

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

Friday, 18 March 2016 at 09:30

**Rushcliffe Borough Council, Civic Centre, Pavilion Road,
West Bridgford, Nottingham, NG2 5FE,**

AGENDA

- | | | |
|----------|---|----------------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 3 | Minutes of the last meeting held on 19 February 2016 | 3 - 6 |
| 4 | Better Broadband for Nottinghamshire - Update | 7 - 10 |
| 5 | European Structural and Investment Fund (ESIF) Technical Assistance - Update | 11 - 16 |
| 6 | Devolution and Combined Authority - Verbal Update | |
| 7 | Work Programme | 17 - 22 |

Notes

- (a) Members of the public are welcome to attend to observe meetings of the Economic Prosperity. Please note that there is no opportunity for the public to speak at these meetings.
- (b) Declarations of Interests – Persons making a declaration of interest should have regard to their own Council's Code of Conduct and the Committee's Procedural Rules.

Members or Officers requiring clarification on whether to make a declaration of interest are invited to contact Sara Allmond (Tel. 0115 9773794) or a colleague in Democratic Services at Nottinghamshire County Council prior to the meeting.

- (c) Members of the public wishing to inspect 'Background Papers' referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

MINUTES OF THE MEETING HELD ON FRIDAY 19th FEBRUARY 2016 AT 9.30AM AT NOTTINGHAM CITY COUNCIL

MEMBERS PRESENT

(A denotes absent)

Chairman – Councillor Alan Rhodes – Nottinghamshire County Council
Vice- Chairman – Councillor Neil Clarke MBE – Rushcliffe Borough Council

Mayor Kate Allsop – Mansfield District Council
Councillor Roger Blaney – Newark and Sherwood District Council
Councillor Cheryl Butler – Ashfield District Council – **A**
Councillor John Clarke – Gedling Borough Council
Councillor Jon Collins – Nottingham City Council – **A**
Councillor Richard Jackson – Broxtowe Borough Council
Councillor Jo White – Bassetlaw District Council – **A**

Councillor Simon Greaves – Bassetlaw District Council – substitute for Councillor White

OFFICERS PRESENT

Sara Allmond – Nottinghamshire County Council
Helen Barrington – Gedling Borough Council
Allen Graham – Chief Executive, Rushcliffe Borough Council
Ruth Hyde – Chief Executive, Broxtowe Borough Council
Anthony May – Chief Executive, Nottinghamshire County Council
Robert Mitchell – Chief Executive, Ashfield District Council
Andrew Muter – Chief Executive, Newark & Sherwood District Council
Glen O'Connell – Nottingham City Council
James Schrodel – Nottingham City Council
Bev Smith – Managing Director, Mansfield District Council
Neil Taylor – Chief Executive, Bassetlaw District Council

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Cheryl Butler and Jo White. Councillor Simon Greaves substituted for Councillor Jo White.

2. DECLARATIONS OF INTEREST

None

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 18th December 2015, having been previously circulated, were agreed as a true and correct record and were confirmed and signed by the Chair of the meeting.

4. LOCAL GROWTH FUND ROUND 3 UPDATE

Anthony May introduced the report which set out the process being undertaken by the D2N2 Local Enterprise Partnership in terms of preparation for an anticipated government announcement on the Local Growth Fund round 3 (LGF3). A timetable for submission of projects was included and schemes assessed as being in pool A would go forward for full business case development. Further work would be undertaken on some of the projects in pools B and C to develop them further, which would hopefully enable them to then proceed.

RESOLVED 2016/001

That the report be noted.

5. N2 ECONOMIC PROSPERITY COMMITTEE – SPENDING PLANS

Andrew Muter introduced the report which asked the Committee to confirm an N2 contribution of up to £135,000 towards initial resourcing costs associated with the North Midlands Combined Authority and Devolution Deal and to consider proposals for the use of the remainder of the business rate pool in support of economic development and growth initiatives in Nottinghamshire.

