

Economic Development Committee

Tuesday, 09 July 2013 at 14:00

County Hall, County Hall, West Bridgford, Nottingham NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the previous meeting held on 11 June 2013 | 5 - 8 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | D2N2 Local Enterprise Partnership - Presentation | |
| 5 | Apprenticeships Update | 9 - 18 |
| 6 | Superfast Broadband for Nottinghamshire | 19 - 24 |
| 7 | Options for use of Nottinghamshire Microloan Fund | 25 - 30 |
| 8 | Work Programme | 31 - 34 |

NOTES:-

(1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.

(2) 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

(3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules.

(4) Members or Officers requiring clarification on whether to make a declaration of interest are invited to contact Martin Gately (Tel. 0115 977 2826) or a colleague in Democratic Services prior to the meeting.

(5) Members are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

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Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Christine Marson (Tel. 0115 977 3887) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

minutes

Meeting	ECONOMIC DEVELOPMENT COMMITTEE
Date	11 June 2013 (commencing at 2.00 pm)

Membership

Persons absent are marked with 'A'

COUNCILLORS

Diana Meale (Chairman)
Roy Allan (Vice-Chairman)

Nicki Brooks
Ian Campbell
John Ogle
Michael Payne

Keith Walker
Gordon Wheeler
Jason Zadrozny

CO-OPTED MEMBERS

A Mr M Chivers – Alliance Boots
Ms M Ulyatt (Federation of Small Businesses)

OFFICERS IN ATTENDANCE

Keith Ford)	
Ben Fowler)	
Jayne Francis-Ward)	
Geoff George)	
Matt Lockley)	Policy, Planning and Corporate Services
Celia Morris)	Department
Mandy Ramm)	

CHAIRMAN AND VICE-CHAIRMAN

The appointment at the Annual Meeting of Council of Councillor Diana Meale and Councillor Roy Allan as Chairman and Vice-Chairman of the Committee respectively was noted.

MEMBERSHIP OF THE COMMITTEE

The membership of the Committee as detailed above was noted.

TERMS OF REFERENCE

RESOLVED 2013/013

That the report be noted.

MINUTES

RESOLVED 2013/014

The minutes of the last meeting held on 28 March 2013 were taken as read and confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

An apology for absence was received from Mr Mark Chivers.

DECLARATIONS OF INTEREST

Councillor Zadrozny declared a private, non-pecuniary interest in agenda item 9 – Introduction to the Council's Economic Development Service (in relation to the reference to investment in market towns) as a Board Member of the National Association of British Market Authorities (NABMA).

Councillor Diana Meale declared a private interest in agenda item 11 – Nottinghamshire Micro Loan Fund, as a Trustee of the Nottinghamshire Community Foundation.

STATE OF THE NOTTINGHAMSHIRE ECONOMY

Geoff George, Senior Economic Development Officer, gave a presentation which included the County's population and its characteristics; economic overview and performance; skills, qualifications and the labour market; and key issues for the future.

RESOLVED 2013/015

That the contents of the presentation be noted.

INTRODUCTION TO THE NOTTINGHAMSHIRE GROWTH PLAN

Celia Morris, Group Manager, Policy, gave a presentation focussing on the three key themes of the Plan: competitive business growth; connectivity and aspiration and talent.

During discussions, Members requested a further presentation on apprenticeships and youth employment opportunities (including the Council's own approach to such issues).

RESOLVED 2013/016

That the contents of the presentation be noted.

INTRODUCTION TO THE COUNCIL'S ECONOMIC DEVELOPMENT SERVICE

RESOLVED 2013/017

That the details of the report be noted.

INTEGRATED INNOVATION CENTRE CONTRACT PERFORMANCE REPORT

During discussions about the Worksop Turbine innovation centre, Members requested an interim report in six months' time.

RESOLVED 2013/018

- 1) That the report be noted.
- 2) That a further performance report on the Integrated Innovation Centre contract be brought back to the Committee in twelve months' time, with an interim report submitted in six months' time.

NOTTINGHAMSHIRE MICRO LOAN FUND

During discussions about the re-use of the £20,000 allocation, Members suggested the following potential options:-

- use the money creatively to gain wider interest and publicity by offering it as awards to the three best job-creating small businesses in the County (not just new start-up businesses);
- seek match funding from each of the District and Borough Councils to set up an alternative micro fund which could be self-administered or administered by another agency such as a credit union;
- use the money to double the investment in the 'Wheels to Work' scheme.

