

THE D2N2 LOCAL ENTERPRISE PARTNERSHIP

STRATEGY FOR GROWTH 2013-2023



THE UK'S MOST
INSPIRATIONAL
POSTCODE



FOREWORD

As the Board of the D2N2 Local Enterprise Partnership, we are proud to endorse 'D2N2 – The UK's Most Inspirational Postcode'; our strategy for economic growth in Derby, Derbyshire, Nottingham and Nottinghamshire.

The D2N2 Local Enterprise Partnership provides a framework to enable growth, create jobs and make a strong case for investment. D2N2 has a proud history of industry and innovation. Making things is in our economic DNA.

From being the cradle of the industrial revolution and home to the world's first factory, D2N2 remains a dynamic and diverse economy with enduring excellence in high-tech manufacturing, particularly in transport, medicine and bioscience, and construction. We have world-class universities and excellent innovative companies large and small, from Sygnature Discovery in Nottingham to Toyota UK, Alliance Boots, E.ON and Rolls-Royce. With developments like 'BioCity' and the Global Technology Campus we can grow the firms of tomorrow. In D2N2, we invent, we make, we sell and we export.

At the very heart of the UK, with excellent and improving transport and digital connectivity, a skilled workforce, innovative capacity, high-quality locations and vibrant urban and rural environments, D2N2 is the competitive location for business investment.



FOREWORD [CONTINUED]

D2N2 is a partnership with the purpose of delivering economic growth. As a partnership we are committed, in the long-term, to taking a prioritised and focused approach to creating the conditions for our businesses to thrive and create jobs. By 2023, we want to be recognised as:

- ✦ Inspiring and supporting people to achieve their potential
- ✦ Developing an economy that will provide opportunities for our young people to live, work and prosper
- ✦ Building on our strengths to create well paid and rewarding jobs for local people in our key growth sectors
- ✦ Developing the innovation ecosystem to accelerate economic growth
- ✦ Exploiting opportunities in the fastest growing markets throughout the globe
- ✦ Making D2N2 the best connected place in the country, at the heart of the national economy, with all communities able to contribute to growth and prosperity regardless of location
- ✦ Home to Nottingham, the leading city in the UK for medicine and bioscience
- ✦ Home to Derby, the leading city in the UK for transport manufacturing and engineering
- ✦ Presenting a world-class destination of choice for visitors and investors alike
- ✦ Ensuring the benefits of growth are shared by all.

This strategy sets out our priorities for action but it will not, by itself, create growth. We will inspire growth and local prosperity by working with partners to implement the strategy. Whilst we will continue to review, refine and improve our strategy through being agile in realising emerging growth opportunities, our relentless focus will be on implementation and delivery.

PETER RICHARDSON

Chairman,
D2N2

PROFESSOR JOHN COYNE

Higher and Further
Education Board Member

PETER GADSBY

Private Sector
Board Member

TREVOR FLETCHER

Private Sector
Board Member

RICHARD HORSLEY

Private Sector
Board Member

CLLR PAUL BAYLISS

Leader, Derby
City Council

CLLR ANNE WESTERN

Leader, Derbyshire
County Council

CLLR JON COLLINS

Leader, Nottingham
City Council

CLLR ALAN RHODES

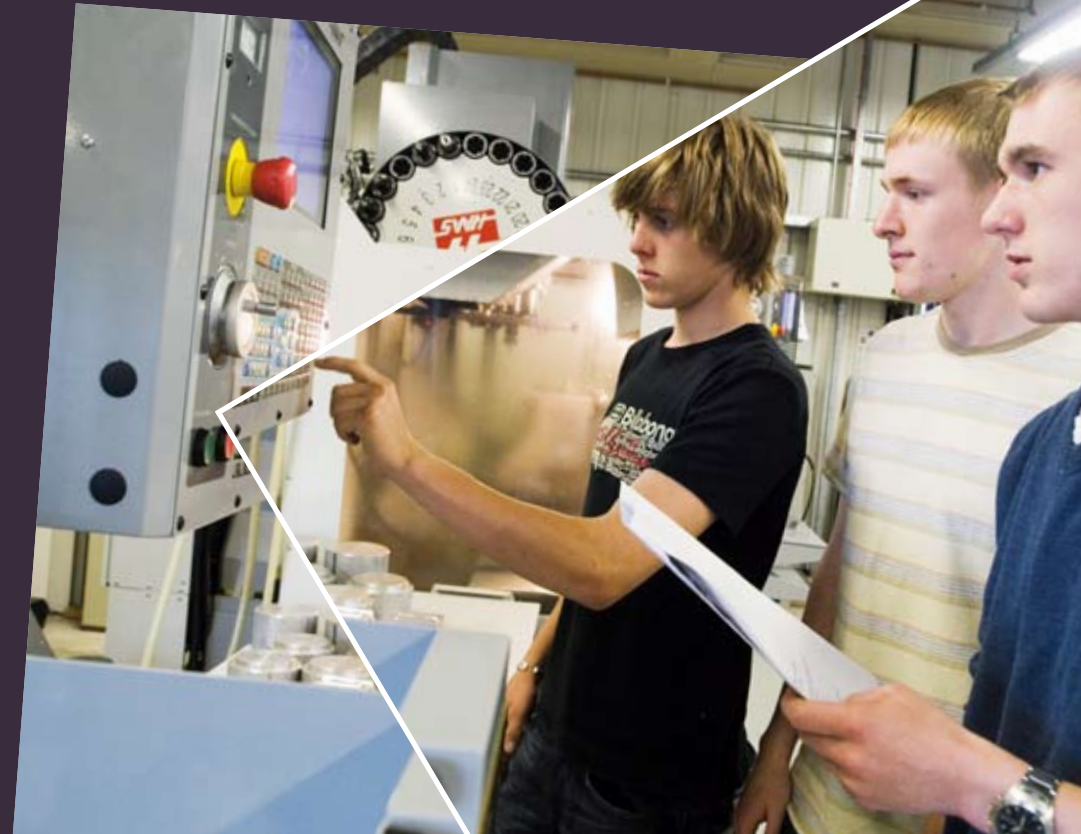
Leader, Nottinghamshire
County Council

OUR VISION FOR GROWTH

Our vision and ambition is built on our knowledge of the D2N2 economy, recognition of the challenges and opportunities of the 21st century global economy and our understanding that economic growth is not an end in itself. Economic growth enables individuals to access the opportunities to lead productive and rewarding lives, our society and culture to flourish and to protect and enhance our environment, creating a sustainable, low-carbon future for the D2N2 area.