Nottingham City Council had not yet determined whether or not to provide match funding this year.

RESOLVED 2016/002

- 1) That that the contribution of £135,000 to the initial costs associated with concluding the Devolution Deal and establishing the North Midlands Combined Authority by June 2017 be agreed – noting that agreement to these initial costs will need to be confirmed with Derbyshire partners at the meeting on 4th March;
- 2) That the proposed approach to the use of the remaining pooled resources as outlined in paragraphs 6-9 of the report be approved;
- 3) That lead Chief Executives for each of the thematic priority areas as outlined in paragraph 6 of the report be identified;
- 4) That delegated authority to the thematic leads to commit up to a maximum of £30,000 towards feasibility work across their theme be approved;
- 5) That a detailed report on the proposed commissioning process be considered at the meeting in May 2016;
- 6) It be noted that Nottingham City Council would consider its position in relation to an appropriate level of contribution to the wider pool beyond its existing commitment.

6. MARKETING NOTTINGHAM AND NOTTINGHAMSHIRE - UPDATE

Paul Southby, Interim Chair of Marketing Nottingham and Nottinghamshire attended the meeting to give an update on progress with Marketing Nottingham and Nottinghamshire (MNN).

MNN brought together Invest in Nottingham, Experience Nottinghamshire and Notts Means Business. MNN had established a Board with elected members and business representatives. MNN was currently going through a transitional phase bringing the three separate entities together.

The aim of MNN would be to use private sector networks to enhance the level of funding from the private sector, selling Nottingham and Nottinghamshire attractions to visitors and to those who might invest in the region bringing money and/or jobs. A business plan was in development which would include clear objectives. The organisation would lead a unified approach co-ordinating wherever possible to give a consistent message.

The possibility of the Committee taking over responsibility for MNN and all nine authorities investing was suggested. Currently only Nottinghamshire County Council, Nottingham City Council and Newark and Sherwood District Council provided funding to MNN.

RESOLVED 2016/003

That the report be noted.

7. WORK PROGRAMME

RESOLVED 2016/004

That the report be noted.

The meeting closed at 10.28am

CHAIRMAN

18th March 2016

Agenda Item: 4

REPORT OF THE CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY COUNCIL

BETTER BROADBAND FOR NOTTINGHAMSHIRE UPDATE

Purpose of the Report

1. This report provides an update to the City of Nottingham and Nottinghamshire Economic Prosperity Committee (N2 EPC) on the Better Broadband for Nottinghamshire programme at the conclusion of contract 1 and the start of delivery of contract 2. It also updates Members on proposed coverage priorities for additional investment in the county secured through programme efficiencies and the contractual gainshare mechanism.

Background

2. Members have previously considered updates on the Better Broadband for Nottinghamshire (BBfN) programme and most recently in March 2015 supported the County Council in negotiating additional investment for Nottinghamshire from BDUK. This additional investment of £720,000 (part-matched by a contribution of £600,000 from Nottinghamshire County Council) is required to ensure that the districts of Bassetlaw and Newark and Sherwood reached a minimum of 95% coverage, which is the national target for the end of contract 2.
3. Public sector investment in broadband to date in Nottinghamshire stands at £10,500,000 (to the end of contract 1). The capital value of contract 2 is £5,260,000, with the additional £1.32 million taking total capital investment for the period 2014-18 to £17,100,000. This investment will result in approximately 80,000 premises in Nottinghamshire having access to a fibre broadband service that would not have received such access without the BBfN programme.
4. In percentage terms, coverage by area at the end of each contract is as follows:

	Pre-BBfN	Post Contract 1	Post Contract 2	Post additional £1.32M
National target		90%	95%	
Ashfield	94.4%	97.5%	98%	
Bassetlaw	70.2%	88.3%	93.2%	95.1%
Broxtowe	95.7%	97.8%	99.2%	
Gedling	94.5%	98.6%	99.6%	
Mansfield	92.9%	97.9%	98.7%	
Newark & Sherwood	51.7%	89%	93.2%	96.1%
Rushcliffe	73.2%	92.4%	95.6%	95.6%
Nottingham City	96.7%	97.4%	99.5%	
Nottinghamshire	86%	95%	97.2%	98%

5. Nottinghamshire recently came in the top three counties for superfast broadband, according to a league table created by the Country Land and Business Association (CLA)¹. Aggregated coverage across Nottinghamshire by the end of the second contract and the investment of the additional £1.32 million will be 98%. The table above highlights those districts in the county that achieve in excess of national or county averages and those that are still below it.

Investing additional resources

6. Members will recall that the contractual arrangement with BT includes a 'gainshare' mechanism which is triggered once take up of fibre broadband services (at contract level) exceeds the 'commercial average' rate of 20%. Nottinghamshire County Council has invested significant revenue resources in awareness raising and 'demand stimulation' activities to ensure that residents and businesses in fibre-enabled areas are aware of the new services available to them. This revenue investment is bearing fruit, with take-up rates as at the end of February 2016 of 24%, which is significantly higher than the national average for BT's commercial programme (15%).
7. This strong take-up performance and BT's working assumption that a rate of 28% will be reached in the course of the next year have resulted in a gainshare allocation of £2.2 million for Nottinghamshire, which will be invested in the further roll-out of fibre broadband in the county. In addition, approximately £300,000 will be released from changes to technological solutions, creating a total funding resource for future investment of £2.5 million. As these resources technically form part of contract 1 they can be invested in additional fibre broadband coverage under the existing State Aid exemption.
8. The BBfN Programme Delivery Board will be considering investment priorities for this £2.5 million later in March. The County Council is proposing that investment is targeted at the borough and district council areas of Bassetlaw, Newark and

¹ <https://www.cable.co.uk/news/rural-businesses-losing-out-in-broadband-and-mobile-postcode-lottery-700001029/>

Sherwood and Rushcliffe given that these three areas achieve less than the county average of 98% at the end of current planned investment. The remaining council areas will be de-scoped from further investment, where this is feasible, given the high levels of coverage that they already receive.

9. In addition, the County Council proposes continuing to prioritise investment in areas of high business density where viable and is also keen to ensure that the additional investment is used to tackle communities where only partial coverage has been possible to date. Subject to the Programme Delivery Board agreeing with these proposed priorities, BT will be asked to design an investment plan for the additional £2.5 million that will enable Nottinghamshire to maintain its strong performance in delivering digital infrastructure.

Supporting areas that remain without fibre connectivity

10. Current plans and investment will result in just under 2,500 premises across the county being without a connection that can offer a minimum speed of 2 Mbps, which is the government's 'Universal Service Commitment' (USC). The USC forms part of the Council's contract with BT, who are obliged to offer a minimum 2 Mbps service to all of the premises affected. The nationally agreed solution to this is to offer vouchers of up to £350 to consumers for satellite broadband services.
11. Businesses and residents who cannot access speeds of a minimum of 2Mbps are eligible for the vouchers, which will principally fund the installation and hardware costs of a satellite broadband solution. Whilst satellite broadband is less resilient and reliable than fixed, fibre broadband, the technology to deliver satellite solutions is improving all the time and speeds of approximately 20 Mbps can be achieved. Consumers will be required to enter into a contract with a service provider, as they would with a fixed fibre solution, and this does not form part of the voucher arrangement. In Nottinghamshire the satellite scheme was launched in February and take up to date has been slow, although it is now increasing.
12. Communities that will still be isolated from fibre broadband solutions at the end of the planned investment can also consider BT's 'Community Fibre Partnership' programme (<http://www.bt-ngb.com/community-fibre-partnerships>). This enables communities to work directly with BT who will design and cost out a fibre solution for them and advise on sources of funding that could be used to help deliver the fibre solution. It should be noted that this does not form part of the BBfN programme and funds cannot be diverted from the BBfN programme to support Community Fibre Partnership schemes.

