boots Campus, as a priority for GPF funding and a significant element of the GPF has been made available to support remediation, infrastructure and employment growth at Alliance Boots. Other funding has been allocated to private companies for physical regeneration projects across the LEP area. Approximately £15,000,000 remains in the fund at 31 March 2019.

CLG required a single Accountable Body for each LEP area for managing the GPF. After a formal tendering process, Nottingham City Council was chosen by the D2N2 LEP as the Accountable Body. At the D2N2 LEP board of 2 November 2012, Nottingham City Council agreed to act as the Pooling Authority for all of the business rate uplift income generated from the four D2N2 LEP EZ sites.

The four sites currently within the D2N2 EZ are Nottingham Science Park, Boots Site, Infinity Park and Beeston Business Park. The period for the business rate uplift is 25 years starting from April 2013 for all sites except Infinity Park, which started from April 2015 due to the decision for it being included in the EZ occurring later.

The Government review of LEPs in 2018 required that LEPs should have a single accountable body to manage all funding streams. This was formalised in the National Local Growth Assurance Framework of January 2019. Since this responsibility had previously been split between different local authorities, D2N2 LEP ran a tendering process for this and Derbyshire County Council were successful.

We are therefore required to transfer all Accountable Body responsibilities for the GPF and EZs to Derbyshire County Council, who will take over this responsibility from 1 April 2019. This includes all existing contracts with loan recipients and funds not yet distributed, and responsibility for collecting business rates uplift from the EZs.

Other Options Considered:

Doing nothing is not an option in this case as the Government requires a single accountable body for each LEP. We participated in the tendering process, but this was won by Derbyshire County Council, so there is a legal requirement to transfer the Accountable Body status and funding.

Background Papers:

None

Published Works:

Growing Places Fund - Accountable Body: report to Executive Board 22 May 2012
Enterprise Zones - 2 November 2012
Executive Board Minutes - 22 May 2012
D2N2 Local Enterprise Partnership Board Minutes - 22 January 2019
National Local Growth Assurance Framework - January 2019

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	None
Equality:	EIA not required. Reasons: The proposals do not represent changes to a policy, service or function.
Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	17/05/2019
Advice Sought:	Legal, Finance
Legal Advice:	<p>This report does not raise any significant legal issues. As a consequence of the transfer from the City Council to Derbyshire County Council of the status of accountable body for the D2N2 LEP the City Council will transfer contracts awarded by the City Council to the County Council. The legal mechanism for doing this a novation agreement. The terms of the novation agreement have been agreed with the County Council. Provided the other party to the contract agrees to enter into the novation agreement with the City Council and the County Council (for example in the case of a loan from the City Council the other party is the borrower) the City Council will have no continuing contractual liability. If a party refuses to enter into the novation agreement the City Council and County Council will need to agree alternative arrangements such as an assignment or trust arrangement. The Legal Services team will assist colleagues in Development with any necessary legal documentation to give effect to the transfer.</p> <p>Advice provided by Andrew James (Team Leader Contracts and Commercial) on 09/04/2019.</p>
Finance Advice:	<p>Nottingham City Council acted as the Accountable Body for D2N2, however, a recent tendering process saw Derbyshire County Council appointed as Accountable Body from April 2019. Part of the Accountable Body role required administration for the D2N2 funds by Nottingham and a management fee was charged for this to enable the work to be undertaken. However, this role was temporary and finished at the end of March so the loss of this funding places no financial pressure for covering this role.</p> <p>There are no other financial implications of this decision.</p> <p>Advice provided by Susan Tytherleigh (Senior Finance Manager) on 03/04/2019.</p>
Signatures:	<p>Jon Collins (Leader of the Council)</p> <p>SIGNED and Dated: 09/05/2019</p> <p>Chris Henning (Corporate Director for Development and Growth)</p> <p>SIGNED and Dated: 08/05/2019</p>