Our Vision is: "A more prosperous, better connected, and increasingly resilient and competitive economy."

To pursue our vision, we will inspire action to make D2N2 the most competitive and sustainable business location in the UK. Our vision is long-term and it will not be a quick fix. In the short-term we will prioritise the investments and infrastructure to accelerate our economic recovery but we will also focus on the development of the skills of our young people and workforce and growth of our key sectors to ensure our long-term self-sustaining growth and prosperity.



OUR GROWTH DEAL

D2N2 will inspire economic growth. We will support firms to innovate, invest, export, grow and create sustainable jobs. Through our Growth Strategy, we will shape the conditions and investments to support businesses to grow. Partners within D2N2 have significant resources, programmes and capabilities to support economic growth. Local Authorities have supported the development of local Growth Plans, higher education institutions have a major economic role in driving demand, innovation and skills and businesses are the motor of growth.

As partners we will support growth by acting together, harnessing the partnership's resources to create the conditions and inspire the investments that will support businesses to grow. By acting as a genuine partnership, committing our time and resources to promote growth, we will achieve more than we can apart.

The data demonstrates that in order to close the gap with the UK average and achieve our vision, the D2N2 economy needs to deliver a step change in employment. D2N2 is ready for this challenge.

The single target of this Growth Strategy is to support the creation of 55,000 additional jobs in D2N2 by 2023. The majority of these jobs will be in the private sector.

Our commitment to growth is reflected in the ambitious target that we have set. However, by itself, catalysing the resources of partners within the D2N2 area will not be enough to achieve our vision or hit our targets. To realise the full potential of our area, we will ask Government to devolve further growth-shaping resources for direction by D2N2.

Growth will not only be influenced by the actions we take or inspire, it will be influenced by national and international economic conditions, the underlying strength of our economy and the path we have followed to date. This is why the commitments that we make are long-term, reflecting the fundamental conditions for sustainable economic growth.



OUR GROWTH DEAL

KEY INDICATORS

In addition to measuring our progress towards our target, we will analyse the health of the economy through monitoring and seeking to positively influence a range of economic indicators, including productivity, employment, unemployment, enterprise and skills. A summary of our comparative performance is provided in 'The State of the D2N2 Economy' report that has been published as an Appendix to this plan.

ACCOUNTING FOR OUR PERFORMANCE

As a partnership, we will account to business for our progress and performance. The Partnership will publish an annual statement of progress and we will hold an annual meeting for partners to hold us to account for our performance.



THE D2N2 ECONOMY

This strategy is built on thorough research into the D2N2 economy, our key sectors, our prospects for growth and our economic geography. Published alongside the strategy is our first 'State of the D2N2 Economy' report.

The D2N2 economy is a varied economy employing nearly 900,000 with a GVA of close to £40bn. It experienced disappointing employment growth figures during the last growth period of 2000-2008, however it has proved relatively resilient during the economic downturn.

Overall employment has remained relatively similar over the past decade and while manufacturing is a continuing strength of the area, one third of its employment base was lost during the period 1998-2008. D2N2 has however one of the largest industrial bases in the UK, and the area has strengths in export related industries. While some of this employment has been replaced by private sector service-based jobs, public sector employment accounted for much of the area's growth during this period.

The area's priority sectors (excluding low-carbon) account for nearly one fifth of the D2N2's employment base, employing over 150,000 people. Of these the visitor economy is the largest, whilst the highest level of growth during the period 1998-2008 was in the construction sector although the sector has faced more challenging times over the past five years. More recently there has been significant growth in the health and bioscience sector.

D2N2's business base has recently been declining following a period of growth during 2004-2008 which was in excess of the national average and the area has a low business density with just 314 businesses per 10,000 population compared with 399 nationally. The labour market is characterised by lower than average skill levels and a lack of professional occupations, although the skills base has been improving. The area also has significant higher education and research strengths. D2N2 continues to have a relatively high unemployment rate and economic inactivity rate, although employment rates have grown higher than the national average during the period 2004-2012. The predominantly rural local authority areas within D2N2 have performed relatively well over recent years.

THE D2N2 ECONOMY

D2N2 ECONOMIC STRENGTHS

- One of the largest LEP areas in employment and population terms, giving it a high supply of labour
- A diverse area, including two major cities, smaller centres serving rural hinterlands and a strong rural economy
- Central location with, affordable business land, excellent infrastructure, competitive wage rates and a high quality of life
- Home to some world renowned visitor destinations and tourism assets (e.g. the Peak District, Sherwood Forest, Robin Hood)
- The area's six growth sectors employ over 150,000 (excluding low-carbon), nearly one fifth of the workforce
- The area secured over 2,000 jobs through foreign direct investment during 2011/12
- The area is home to a number of large and world renowned companies
- The economy has displayed some resilience during the recent economic downturn
- The area retains strengths in manufacturing and export intensive industries
- The area's higher education and research strengths e.g. medical, science and low-carbon
- Evidence of some growth in business sectors, and a number of niche sectors including advanced manufacturing and health and bioscience.

D2N2 ECONOMIC WEAKNESSES

- Disappointing performance during the last growth period of 1998-2008
- A smaller than average and declining private sector base, particularly the private service sector
- Low proportion of employment in knowledge intensive industries and low innovation levels
- Significant recent decline in the area's industrial base – 33% loss during 1998-2008
- Higher than average, and rising, unemployment rates including particularly high youth unemployment
- Some of the area's strategic sectors have not grown significantly over the past decade
- Lower than average population growth
- Lower than average skills levels, particularly at NVQ Level 4 plus and the under-representation of professional and technical occupations.

In summary, the D2N2 economy generally performs just below the English average, hindered by a smaller than average business base, particularly in the private sector. D2N2 however has proved relatively resilient during the economic downturn, and other positives include the presence of a number of globally recognised companies, evidence of relatively successful performance in terms of FDI and export related industries, the area's improving skills base and recent growth in a number of sub-sectors including advanced manufacturing and health and bioscience. The D2N2 area is also an attractive place to locate a business given its affordable business land as well as competitive wage rates, central location, excellent infrastructure links and high supply of labour.