Other option(s) considered

13. None – the report is for noting only.

Reasons for recommendation(s)

14. Digital connectivity is a key economic priority for Nottingham and Nottinghamshire partners and the investment through the BBfN programme in fibre broadband is one of the most substantial infrastructure investment schemes currently in operation in the area. Members' input into future prioritisation and strategies for further advancing digital infrastructure is welcome.

Statutory and Policy implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described in the body of the report.

Financial implications

16. Where material these are noted in the report. Total capital investment to date (by partner) in the BBfN programme is as follows:

Organisation	Public sector investment
BDUK (national government)	£7,850,000
Nottinghamshire County Council	£2,750,000
EU (European Regional Development Fund)	£2,762,648
D2N2 LEP	£2,630,000
Ashfield District Council	£70,000
Bassetlaw District Council	£150,000
Broxtowe Borough Council	£33,754
Gedling Borough Council	£89,777
Mansfield District Council	£157,464
Newark and Sherwood District Council	£250,000
Nottingham City Council	£150,000
Rushcliffe Borough Council	£245,000
Sub-total	£17,138,643
Gainshare	£2,200,000
Total	£19,338,643

RECOMMENDATIONS

17. That the City of Nottingham and Nottinghamshire Economic Prosperity Committee:

- notes the progress of the BBfN programme and in particular the prospect of achieving 98% superfast coverage by 2018
- notes the additional investment of approximately £2.5 million that has been secured through the gainshare mechanism and contract efficiencies
- considers and comments on the additional coverage priorities highlighted at paragraphs 8 and 9 of this report

Report of the Chief Executive, Nottinghamshire County Council, Anthony May

For any enquiries about this report please contact: Phil Berrill, Better Broadband for Nottinghamshire Programme Manager, 0115 977 4641

18 March 2016

Agenda Item: 5

REPORT OF THE DIRECTOR, ECONOMIC DEVELOPMENT, NOTTINGHAM CITY COUNCIL

EUROPEAN STRUCTURAL AND INVESTMENT FUND (ESIF) TECHNICAL ASSISTANCE - UPDATE

Purpose of the Report

1. To update the Economic Prosperity Committee (EPC) on progress on European Structural Investment Funds.

Background

2. European Structural Investment Funds (ESIF) are a significant source of funding for economic development and social inclusion activity. The national Operational Programme, which sets out the basis on which funds can be used, has now been agreed with the European Commission, and local authorities (and others) have started the process of bidding for funds under this programme. This report sets out a summary of progress on:
 - a) The ESIF programme as a whole (being co-ordinated locally by D2N2 LEP)
 - b) The Sustainable Urban Development Strategy for Nottingham Urban Area (being co-ordinated locally by Nottingham City Council in collaboration with Nottinghamshire County Council and Urban Area Districts)
3. Since the formal agreement of the ERDF, ESF and EAFRD Operational Programmes, the D2N2 ESIF Committee is now in its 'operational' phase of translating its ESIF Strategy to delivery. This should not be affected by the EU referendum. Calls will go out as programmed, but publicity opportunities will be limited in the last month of the campaign.

i. ESIF Funding Committed to date

ERDF

Four projects from the first call for PA1 (Innovation) and PA3 (SME Competitiveness) have been approved and are pre-contract:

- Catalysing Growth through Research for Transport Equipment Manufacturing – University of Derby;
- Enabling Innovation – University of Nottingham;
- Food Enterprise Advisory Support Team (FEAST) – Food and Drink Forum
- Enterprising Growth – NBV.

All of these offer support for businesses throughout the whole D2N2 area.

A further call focused on ICT revenue / business support projects. A LEP wide bid led by Nottinghamshire County Council has been submitted.