RESOLVED 2013/019

1. That the cessation of the Nottinghamshire Micro Loan Fund project be noted.
2. That a further report be submitted to the next meeting of the Committee with a proposal on future use of the funding.

WORK PROGRAMME

During discussions, Members requested that the Service Level Agreement with Experience Nottinghamshire be circulated as soon as possible, ahead of the update to the Committee meeting of 17 September 2013. Members requested that the Chief

Executive of Experience Nottinghamshire attend that meeting to respond to any questions.

RESOLVED 2013/020

That the work programme be noted.

The meeting closed at 3.35 pm.

CHAIRMAN

9 July 2013**Agenda Item:****REPORT OF THE CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****APPRENTICESHIPS UPDATE****Purpose of the Report**

1. To give an overview of apprenticeship policy and delivery framework nationally
2. To update the Committee on the take up and performance of apprenticeships across Nottinghamshire.

Information and Advice

3. Committee received a report from the Service Director, HR at its meeting on the 16th October 2012 providing an overview of the County Council's activities to enable young people to access a variety of work related learning opportunities within the authority. Committee also received a presentation in 2013, regarding the Youth Employment Strategy. The strategy is being co-ordinated by Nottingham and Nottinghamshire Futures along with key partners including the County Council to focus employment priorities for young people county wide to
 - a. Create better opportunities
 - b. Better prepare young people for work and
 - c. Improve transition pathways into work
4. Members will also be aware from the State of the Economy presentation to the June 2013 Committee meeting that youth unemployment has been increasing since 2004. Statistical evidence shows that even during the 'boom' years of the late 1990s and early 2000s, youth unemployment remained high, more than double for that of the rest of the labour market.
5. There is evidence that youth unemployment has far-reaching effects. A wage scar, i.e. reduced future earnings, of between 12 and 15% following youth unemployment can persist for up to 20 years. This is particularly marked for young men. Even a three month period of unemployment during youth could lead to further periods of unemployment for up to 10 years following the initial period out of work.

The National Context:

6. In recent years apprenticeships have developed as a key policy and delivery tool used by successive governments to tackle youth unemployment. The National Apprenticeship Service (NAS) is the key funder and coordinator of apprenticeships in the UK.
7. The NAS Business Plan 2012/13 sets out what will effectively be the key drivers of activity to improve apprenticeship take up and quality over the next few years. In this way, NAS will seek to work collaboratively to:
 - Increase the number of new employers employing apprenticeships
 - Increase the number of young people commencing an apprenticeship
 - Improving the quality of apprenticeships
 - Deliver more advanced and higher level apprenticeships and
 - Broaden access to apprenticeships
8. This noted, apprenticeships have been the subject of various recent reviews. The most recent Richard Review recommended:
 - Transferring apprenticeship ownership as far as possible to employers
 - Clarifying and strengthening the “apprenticeship” brand
 - Sharpening the testing and validation procedures and
 - Focusing apprenticeships on outcomes i.e. jobs
9. National Apprenticeship Week (March 2013) gave a further indication of the Government’s direction of travel with key messages including:
 - Apprenticeships are “worth it” both at the national level (their positive combined effect on the economy) and for the individual (in terms of employment prospects and career progression). The Centre for Economics and Business Research advises that **“the average person completing an apprenticeship, increases business productivity by £214/week”**. This increase can in turn theoretically be passed onto colleagues within the business in the form of higher wages thus increasing disposable income within the local economy
 - The government wishes to see apprenticeships becoming the standard route to employment for all school leavers not entering Higher Education
 - Two Apprenticeship Ambassadors were announced (for business and parliament) in order to embed benefits, understanding and take-up via the education/policy side and within the business sector and
 - Apprenticeship opportunities should be incorporated into public procurement contracts

Apprenticeship Funding:

10. In 2012/13 the Government committed to invest £1.5bn in apprenticeships. This funding focused on delivering 700,000 apprenticeship training provisions 500,000 new starts. Whilst this funding will cover administration, marketing and promotion, the bulk of the funding will support the learning component of the apprenticeships. 100% of training costs are payable for 16-18 year olds and 50% for 19-23 year olds. In terms of the apprentices themselves, a national minimum of £2.65 per hour is payable. The average apprentice weekly wage is currently £170
11. To qualify as an apprenticeship, the apprentice must have an employer and be paid. This may not necessarily be the firm in which the apprentice is placed – it may be an Apprenticeship Training Agency (ATA). There must be a Contract of Employment – under which the apprentice will work a minimum of 30 hours per week (there are limited exceptions) and the apprenticeship period can vary between 1 and 5+ years. The apprentice will be afforded legal rights under the contract.
12. It should be noted that there is no obligation on the employer to employ the apprentice after the programme is completed. This is a key issue. The Richard Report seeks to marry the apprenticeship to real and sustainable jobs but there is also a need to increase apprentice numbers and overcome barriers to participation – therefore flexibility to on-going employment is advisable to enable the employer to respond to the calibre and performance of the apprentice/programme, as well as the overall performance of the business

Models of Apprenticeship Delivery:

13. The traditional delivery model is direct employment of apprentices via :
- a. Localised Approach – apprenticeships organised and delivered by training providers and/or colleges. Usually developed in response to local needs with recruitment focused on the local area
 - b. Corporate Approach – the employer very closely monitors and informs the training to promote relevance, consistency and complementarity. The employer or training provider can hold the funding contract and this is usually supported by an SLA
 - c. In house Delivery – the employer delivers everything (as an approved provider). This allows apprenticeships to be integrated with wider internal training activity. The Funding Contract is held by the employer – often necessitating them to buy in the literacy and numeracy requirements. This approach is often directly linked to positive career progression.
 - d. Employer Academy – sector specific and usually in response to the need to access training on specialist machinery or processes – most commonly in the engineering sector.

14. In Nottinghamshire the Futures Apprentice Agency is one of several employment brokerage services in operation which link employers, young people and training providers. Under this model, Futures engage with employers looking for or considering apprenticeships and:

- Assesses the needs of the employer
- Advertises the apprenticeship position(s) and shortlists suitable candidates
- The employer interviews and selects the apprentice (s)
- Futures then contracts the apprenticeship and takes over all HR and payroll (the apprentice is employed by Futures)
- Futures invoices the employer the costs of remunerating the apprentice plus a small admin fee
- Futures appoints an appropriate training provider.

15. The employer does not receive funding to support the learning element of the apprenticeship; this activity is commissioned and handled by Futures through approved learning providers. The ATA “Model” is specifically designed to increase employer engagement in delivering apprenticeships – with a clear focus on growing the participation of smaller employers.

16. All in all, the model available locally through Futures (and other providers) seeks to absorb the administrative burden of the apprenticeship – thereby overcoming a key barrier to employer participation. The employer pays a fee for this service.

Levels of Apprenticeship:

17. Apprenticeships are designed to help people reach a high level of competency and performance and thereby to maximise their contribution to the employer. There are three levels of Apprenticeship: intermediate, advanced and higher. Each level will involve training to NVQ levels 1-5 (as appropriate), each will receive functional skills and most will incorporate a technical certificate and exam based qualification.

18. The Higher level apprenticeship targets a broader vocational qualification usually to foundation degree level. This is a growing area and a key focus of NAS - but there is little comparative data given this format only commenced 2012 and is only open to those 18 years plus.

19. Training provision must be via a registered provider. There are currently 1,100 providers in England. Training is usually 1 day a week and typically this is conducted off-site.

Financial Support for Employers

20. NAS offers an Apprenticeship Grant for Employers, the AGE 16 to 24 grant. This is targeted at SMEs to recruit individuals aged 16 to 24 into employment through the Apprenticeship programme. Eligible employers receive a grant of £1,500 per apprentice to a maximum of ten grants during the lifetime of the initiative.
21. District partners also have youth employment through apprenticeships as a priority and are investigating their own models of additional support. For example, Gedling Borough have approved £20,000 for an Apprenticeship Grant for Employers scheme. This is a top-up grant for employers (below 250 employees) taking on a Gedling apprentice.