THE D2N2 ECONOMY

TEN DISTINCTIVE CHARACTERISTICS



The D2N2 economy is home to 2.1m people, employing nearly 900,000, with a GVA of nearly £40 billion. Outside of London and the South East, this makes the D2N2 economy the third largest of all the LEP economies.



The Transport Equipment Manufacturing sector, synonymous with the D2N2 area given the presence of some global companies and a large local supply chain, is 40% more productive in the D2N2 area than elsewhere in the UK.



In 2011/12, nearly 2,300 jobs were created by Foreign Direct Investment into the D2N2 area, the fifth largest of all of the LEPs nationally.



The area's priority sectors (excluding low-carbon) account for nearly one fifth of the D2N2's employment base, employing over 150,000 people.



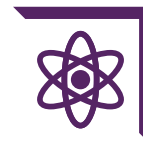
Large firms in the D2N2 area employ nearly 250,000 people, with major multi-nationals such as Toyota, Rolls-Royce and Bombardier located in the area. These large firms are served by a prominent local SME supply chain.



Despite the overall manufacturing sector experiencing decline over the past decade, as with elsewhere in the UK, the advanced manufacturing sector experienced growth of 4.3 % during the period 2008-2010 with the creation of over 2,300 jobs



As a consequence of high-skilled job opportunities, Derby has the highest work-place based earnings of any area in the UK outside of London and the South East.



Nottingham was designated as one of the UK's six Science Cities, with the QMC/Nottingham University Hospital Trust one of the largest teaching hospitals in the UK.



The D2N2 economy has strengths in exporting, with just less than 20% of employment in export intensive industries, placing it within the top quarter of LEPs nationally in terms of exporting



D2N2's health and bioscience sector experienced significant growth of 24% during 2008-2010, with the creation of just over 1,000 jobs. There was particular growth in the manufacture of basic pharmaceutical products and medical and dental instruments.

OUR STRATEGY FOR GROWTH

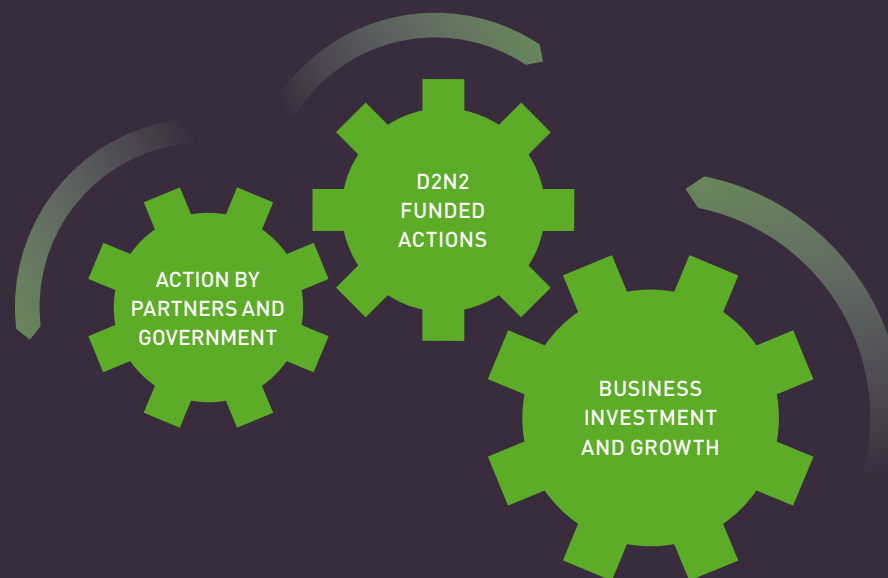
The purpose of D2N2 is to inspire economic growth in our area in pursuit of our shared vision. This Growth Strategy sets out how we intend to achieve this between 2013 and 2023. It identifies our key economic issues and priorities for action.

IMPLEMENTATION – INSPIRING GROWTH

This Growth Strategy will be not be effective unless it is translated into action to support jobs and growth. D2N2 is a partnership, not an agency. Therefore the resources to deliver the majority of actions in support of our vision rest with partners within the LEP, Government and other organisations that affect business growth. In providing credible and compelling economic leadership, D2N2 will catalyse the resource of partners behind actions for growth and continue to demonstrate to Government and others the business case for investing for growth in D2N2. D2N2 will use the resources within its control effectively to leverage investment and activity to support jobs and growth.

This strategy sets out how we will inspire growth, our framework for long-term action and our short-term priorities. D2N2 will publish and regularly refresh a rolling 3-year Operational Plan that details the full range of activities, accountabilities and resources that it will pursue. Within the scope of Growth Strategy there will be activity that is:

- ✓ LEP initiated and majority funded
- ✓ LEP initiated and minority funded
- ✓ Complementary 'on strategy' activity co-ordinated and promoted, but not funded by, the LEP.



OUR PLAN FOR GROWTH

OUR PRIORITIES

We will take a balanced approach identifying short, medium and long-term opportunities, targeting our efforts on the best and most realisable growth opportunities for the D2N2 area. Our decisions are informed by data and aligned to our strategies ensuring a consistent approach which we believe will support effective and sustainable economic growth. Our approach will require tough choices about what we will and more importantly what we will not do or support. We will concentrate our efforts where we believe we have the greatest ability of making a positive impact within our framework of key themes and areas of focus. However we will remain agile to supporting emerging opportunities to support growth that may be beyond the core framework of our strategy.

In the short-term we will focus on supporting investment in infrastructure to drive growth now and provide the platform for future activity and supporting businesses to access the funds they require to invest and grow. In doing so we will prioritise supporting capital investment by business with viable growth plans.

To deliver the required step-change in employment over the next decade we will prioritise:

- Growing and deepening our private sector employment base, particularly in service sectors such as the visitor economy making use of the area's natural assets, and in knowledge intensive industries and in areas where D2N2 has niche specialisms
- Maximising our area's untapped potential, particularly in terms of capturing employment growth from our strategic sectors and the low-carbon economy

- Building on supply chain opportunities linked to major employers and the potential for R&D projects, spin out enterprises and HE collaboration in sectors such as transport equipment and medical / bioscience
- Slowing the decline in the area's manufacturing base by supporting high-growth sub-sectors, companies involved in advanced manufacturing and continuing to grow the area's export intensive industries
- Making best use of our labour force, including increasing the number of higher skilled residents, addressing recent increases in unemployment particularly amongst those aged 18-24 and developing and deepening a culture of innovation across the area
- Retaining more graduates in the D2N2 area along with their skills and enthusiasm and build on existing research strengths, particularly relationships with the local business base
- Increasing the number of new businesses and improving the survival rate of smaller businesses to help closing the area's business density gap
- Maximising the area's potential in Foreign Direct Investment arising from factors such as its central location, the arrival of High Speed 2 and the area's university base
- Maximising the contribution made by D2N2's smaller market towns, villages and rural areas and the opportunities available to their residents. This may be achieved by assisting enterprise development, competitiveness and community cohesion through developing rural micro-businesses; creating sustainable employment in land based industries through diversification; developing market towns as vibrant places for people to live, work and visit and enhancing the digital infrastructure.

