

# **South Derbyshire Local Strategic Partnership**

## **Report to the Board**

**AGENDA ITEM: 3**

### **DDEP FUNDING ALLOCATION**

#### Issue

The need to put in place arrangements for the endorsement of projects seeking support from Derby & Derbyshire Economic Partnership's allocation of funds to the South Derbyshire Local Strategic Partnership.

#### Background

The Derby & Derbyshire Economic Partnership (DDEP) provides funds to the South Derbyshire Local Strategic Partnership (LSP) for the support of economic development projects that contribute to the objectives of both organisations. In 2006/07 this funding supported activities including the provision of grants for the development of forest enterprises and improvement of business frontages and for the creation of a gateway site to The National Forest near Melbourne, together with support for the uptake of employment at East Midlands Airport.

#### Details

DDEP has recently undertaken an evaluation of the effectiveness of this approach to supporting LSPs and subsequently made a number of changes to the process. The key points are as follows:

- DDEP will support each LSP on a one to one basis and ensure projects align with the objectives of Local Area Agreements, the Sub-Regional Investment Plan and the Regional Economic Strategy.
- Where there is commonality between projects across LSP boundaries, DDEP will look to draw projects together to avoid duplication and benefit from economies of scale.
- Each LSP to develop at least one major flagship project, which will make a significant contribution to improving the local economy. LSPs are asked, where possible, to minimise the total number of projects put forward.
- Other than in exceptional circumstances, the minimum value of a project should be £50,000 with a maximum intervention rate of 50%.
- Management fees should only be approved as part of justified project costs and then limited to a maximum of 5%.
- An increase in the annual capital allocation by £50,000 from the current £105,000 to £155,000 per year. (N.B. This must be allocated by September).

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DDEP also wishes to move towards a commissioning approach to selecting and supporting projects, as opposed to the open bidding format used in the past. This will involve the agreement of priorities between the LSP and DDEP at the outset of the process. Organisations that could deliver the desired outcomes would then be identified and invited to submit a funding application.

In South Derbyshire, the process of identifying projects for 2007/08 was agreed by the LSP's Vibrant Economy Group and is underway, with a well-attended project workshop held on 12 June 2007. The deadline for submission of Expressions of Interest has been agreed as the 9 July. Projects will then be appraised by the Vibrant Economy Group and DDEP on the 16 July, in terms of their contribution to LSP and DDEP objectives and their deliverability. With respect to LSP priorities for 2007/08, projects will be assessed against South Derbyshire LSP's existing Action Plan 2006-08.

Projects identified as priorities for the current year will then be invited to submit a full application for DDEP to appraise over the Summer, in order to meet the September deadline for the allocation of funds. New projects will then begin to be implemented from the Autumn onwards. Consequently, following the 16 July appraisal of Expressions of Interest there is a need for Projects to progress as quickly as possible to the next stage of the process.

### **Recommendations**

It is recommended that the Board: -

1. Delegates authority for the prioritisation of projects for funding support to the Vibrant Economy Group.

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