Traineeships:

22. A key barrier for employers to take on apprenticeships or indeed young people per se, is that they often find that candidates are either not work ready or unable to communicate their skills/experience in relation to the job opportunity. A “traineeship” is a new initiative scheduled to launch in August 2013. This provision is designed to meet the gap between school and commencing apprenticeships, enabling in the first instance, 16-19 year olds to become more work ready.
23. To qualify for participation 16-19 year olds not currently in a job and with limited work experience will be charged with developing the skills judged necessary for employment and apprenticeships (including the transition to and from the Technical Baccalaureate- TechBacc).
24. Although flexible, it is anticipated that those on the programme would be “work ready” within 6 months. Whilst traineeships will initially be focused on 16-19 year oldsⁱ, there is a longer term ambition to extend this up to 24 years depending on its success. Traineeships will be delivered by existing training providers and the Government is keen to see strong partnerships developed with employers. They will be funded by additional monies from the Department for Education. There will be three key elements of provision:
- A focused period of work preparation training e.g. CV Writing, inter- personal skills and self-discipline development
 - A high quality work placement to provide meaningful experience and to help develop workplace skills where the participant is given the opportunity “to prove themselves to an employer” and
 - Further teaching of English and Maths to those that haven’t achieved GCSE Grade C or equivalent

County Participation Levels:

25. There is evidence that participation in Apprenticeships for the 16-18 year range has declined. This is both a national and regional trend and in comparison Nottinghamshire is performing above average in terms of 16 – 18 participation. However, there remain gaps in provision and take up.

26. This is particularly apparent in construction. The National Construction College has capacity for 30,000 apprentices pa – however just 19,000 are currently being trained. This is in the context that the Construction Skills Network has identified a requirement of 43,000 new workers every year to 2015. A similar picture can be drawn for the engineering industry. Nottinghamshire County Council is supporting a *You're Hired* event in August which will showcase a vacancy with Derry Building Services Ltd, a mechanical and electrical design and build firm based in Newark. This event has a dual purpose of showcasing the high calibre of young people seeking an apprenticeship whilst raising the profile of engineering and construction with local school leavers.

27. Latest figures show that:

- for 16 year olds, apprenticeship starts are down at County, region and national levels on the preceding year (-5.5, -13.2 and -17.8% respectively)
- for 17 year olds the position is reversed with the county seeing a reduction of starts in this age range by -19.9% on the previous year (this compares to, -17.4% regionally and -17.9% nationally).

28. Therefore for 16 year olds Nottinghamshire is faring well in the level of decline as compared to regional and national figures although the opposite is true of the 17 year old cohort.

- For 18 year olds, participation at the County level has increased by 5.7% on the previous year compared to a decline of 3.6% nationally.
- Combining this age range 16-18 years, the fall off in starts is -6% in Nottinghamshire compared to -7% in the East Midlands and -12% nationally
- In the 19-24 year age range, starts are up 8.2% compared to 6.4% nationally and 11.7% regionally.
- Success rates 19-24 years are at 77%. This is above the regional and national averages (75.3% and 75.9% respectively)

29. Nottinghamshire has been particularly successful in the growth of new starts in the over 25 years +1.7% on the previous year compared to -0.2% regionally and -7% nationally. Across all ages Nottinghamshire growth in starts exceeds the region and the national performance at 1.4% growth on the previous year -against 1.2% regionally and a negative variance of -4.5% nationally. Furthermore, success rates across all age ranges achieve the national level of 73.8% but exceed the regions performance at 73.1%.

30. On the whole Nottinghamshire is currently performing better in the provision and take up of apprenticeships – exceeding national and regional performance in most instances. There is of course further room for improvement through targeted measures and in association with current initiatives at the district level.

County Council's Apprenticeship Scheme:

31. The County Council's Apprenticeship scheme, using Futures Apprentice Agency, was established in 2011 with the aim of providing 25 placements for young people between the ages of 16 and 18. It was extended in 2012 and provided a further 50 apprenticeship opportunities to those between the ages of 16 – 24. Full Council approved an annual budget of £300,000 to support the internal apprenticeship scheme in February 2013. It is intended to carry on with a similar sized scheme for this financial year; offering a further 50 places. Placements are for one year and are therefore primarily intermediate level apprenticeships. This year 43 of our current apprentices are completing an intermediate level apprenticeship and 7 are completing advanced level qualifications.
32. The apprentices are placed in a wide variety of service areas such as libraries, youth work, catering, highways, business administration, customer service etc. which demonstrates the extensive range of the County Council's work. These placements are based across the county and have been filled by young people, largely aged 16-19, from across all districts in Nottinghamshire. The data below, shows the resident districts for apprentices currently on apprenticeships.