Further bids are likely to go to the April ESIF sub-committee for approval including:

- D2N2 Growth Hub – Nottingham City Council
- Creative and Digital Industries D2N2 Consortium for increased SME Competitiveness – Nottingham City Council
- In-bound investment from SMEs into Nottinghamshire – Marketing Nottingham and Nottinghamshire

ESF

The Nottingham Youth Employment Initiative (YEI) projects are pre-contract and should start on April 1st.

EAFRD

21 bids have been approved at Outline Application stage for funding to support growth in rural micro and small businesses. These will be invited to submit full applications. This fund helps rural businesses to grow and diversify their activity.

ii. D2N2 ESIF Future Calls Programme and Committee Meetings

ERDF

Calls will be issued in April for PA5 and PA6 activity. These priorities support projects dealing with climate change mitigation (especially flood defences); and environmental protection and resource efficiency.

A call for further activity under PA4 (Low Carbon) will be issued in July.

ESF

SFA opt-in – This includes three programmes: SKILLS Local, EMPLOY Local and CAREERS Local. All are match funded at source by the SFA. The focus is on skills provision for those in work, unemployed or those at risk of becoming NEET. Procurement is expected in April/May.

DWP opt-in (INSPIRE Local Programme) – this programme will be a wrap-around service to provide a coherent pathway to employment for individuals who are currently not progressing towards work, with concentration on health-related issues and for those aged 50 plus. It is match funded by DWP and delivered throughout D2N2. DWP will tender for an organisation to deliver the programme. This is now expected to be procured by June.

Open calls – there should be three open calls through ESF launched in June:

- Higher Skills Development
- Enterprise, Innovation and Pathways
- Developing Sector Growth

Details of the strategic overview's for each are currently being finalised. Bids through these calls will all require match funding.

The next ESIF sub-committee meeting is April 1st.

iii. Review of ESIF Strategy

The D2N2 ESIF programme has been revised and is currently with DCLG for agreement. Because of disagreements on how the splits between allocations under different PAs have been dealt with this currently has the LEP's preferred position as well as DCLG's settlement.

iv. Financial Instrument

Nottingham City Council has supported D2N2 and the other four East and South-East Midlands LEPs to develop proposals for a Midlands-wide 'Fund-of-Funds', alongside the six West Midlands LEPs. This Fund-of-Funds, now known as the Midlands Engine Investment Fund (MEIF), will support enhanced access to finance for SMEs through a series of managed sub-funds. This is a key element of the 'Finance for Business' Theme of the Midlands Engine initiative. An announcement on the delivery of MEIF and additional Government funding is expected in the Budget Statement on 16th March.

v. Technical Assistance Programme

The D2N2 Secretariat, local authorities and other partners have submitted bids for ESF and ERDF 'Technical Assistance' funding to create a partnership to support the development of high quality applications to the ESIF programme. These bids are still being appraised but it is likely it will result in the approval of posts for both ESF and ERDF support to cover N2.

vi. Sustainable Urban Development (SUD) Strategy

Following consultation with the local authorities within the SUD programme area (a Steering Group comprising Nottingham City, Ashfield, Broxtowe, Gedling, Rushcliffe as well as Nottinghamshire County Council) a revised draft SUD Strategy was submitted to the Managing Authority in December.

The SUD strategy will provide funding for a range of activities which support productivity improvement across priority sectors through issuing calls in a way that promotes a joined up, programmatic approach, to provide:

- Capital investment in buildings
- Revenue funding for: Business support (including start-up); Training; Events and marketing; Grants and loans; Network management

Governance and formal responsibilities will need to be agreed and the Managing Authority foresees this happening April 2016. Officers on the SUD Steering Group have proposed:

- using the ESIF Programme Board as a mechanism for making recommendations on successful bids to the managing authorities
- that the Steering Group provides advice to that Programme Board in a way which avoids potential conflicts of interest between local authorities as bidders for funds and as advisors.