OUR PLAN FOR GROWTH

OUR PRIORITIES [CONTINUED]

It is unlikely that the public sector will provide the employment growth required to help reduce unemployment. The additional jobs required to provide the opportunities needed for communities and young people will need to come from the private sector. While some of these will be a result of local demand, such as retail and leisure, others will require a pro-active approach to ensure that D2N2 captures significant investment in high growth sub-sectors such as business and financial services, digital and creative industries, and transport and logistics.

DIRECTING RESOURCES FROM THE UK GOVERNMENT AND THE EUROPEAN UNION

Local business and partners know best how growth can be supported and delivered in the D2N2 area. This is why D2N2 is business led, prioritises consultation with business and has the ambition of maximising the extent of Government and European Union funding within local control and influence to support growth.

D2N2 will continue to develop its capacity, strengthen its governance and accountability structures and reinforce to Government the growth dividend it will receive by devolving greater resource and responsibility to D2N2. In 2013, D2N2 will refine its plans and negotiate a Growth Deal with Government to maximise the resources, levers and flexibilities available to D2N2 from 2015 onwards to inspire growth. In particular D2N2 will demonstrate the benefits of an integrated local investment fund.

The distribution of European Structural and Investment Funds in England between 2014 and 2020 will be informed by the EU Investment Strategies that will be drawn up by LEPs, building on their Growth Strategies. European funds will be crucial 'fuel in the tank' to deliver this Strategy. D2N2 will work with partners to finalise its EU Structural and Investment Funds Strategy by February 2014.



OUR PLAN FOR GROWTH

INSPIRING LOCAL GROWTH

The D2N2 Growth Strategy sets the framework for local growth strategies and plans in the D2N2 area. These local plans and the activity they set out support our vision to make D2N2 a more prosperous, better connected and increasingly resilient and competitive economy. Local growth plans employ a range of delivery and governance mechanisms to manage their implementation, including Nottingham's Economic Growth Board, Derbyshire's Economic Partnership, Derby's Renaissance Board and Nottinghamshire's Business Engagement Group.

Local growth plans emphasise locally important sectors whereas the D2N2 Strategy prioritises those sectors that are the strongest or have the most significant growth potential across the whole LEP area. D2N2 doesn't duplicate local work but instead builds on this work where collaboration at a strategic level helps us achieve more.

DERBY ECONOMIC STRATEGY 2011-16

(Overseen by Derby Renaissance Board)

Outlines the economic challenges and opportunities in the city with the overarching aim to achieve sustained growth in net new jobs. To deliver this aim the strategy has three key drivers:

- Creating a culture where enterprise thrives
- Ensuring workforce skills match business needs
- Maximising quality of life.

DERBYSHIRE ECONOMIC STRATEGY

(Overseen by Derbyshire Economic Partnership)

Derbyshire Economic Partnership is re-assessing Derbyshire's strategic economic priorities with a view to publishing an Economic Strategy Statement. This key piece of work will focus on how Derbyshire can benefit from growth and engage positively with the LEP agenda.

NOTTINGHAM ECONOMIC GROWTH PLAN

(Overseen by Nottingham Economic Growth Board)

The Plan sets out to develop a highly skilled, science and technology based, low-carbon economy within Nottingham by 2020. The Growth Plan identifies three emerging sectors that have the potential for rapid growth:

- life sciences
- digital content
- 'cleantech'.

The Plan focuses on three themes:

- Fostering Enterprise
- Supporting a High Quality Workforce
- Developing 21st Century Infrastructure.

NOTTINGHAMSHIRE GROWTH PLAN

(Overseen by Nottinghamshire Business Engagement Group)

The Plan is aligned with D2N2 strategic objectives and creates a platform for investment in the County. Priorities are grouped in three key areas:

- Competitive business growth
- Connectivity
- Aspiration and talent.



OUR PLAN FOR GROWTH

DELIVERING IN URBAN
AND RURAL AREAS

D2N2 combines the best of vital urban conurbations with productive and diversified rural economies with almost 60,000 business spread across Derby, Derbyshire, Nottingham and Nottinghamshire. D2N2 LEP recognises the vital role and contribution of businesses in rural areas. We will base our actions on an understanding of their impact on rural as well as urban areas and will monitor the impact of those actions. We will not however produce separate 'urban' or 'rural' policies or strategies but ensure that growing business across our area can benefit from D2N2 support and action.

WORKING WITH
OTHER LEPS

Business does not stop at the D2N2 boundary. We are an outward looking partnership. We will work with other LEPS where common endeavour means that we can more effectively and efficiently support growth. We will deepen our relationship with Leicester and Leicestershire LEP to build on the competitive advantage that East Midlands Airport and common transportation infrastructure provides for our area. We will work with other Local Enterprise Partnerships in the East Midlands to maximise the impact of potential funding available to support business from the European Union's 2014-2020 programme. We will strengthen our work with Sheffield City Region to ensure that those areas that lie in both LEP areas remain central to our vision for economic growth.



OUR PLAN FOR GROWTH

RESOURCES / FINANCIALS

Alongside inspiring others to take action to support growth, effectively managing and deploying the financial resources within the partnership's control will be key to progressing towards achieving our vision. The resources available for D2N2 to direct and influence have increased since the partnership was founded and will continue to increase in future, raising the opportunity for increased scale and impact of actions. To support the core operation of the LEP, partners have made significant financial and 'in kind' contributions. D2N2 manages a range of funds that are administered by a range of accountable bodies. Each of the funds is hypothecated for different purposes.