District	Number of apprentices
Bassetlaw	4
Newark & Sherwood	8
Mansfield	4
Ashfield	9
Gedling	6
Broxtowe	4
Rushcliffe	8
Nottm City	5
Derbyshire	2

33. The County Council scheme runs largely on the academic year and most of the current apprentices are still working in their placements. Of the 10 that have completed the scheme so far, 3 have been successful in obtaining temporary roles at the County Council, 3 have permanent positions with the Council, 2 are in employment with other organisations and 2 have gone on to higher education.
34. The Council has offered the apprentices due to complete their apprenticeships the opportunity to attend a Steps 4 Success course. This is a motivational course currently offered to Work Club members and it will be tailored to meet the need of the apprentices leaving the authority and seeking work elsewhere. This will be funded through the Work Club budget as a one-off activity. If this course is successful in supporting the apprentices to secure employment elsewhere this may be something the authority may wish to build in to its apprenticeship programme for 2014/15.

Summary of Current Issues:

35. There has been a drop in the number of 16/17 year olds taking up apprenticeships. This trend is reflected nationally. This is exacerbated across all age groups by:

- a. A mismatch of demand and supply (geographically and by sector)
- b. Apprenticeships have a poor image with some young people reflected in lower than targeted take up
- c. Apprenticeship participation 16-17 years can affect family benefits in lower income groups
- d. Employers can find that such age groups (to 19 years) are not “employment ready” and
- e. Application processes (via NAS’ on-line system) can be difficult to navigate. Work in schools to address this and raise the skill levels of young people to apply on line has started to be delivered in county schools.

Work is underway nationally to assist young people into apprenticeships, to increase employer participation and to increase employability through the roll out of traineeships.

36. Of those completing apprenticeships, over 73% end up with qualification which leaves them better placed in the job market. Nottinghamshire’s success exceeds the regional and national averages

Reason for Recommendation

37. To update the Committee on the national apprenticeship framework, together with county provision and take up rates.

Statutory and Policy Implications

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

Financial Implications

39. None.

RECOMMENDATION/S

40. That Committee note the current position with regard to apprenticeships and consider any further actions it would wish to commission.

**Report of the Corporate Director, Policy, Planning and Corporate Services –
Jayne Francis Ward**

For any enquiries about this report please contact: Trish Adams extn 72042

Constitutional Comments (SLB 26/06/2013)

This report is for noting only. The Committee has responsibility for promoting economic development, regeneration and associated activities and is the appropriate body to consider the content of the report.

Financial Comments (SEM 28/06/2013)

There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Electoral Division(s) and Member(s) Affected

All

ⁱ And young people with Learning Difficulty Assessments up to 25 years.

9 July 2013**Agenda Item:****REPORT OF THE CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****SUPERFAST BROADBAND FOR NOTTINGHAMSHIRE****Purpose of the Report**

1. The purpose of this report is to update Committee on the progress towards securing a delivery partner for the Superfast Broadband in Nottinghamshire project, and to advise of the next steps in terms of implementation.

Information and Advice

2. Previous reports to Economic Development and Policy Committees and Full Council have updated Members on progress towards the procurement of a delivery partner for the Superfast Broadband programme in Nottinghamshire. Whilst this process is now nearing its conclusion, there have been a number of changes to the project which are worthy of note:
 - a. BDUK (the Government's broadband delivery arm) has increased its allocation to Nottinghamshire to £4.5 million (up from £4.25 million) to enable superfast broadband to be delivered to the Nottingham Enterprise Zone and eligible City area sub 2Mbps premises;
 - b. The overall project cost is now estimated to be in the region of £14 million, lower than the previous forecast of £17 million. This is largely due to a reduction in the level of private sector funding that is anticipated. The Government's initial modelling suggested that the private sector contribution would be 50% of the project cost. However, during supplier engagement and dialogue, it became clear that the funding model is likely to be 33% BDUK; 33% local public sector match and 33% private sector;
 - c. The project focus has been amended slightly to prioritise connectivity for the business community, following a successful bid for European Regional Development Fund. The ambition remains for the project to be completed in full by December 2015.