When making or encouraging bids to come forward, all local authorities will need to recognise that match funding (usually of 50% of project cost) needs to be found.

Reason(s) for Recommendations

4. This update is presented to the EPC now in order to ensure that Members are aware of current status as the programme is entering its operational phase. In accordance with the UK Operational Plan, recommendations to the Managing Authority are made by the ESIF Programme Board, which has representation from members of the EPC.

Statutory and Policy Implications

5. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Finance implications

6. The ESIF programme from 2014-2020 is worth some £173.2m to the D2N2 area (subject to revisions due to factors such as exchange rate fluctuations) – which then has to be matched by local funding sources. Financial implications for the constituent members of the N2 EPC will be dependent on the projects which are submitted in response to each of the calls and their accountability for grant funding within these.

RECOMMENDATIONS

7. That the EPC:

- a) Notes the current status of EU funding bids and work underway to secure these funds
- b) Notes the Sustainable Urban Development strategy for the Nottingham Urban area which has been submitted to DCLG for negotiation.

Chris Henning

Director, Economic Development, Nottingham City Council

For any enquiries about this report please contact:

Chris Henning 0115 876 4906

Background Papers

D2N2 EU Structural and Investment Fund Strategy 2014 - 2020

<http://www.d2n2lep.org/EUFunding/Key-Documents>

Electoral Division(s) and Member(s) Affected

All

18 March 2016

Agenda Item: 7

REPORT OF CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY COUNCIL

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2016.

Information and Advice

2. The Economic Prosperity Committee maintains a rolling work programme which assists the management of the Committee's agenda, the scheduling of business and forward planning. The work programme will be updated and reviewed at each Committee meeting. Any member of the Committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chairman and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. The work programme already includes a number of reports on items suggested by the Committee.

Other Options Considered

5. None.

Reason for Recommendation

6. To assist the Committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That the Committee's work programme be noted, and consideration be given to any changes which the Committee wishes to make.

Anthony May
Chief Executive, Nottinghamshire County Council

For any enquiries about this report please contact: Sara Allmond (0115) 977 3794

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE - WORK PROGRAMME

Note: all meetings start at 09:30 and are followed by the N2 Leaders' meeting.

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information?</u>	<u>Lead Officer</u>	<u>Report Author</u>
20 May 2016				
Skills and Employment update			Allen Graham	Fiona Anderson / Owen Harvey
Nottinghamshire Business Investment Zones (NBIZ)	To consider the work undertaken on development opportunities in Nottinghamshire under the 'NBIZ' programme and its future use	Decision?	Matt Lockley	Geoff George
N2 Growth Strategy	To consider and sign off the proposed N2 Growth Strategy	Decision	Matt Lockley / Chris Henning	Matt Lockley / Chris Henning
N2 business rates pool – priorities and process for investments	To consider and approve a proposed approach to allocating N2 business rates pool resources and to agree to inviting bids per the timetable outlined	Decision	Andrew Muter	Matt Lockley
Devolution and Combined Authority update	Standing item	Information	Ian Curryer	Ian Curryer
24 June 2016				
Graduate retention and employment	To consider the strategic context for graduate employment and ongoing work with the two local universities to support this	Information	Allen Graham	Fiona Anderson

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information?</u>	<u>Lead Officer</u>	<u>Report Author</u>
Devolution and Combined Authority update	Standing item	Information	Ian Curryer	Ian Curryer
22 July 2016				
Devolution and Combined Authority update	Standing item	Information	Ian Curryer	Ian Curryer
Nottinghamshire Innovation Centres – review and future plans	To update Committee on progress with the Nottinghamshire Innovation Centre Network and to advise on future plans for their development	Information	Mandy Ramm	Mandy Ramm
23rd September 2016				
25th November 2016				
23rd December 2016				
24th February 2017				
24th March 2017				
23rd June 2017				
2 July 2017				
LAST UPDATED 10 MARCH 2016				