FUND	ACCOUNTABLE BODY	SUM	PERIOD
D2N2 Growing Places Fund	Nottingham City Council	£25,986,004	Ongoing
City Skills Fund	Nottingham City Council	£500,000	2011/12 to 2013/14
LEP Capacity Fund Round 2	Nottinghamshire County Council	£76,800	2012/13 to 2014/15
Unlocking Investment for Growth	East Midlands Business Ltd	£6,800,000	2013/14 to 2014/15
LEP Core Funding	Derby City Council	£325,000	2013/14
LTB Funding	Derbyshire County Council	£131,579	2013/14
Better Business for All	Derbyshire County Council	£15,000	2013

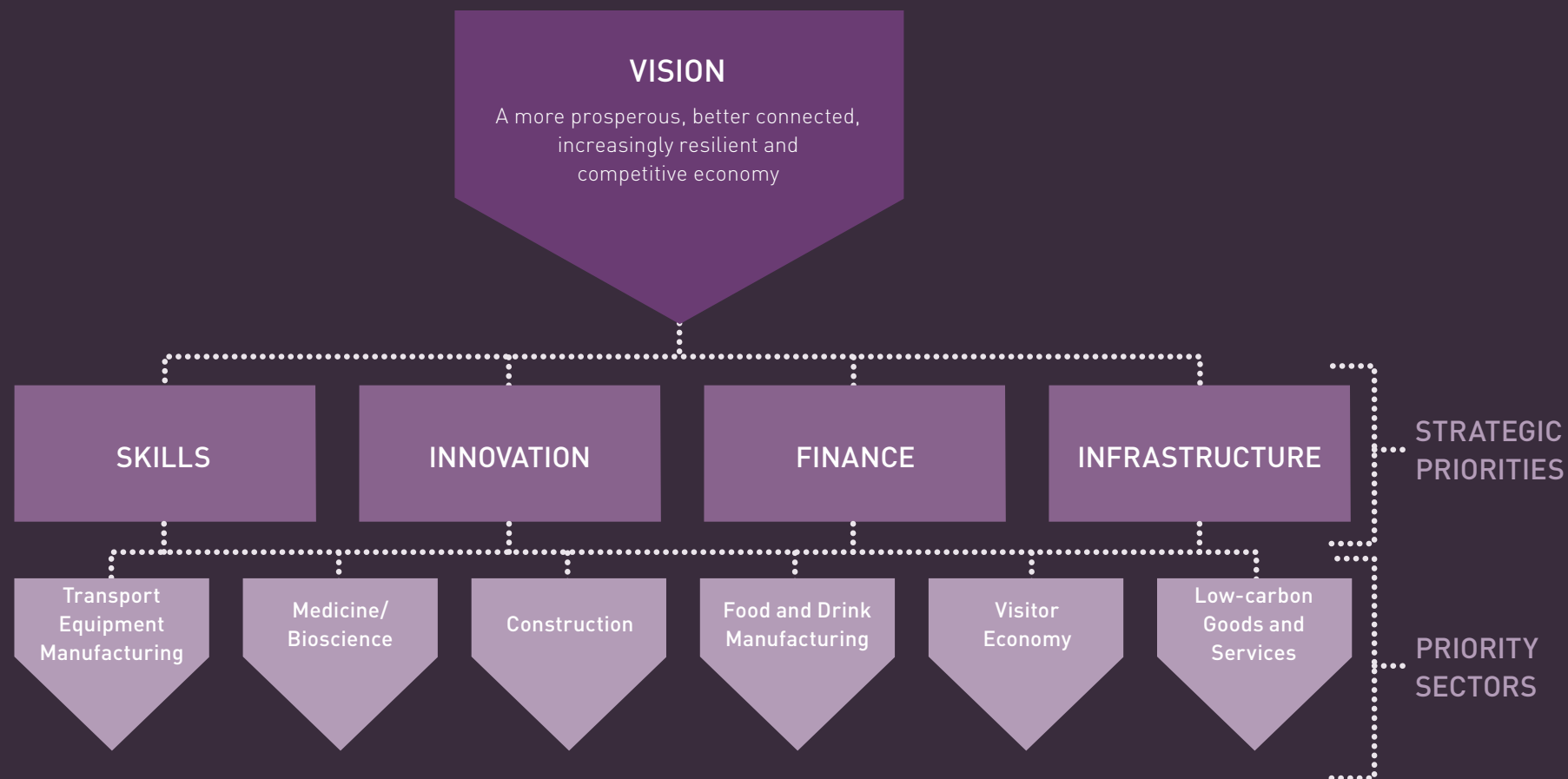
Key future sources of funding that D2N2 can direct include the 'business rate uplift' from the current sites within the Nottingham Enterprise Zone between 2012/13 and 2037/38. Estimates by Gleeds Ltd suggest that the uplift could be worth approximately £135 million over 25 years, although this would be subject to market conditions. Further funding under LEP influence would include a notional allocation of EU Structural and Investment Funds between 2014 and 2020 and the 'single pot' of regeneration funds from Government from 2015 onwards. The D2N2 Local Transport Body has also received an indicative allocation of £46.8 million over the four-year period from 2015-16 to 2018-19 to support major local transport projects. D2N2 will continue to identify and pursue additional sources of funding to augment our ability to take effective action.

FUTURE DEVELOPMENT OF THE PLAN

We acknowledge that our approach will evolve over time as information, knowledge and circumstances alter. We will monitor our progress towards achieving our ambition. We will review and report on our progress annually. To ensure that we remain efficient and effective in our prioritisation and targeting we will continue to gather economic intelligence to inform our strategic approach to its implementation.

THE STRATEGIC FRAMEWORK

55,000 EXTRA JOBS IN THE D2N2 AREA BY 2023



THE STRATEGIC FRAMEWORK

We will focus our work on four strategic priorities for supporting enterprises. These priorities are relevant to all businesses in the D2N2 area but have particular significance to the high growth businesses that are responsible for the bulk of private sector job creation. They are:

- Business skills
- Innovation
- Finance
- Infrastructure.

In addition to these four strategic priorities, D2N2 will also support businesses to grow through 'integrated' activities that are not focused in any single strategic priority. In the short-term, D2N2 actions will focus on our four strategic priorities, with a particular focus in finance and infrastructure.

We have also identified six priority sectors. These are the industrial sectors in which the D2N2 area is already strong or has the capacity to grow. They are:

- Transport Equipment Manufacturing
- Medical and Bioscience
- Food and Drink Manufacturing
- Construction
- Visitor Economy
- Low-carbon Goods and Services.