ERDF funding and impact on timelines

3. In April, the Council received the positive news that it had been successful in a bid for European Regional Development Fund (ERDF) monies to the value of £2.7 million, the highest such award in the East Midlands. Due to the significant scale of the ERDF award, the procurement process had to be paused to enable the

tender documents to be amended. This resulted in an amended procurement timetable as detailed overleaf:

Amended timeline	
Activity	Date
Amended ITT launch	Tues 21 May 2013
Full eight week tender response period	Tues 21 May 2013 to Tues 16 July 2013
Deadline for submission of tenders	Tues 16 July 2013
Tender evaluation and moderation complete	Fri 26 July 2013
State Aid clearance, DCMS and other funding approvals i.e. call off contract award, grant award	Tues 16 July 2013 to Fri 26 July 2013
Bidder(s) notified of evaluation outcome	Mon 29 July 2013
Contract award	Monday 5 August 2013

Implementation and roll-out

4. Once the tender is received, the Council will be in a much clearer position in terms of understanding when and where superfast broadband speeds will be delivered to Nottinghamshire communities. The lack of information has been a cause of some frustration from both residents and businesses. The Council has done what it can to release information relating to the programme, but the lack of detail in terms of timescales and roll-out will remain until the tender is submitted. Once the information is received, the intention is for the roll-out plan to be made available on the County Council website, probably in the form of a postcode checker.
5. The Broadband Project Delivery Board is currently considering project management requirements post tender award. It is likely that a Programme Management Office (PMO) will be established with the successful bidder to oversee delivery of the project up to its conclusion. Costs associated with the PMO will be met from the existing County Council revenue budget allocated to the broadband programme.

Economic impact and benefits from broadband

6. As confirmed by data released by the Office of National Statistics (ONS, 2010), Nottinghamshire's rural economy is dominated by small businesses employing 0-4 employees (i.e. 84.2%). It is strongly believed that providing a future-proofed digital infrastructure will help to realise the true potential of the Nottinghamshire rural economy.
7. The project will contribute significantly to economic growth by enabling at least 90% of all premises in the Nottinghamshire area to have access to a next generation access (NGA) broadband network. Independently commissioned socio-economic modelling based on the 14% of premises within the intervention

area, quantified the following benefits that businesses and the public sector can yield:

- Increase the area's Gross Value Added (GVA) by an estimated £129 million over the next 15 years
 - Circa 7,000 additional jobs over the next 15 years
8. Children in rural areas can be disadvantaged because they do not have access to broadband at home; this impacts on both their ability to do homework and learn independently, but also deprives them of the social networking world that young people rely on. Improved broadband will have a significant impact on educational and wider well-being for children in rural communities.
9. Compared with the rest of England, the area within the project's scope has a relatively high elderly age profile. Figures sourced from 2011 Census of population conclude that 18.1% of the population is aged 65+ compared to 17.1% in the East Midlands and 16.3% in England. 8.3% of the population is aged 75+ compared to 7.9% in the East Midlands and 7.7% in England. Broadband services will play an increasingly important role in supporting older people by:
- Providing access to on-line services, shopping and banking etc
 - Enabling people to stay in touch with family and friends
 - Supporting people to stay at home for longer by supporting the introduction of new Health and Social Care services, such as telemedicine and tele-care
10. Carbon dioxide as a result of road transit is higher in the project area than the national average. Based on 2008 data, the percentage CO₂ of total emissions (based on traffic) was 30 for Nottinghamshire, 28 for East Midlands and 20 nationally. Data released by the Office of National Statistics (ONS, 2010) shows that 84.2% of Nottinghamshire's 27,338 businesses employ between 1 to 10 employees. 64% of the business respondents to the demand registration survey stated that the current speed of their internet connection significantly constrains the way they use the internet and internet based applications, with 37% identifying poor broadband coverage in rural areas as a key constraint to their aspiration to encourage more home working.

Next steps

11. Given that there is an urgent requirement to get to the contract award stage (so that delivery can commence as soon as possible), a report will be taken to Policy Committee in July seeking delegated authority for the Corporate Director, Policy, Planning and Corporate Services to agree any clarifications to the bid(s), provided these do not materially alter the parameters of the eventual contract offering, and have general authority to commit the County Council in contract at the conclusion of the approval processes. With documents sent for sealing to Legal Services.