We will prioritise activity that supports these key sectors but we will remain agile to support and realise emerging growth opportunities across the economy. To support sustainable long-term growth we will develop dedicated sector approaches in the medium term.

THE STRATEGIC FRAMEWORK

STRATEGIC PRIORITY:
BUSINESS SKILLS

Business skills are the skills employers need to produce or supply products and services

ACTION	OUTCOME	LEAD
<p>Develop and implement the D2N2 Skills Strategy, built on six 'Skills for Growth' priorities:</p> <ol style="list-style-type: none"> 1. Develop sector growth agreements to make explicit ownership and shared responsibilities for investment, ICT, labour market intelligence and impact measures 2. Improve business leadership, management skills and training needs analysis to help increase productivity and performance 3. Promote and develop apprenticeships and traineeships to achieve higher level skills and improve social mobility 4. Foster enterprise and the characteristics of entrepreneurial behaviour, career adaptability and resilience. 5. Raise the visibility of and access to career insights and specialist careers support for young people and adults to raise aspirations, participation, retention and achievement in learning and work. 6. Promote graduate recruitment and facilitate graduate retention in the region. 	Skills meet the needs of the local economy.	D2N2 Skills Commission.

ACTION	OUTCOME	LEAD
Establish a D2N2 Skills Observatory.	Accurate shared information about skills needs and shortages to inform delivery.	D2N2 Skills Commission.
Colleges and training providers align provision to Skills Strategy.	Reduce the identified skills shortages of communities and meet the needs of employers.	Colleges and training providers.



THE STRATEGIC FRAMEWORK

STRATEGIC PRIORITY:
INNOVATION

Innovation plays a significant role in driving economic growth. It helps create new products and services, allows companies to differentiate themselves in market places and improves performance through new business processes. On average, innovating firms demonstrate four times the sales growth of non-innovating firms in the same sector.

ACTION	OUTCOME	LEAD
Innovation assets – we will identify the assets and resources we have and need to support innovation in the D2N2 area, including our <ol style="list-style-type: none"> 1. Infrastructure for innovation 2. Skills for innovation 3. Research and Development for innovation 4. Graduate talent for innovation 5. Grants and Finance for innovation 6. Networks for innovation. 	Knowledge base to enhance and promote D2N2's innovation assets.	Higher Education Institutions.
Establish a D2N2 Innovation Observatory – working closely with business.	Research and information base to inform better support for business innovation.	Higher Education Institutions.
Draw down funding to enhance our innovation assets.	More businesses supported to grow and innovate.	Higher Education Institutions.

STRATEGIC PRIORITY:
FINANCE

Access to finance is critical if businesses are to invest in additional capacity, innovative activities, skills development or new capital equipment. When surveyed, businesses in the D2N2 area consistently identify access to finance as a concern. Research on high growth firms suggests that access to capital for expansion is often a key constraint.

ACTION	OUTCOME	LEAD
D2N2 Growing Places Fund Monitor loans made and make further loans when funds allow.	Job creating capital investment by businesses.	D2N2 GPF Group.
Unlocking Investment for Growth Grant Market the grant, make investments and seek further funding to expand the investment pot'.	Job creating capital investment by businesses.	EMB Ltd / D2N2.
RDA Legacy Funding D2N2 will collaborate with other LEPs in the East Midlands to use legacy funding from RDA investment products to meet identified market failure in business access to finance.	Targeted financial support to assist businesses.	D2N2 and other LEPs in the East Midlands.
European Union Structural and Investment Fund Strategy 2014 – 2020 D2N2 will work with partners to develop an EU Investment Strategy, which will complement this plan, to maximise local economic benefits from EU 'Common Strategic Framework' Funds for 2014-2020.	Targeted approach to EU funding to support growth in D2N2.	D2N2 and partners.

THE STRATEGIC FRAMEWORK

STRATEGIC PRIORITY:
INFRASTRUCTURE

Infrastructure is one of the 'fundamentals' that underpins the economic competitiveness of an area. It is widely seen as including transport networks, business premises, electronic infrastructure such as broadband and other utilities. As such it is key to delivering sustainable economic growth. The provision of quality infrastructure that supports industry and the efficient movement of goods and people contributes to economic prosperity.

ACTION	OUTCOME	LEAD
Transport Priorities A high quality transport network to support growth is a key priority for D2N2. With partners, D2N2 has lobbied successfully to secure national agreement or funding for a number of those priorities; including: <ul style="list-style-type: none"> Electrification and line speed improvements to the Midland Main Line Dualling of the A453 between Nottingham and the M1 Improvements to junctions on the A38 in Derby HS2 to serve the D2N2 area. 	More efficient movement of goods, people and services. Reduced congestion.	D2N2 Local Transport Board.
D2N2 will review, refresh and lobby for the implementation of our transport priorities.	More efficient movement of goods, people and services. Reduced congestion.	D2N2 Local Transport Board.

ACTION	OUTCOME	LEAD
Local Major Transport Schemes The D2N2 Local Transport Board will administer a devolved funding stream for local major transport schemes.	More efficient movement of goods, people and services. Reduced congestion.	D2N2 Local Transport Board.
Pinch Point Programmes We will continue to respond to Pinch Point opportunities from DfT to address constraints on economic activity.	More efficient movement of goods, people and services. Reduced congestion.	D2N2 Transport Board.
High Speed Rail 2 D2N2 will continue to work with to maximise its potential economic benefits of the 'High Speed 2' rail line for our area.	Competitive advantage through enhanced rail connectivity and construction benefits.	D2N2 Transport Board.
Rail We will work with Network Rail and others to improve public transport accessibility across the area, and expect to be able to deliver a new station for Ilkeston during 2014. Local specification of rail franchises will offer opportunities for these to be more responsive to our needs. We are engaged in the setting up of the Rail in the North of England consortium which is expected to take on responsibility for some of our key routes.	More efficient movement of goods, people and services. Reduced congestion.	D2N2 Transport Board.

THE STRATEGIC FRAMEWORK

STRATEGIC PRIORITY:
INFRASTRUCTURE [CONTINUED]

ACTION	OUTCOME	LEAD
Enterprise Zones and Key Investment Locations D2N2 will continue to work with partners to open up and market the sites within the Nottingham Enterprise Zone for investment. Spreading over 116 hectares, the Nottingham Enterprise Zone is the leading Enterprise Zone for health and life-sciences with a range of property solutions available for occupiers.	Competitive advantage through high quality locations to attract investment and support business growth.	D2N2 Enterprise Zone Steering Group.
We will continue to support development of key employment sites that support business investment and growth including the Markham Vale site and Enterprise Zone at Junction 29a of the M1 Motorway and the Global Technology Cluster in Derby.	Competitive advantage through high quality locations to attract investment and support business growth.	Local partners.
Digital Connectivity D2N2 has set an ambition for business in our area to have a competitive advantage through the availability and exploitation of excellent digital infrastructure. We will work with partners to: <ul style="list-style-type: none"> Continue the development and provision of enhanced digital infrastructure Support businesses to adopt and utilise enhanced connectivity to generate competitive advantage. 	Competitive advantage through enhanced provision and utilisation of digital connectivity.	Local partners.

ACTION	OUTCOME	LEAD
Housing D2N2 recognises the key role of house building and maintenance as drivers of economic activity and demand, particularly for the construction sector. Housing is often a key contributor to the viability of industrial and commercial schemes that are part of mixed-use developments and an essential element supporting sustainable communities. Planning and social housing policies are properly operated by local authorities. D2N2 will continue to support housing development, through schemes like the Growing Places Fund, where it is part of a wider development creating long-term sustainable employment.	Long-term employment in attractive business locations.	Local partners / HCA.

THE STRATEGIC FRAMEWORK

STRATEGIC PRIORITY:
SUPPORTING BUSINESS

There are actions that will promote growth that cut across our four priority areas.

ACTION	OUTCOME	LEAD
Foreign Direct Investment We will work with partners to promote the D2N2 area for inward investment.	Enhanced GDP and employment.	Derbyshire Economic Partnership, Marketing Derby and Invest in Nottingham.
International Trade To support local firms to trade internationally with the aim of supporting jobs and growth we will continue to review and refine our approach to supporting international trade and further develop our approach to the Chinese market.	More resilient and profitable businesses.	Business representative organisations DNCC, UKTI.
Better Business for All We will work with business and regulators to implement the Better Business for All programme.	Fewer businesses stating that the application of regulations is an impediment to investment and growth.	Derbyshire County Council, BRDO.
Business Support We will promote and update www.thebusinessadvice.co.uk	To ensure businesses can find the right support to grow.	DNCC.



ACTIONS FOR GROWTH – SECTORS

To accelerate growth, D2N2 has prioritised action on our strategic priorities and activity that is relevant across our priority sectors, such as our Unlocking Investment for Growth Fund. We will work with partners to identify and prioritise actions within and across our priority sectors and pursue them where they indicate that they can form part of a balanced approach to supporting sustainable economic growth and job creation.



PRIORITY SECTOR: TRANSPORT EQUIPMENT MANUFACTURING

SECTOR PROFILE

This sector describes the production of aerospace, automotive and rail transport vehicles and associated goods and services. There is a strong concentration in the D2N2 area – especially around Derby City and South Derbyshire – and is significantly (40%) more productive than elsewhere in the UK. Rapid growth is projected in the future for the UK, with the D2N2 area outperforming the national average. The sector includes a number of large, globally significant employers, such as Rolls-Royce, Toyota and Bombardier. These companies have significant supply chains which overlap other industrial sectors (such as metals) where there are also local strengths. High value manufacturing accounted for 35% of all UK exports in 2010, contributing £151bn to the UK balance of payments.

ACTIONS

Employment in this sector is concentrated in the Derby Travel to Work area. Derby City Council is using an allocation of £40m from the Government's Regional Growth Fund to support the development of the Global Technology Cluster and Centre for Supply Chain Innovation. The £20m Derby Enterprise Growth Fund will offer a mixture of grant, loan and risk capital funding to support business expansion, primarily but not exclusively in the aerospace, rail and automotive sectors. Transport Equipment Manufacturing remains a priority sector for D2N2's Unlocking Investment for Growth Fund.

FUTURE OPPORTUNITIES

Opportunities and challenges in this area of focus are very much in line with the key identified issues of finance, innovation and inter-connectivity, particularly around sharing of IP between firms, and broadband infrastructure. There is also a relationship with D2N2's lobbying role for key transport infrastructure improvements.

LEAD

Derby City Council.

ACTIONS FOR GROWTH – SECTORS

PRIORITY SECTOR:
MEDICAL / BIOSCIENCE

SECTOR PROFILE

This sector describes four interrelated sub-sectors that together provide goods and services related to human health and medical care:

- ▮ Healthcare, much of which is delivered through the NHS, is the service element of the sector which also accounts for a far larger volume of employment as well as being the principal customer for the other elements of the sector
- ▮ The manufacture of medical devices, a relatively small, high value sub-sector of manufacturing with a high level of R&D activity
- ▮ Pharmaceuticals is a more significant sub-sector, in both employment and output terms, manufacturing products both for the NHS and other health care providers and for the commercial 'over-the-counter' market. Alliance Boots plc, which has headquarters just outside Nottingham, is a very significant employer in the D2N2 area
- ▮ Life and biosciences, which describes research and development, manufacturing and marketing of products based on advanced biotechnology research. This sub-sector include often small, niche producers, which include university spin-outs. BioCity, in Nottingham, is a nationally significant centre.

ACTIONS

Medicine / Bioscience is a target sector for Nottingham City Council's 'N-Tech' Fund and D2N2's Unlocking Investment for Growth Fund

FUTURE OPPORTUNITIES

Issues in this area reflect the general themes of skills and finance, but with identified specific requirements of:

- ▮ Attracting talent and investment from the South East and London
- ▮ Developing existing management (not R&D or 'technical') talent
- ▮ Bringing the Medi-Park site (part of the Nottingham Enterprise Zone) to market.

LEAD

Science and Technology Advisory Council.

PRIORITY SECTOR:
FOOD AND DRINK MANUFACTURING

SECTOR PROFILE

The manufacturing of food and drink products is important across the D2N2 area, particularly so in Newark & Sherwood, Bassetlaw and Amber Valley. The sector is important locally because of its close connection to agriculture and also because of the D2N2 area's excellent connectivity, enabling the rapid distribution of food and drink products nationally and internationally. Food and drink manufacturing is a significant sub-sector of manufacturing, accounting for 3.8% of GVA in D2N2 area, and employment in the area is significantly more concentrated than nationally. Moreover, above average growth is projected for the sector in the future. Food and Drink Manufacturing is also relatively productive in the D2N2 area, with output per full-time employee estimated to be 5.5% higher than the sector in the UK overall.

ACTIONS

Food and Drink Manufacturing is a priority sector for D2N2's Unlocking Investment for Growth Fund. The Food and Drink Forum offers dedicated support to the sector.

FUTURE OPPORTUNITIES

Alongside skills and finance, waste and energy issues have been identified, which have a clear overlap with the low-carbon agenda. Specific challenges and opportunities identified include:

- ▮ High demand and low supply of food preparation grade workspace outside of Nottingham
- ▮ Tailored support for fledgling businesses and new entrepreneurs
- ▮ The development of career pathways within the sector
- ▮ The HE offer in terms of food science and innovation
- ▮ Links to the Nottingham Enterprise Zone
- ▮ Link between food sourcing and local tourism.

LEAD

Food and Drink Forum, Nottinghamshire County Council.

ACTIONS FOR GROWTH – SECTORS

PRIORITY SECTOR:
CONSTRUCTION

SECTOR PROFILE

This sector describes activity relating to the preparation of land and the construction, alteration and repair of domestic and commercial buildings and infrastructure. It is well described in the data, which demonstrates that it is important for employment across Derbyshire and north Nottinghamshire, with examples of large employers including Bowmer and Kirkland in Belper. Construction in the D2N2 area is relatively productive, with output per worker estimated to be 9% higher than in the UK overall. Construction accounts for 8.7% of GVA in the D2N2 area.

ACTIONS

Construction is a priority sector for D2N2's Unlocking Investment for Growth Fund. The D2N2 Growing Places Fund is a loan fund to support capital infrastructure development.

FUTURE OPPORTUNITIES

Alongside skills and collaboration issues, the major focus within Construction is on two aspects of procurement:

- Dialogue with Government to ensure that major procurement exercises take account of industry capacity
- Supporting local firms to respond positively to 'framework supply contracts' for public procurement.

LEAD

DNCC.

PRIORITY SECTOR:
VISITOR ECONOMY

SECTOR PROFILE

The visitor economy covers those activities directly associated with tourism, principally hotels and restaurants. It also identifies a wider field of assets and activity that includes the management and promotion of visitor attractions, which can be natural and heritage as well as other attractions (such as theme parks), and those elements of an area's sports, leisure, retail and cultural offer which attract and service domestic and international visitors.

ACTIONS

D2N2 has commissioned a Tourism Investment Assessment, which is a detailed research and analysis project to assess the viability, economic impact and financial delivery options for a long list of new and proposed 'anchor attractions' across the D2N2 area. The assessment will inform development and marketing priorities. The Visitor Economy is a priority sector for D2N2's Unlocking Investment for Growth Fund.

FUTURE OPPORTUNITIES

Once the anchor attractions have been identified through the Investment Assessment, D2N2 will identify the role that it can play to ensure that finance is secured for their development and modernisation.

D2N2 will work with the two Destination Management Partnerships to promote a co-ordinated major events programme, building on the success of the 'Elemental Force' initiative.

LEAD

D2N2 Visitor Economy Group.

ACTIONS FOR GROWTH – SECTORS

PRIORITY SECTOR:
LOW-CARBON GOODS AND SERVICES

SECTOR PROFILE

The low-carbon sector accounts for a third of the total economic growth in the UK during 2011/12¹. Overall it accounts for nearly 10% of economic activity². In 2011/12, the sector was worth £122bn and has been growing at a rate of 4-5% throughout the economic crisis, since 2008. Research undertaken by BIS (2010) forecasts a further 400,000 new jobs will be created by 2020. In Nottingham alone, a recent report suggests a further 800 jobs could be created or retained by 2017 and a further 1,480 during the period 2017-2021. The UK is transforming its energy infrastructure, requiring £200 billion of investment. The shift towards renewable energy sources and energy saving is creating new business markets with opportunities in renewable energy generation, including low-carbon biofuels, biomass, anaerobic digestion, gas extraction, solar thermal, photovoltaics, energy recovery from waste, district heating networks and combined heat and power linked to new residential and non-domestic development schemes. The D2N2 area has many good 'anchor' projects, programmes and businesses on which to build together with world leading low-carbon business, including, Changan, First Auto Works, Chinook Sciences, Strawsons Energy, Hoval, Alkane Energy, Hardstaff Group and Lindhurst Innovation Engineers.

ACTIONS

Low-carbon Goods and Services is a priority sector for D2N2's Unlocking Investment for Growth Fund.

FUTURE OPPORTUNITIES

In 2013, D2N2 will develop a prospectus which will identify specific activities and opportunities to support investment and business growth, focusing on innovation, renewable heat, district energy, retrofit energy efficiency, low-carbon transport and eco 'tourism' (both business and leisure).

D2N2 will work with partners in business, local government and HEIs to concentrate on mapping and marketing our low-carbon assets and to raise awareness of the opportunities, investment and growth. By developing a strong local market, we will aim to support expansion in low-carbon skills and jobs.

LEAD

D2N2 Low-carbon Advisory Group

¹ 'Colour of Growth' report from the CBI, published July '12, available [here](#)

² Statistics quoted are from government sources, collected in a report issued by the Green Alliance think tank and published in August 2012. Summary available [here](#)



THE D2N2 LOCAL ENTERPRISE PARTNERSHIP

D2N2 is the Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire. D2N2 is home to more than two million people, with almost 900,000 people employed in over 60,000 firms contributing to an economy of almost £40 billion. Outside of London and the South East, this makes the D2N2 economy the third largest of all the LEP economies

We are a lean, business led partnership focused on inspiring economic growth and job creation. D2N2 is led by and governed by its Board, Chaired by Peter Richardson and made up of high profile and respected leaders from business, local Government and Higher Education from across Derby, Derbyshire, Nottingham and Nottinghamshire.

We enable and drive local economic growth by:

- ✔ Understanding the key issues for our economy and identifying priorities
- ✔ Building a Growth Strategy around these priorities
- ✔ Inspiring others to take action
- ✔ Lobbying government, as a strategic business led partnership, for investment and support to deliver our priorities
- ✔ Co-ordinating activity to deliver our Strategy.

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