Other Options Considered

12. None. This report is for noting only.

Reason for Recommendation

13. To update the Committee on progress with the Superfast Broadband project.

Statutory and Policy Implications

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

Financial Implications

15. The overall cost of the programme is anticipated to be in the region of £13.5 million to £14 million. Further details on the exact cost will be tabled at Committee. The funding breakdown is as follows:

Contributor	Amount
Nottinghamshire County Council	£2.15 million
BDUK	£4.5 million
European Regional Development Fund	£2.7 million
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	£140,000
Rushcliffe Borough Council	£245,000
Preferred supplier (tbc)	£3.5 million (tbc)
Total	£13,985,995

16. The County Council approved its capital contribution of £2.15 million at Full Council on 15th December 2011. This forms part of the current capital programme to 2015-16. In addition to this, revenue funds of up to £450,000 were also approved to support the project management process.

Ways of Working Implications

17. During the pre-procurement supplier engagement process, potential suppliers proposed that should they be successful, their preference is for the establishment of a Programme Management Office (PMO). Accommodation availability and suitability is currently being explored with the Ways of Working Project Manager - Office Accommodation.

Equalities Implications

18. The deployment of improved broadband connectivity will help ensure that all Nottinghamshire residents and businesses have access to a range of online digital services. A full equality impact assessment (EqIA) has already been published and is anticipated will be reviewed post contract award.

RECOMMENDATION/S

19. That Committee note the report and the revised project timeline.

Report of the Corporate Director, Policy, Planning and Corporate Services – Jayne Francis-Ward

For any enquiries about this report please contact: Nicola M^cCoy-Brown Tel: 0115 977 2580

Constitutional Comments (NAB 26.06.13)

The Economic Development Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (SEM 28/06/13)

The financial implications are set out in the report.

Background Papers and Published Documents

Nottinghamshire Local Broadband Plan (www.nottinghamshire.gov.uk/broadband)

Nottinghamshire Local Broadband Plan – report to Full Council, 15-12-2011

Update on Nottinghamshire Local Broadband Plan – report to Policy Committee, 20-06-2012

Nottinghamshire Local Broadband Plan – report to Full Council, 28-02-2013

Electoral Division(s) and Member(s) Affected

All

9th July 2013**Agenda Item:****REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY****OPTIONS FOR USE OF THE NOTTINGHAMSHIRE MICRO LOAN
FUNDING****Purpose of the Report**

1. To offer the Committee options for the use of the funds previously allocated to the proposed Micro Loan Fund in Nottinghamshire and to seek approval to proceed with a preferred option.

Information and Advice**Background**

2. At the previous Economic Development Committee on 11th June 2013, Committee were advised that the proposed Micro Loan Fund in Nottinghamshire would not be proceeding. Committee proposed a number of options that could be considered in terms of re-allocating the funding towards activity which would support business growth. These are considered in further detail below.
3. Committee asked that one of the options for consideration should be the Council operating its own loan fund, with a similar design to that of the Micro Loan Fund. This option was tested and discounted due to the low level of investment available through County Council resources at this point in time. The overheads and administration costs of running a loan scheme with a £20,000 'pot' were considered to be unviable and to offer poor value for money in terms of overall investment likely to be delivered through loans to small businesses. A more significant amount of funding would be required to make such a scheme viable. For illustration, Newark and Sherwood District Council's Think Big (Business Investment for Growth) Fund, which offers loans to existing SMEs with the potential for growth but who have been refused by a bank, has an investment of £2 million over 3 years.
4. Committee also asked that options for delivering loans through the Nottingham Credit Union (NCU) be explored. NCU currently only offers personal loans. They have previously been in discussion with Nottingham City Council regarding a scheme to administer business loans, but did not go ahead because;
 - the administrative costs for loan appraisals were prohibitive
 - business loans were considered too high risk and

- NCU did not have the business knowledge to easily assess the viability of applications

Options

- Options for use of the funds (£20,000) can now be considered, following a short piece of research looking at existing business support models and potential gaps in what is offered. All of the options could have a focus on micro enterprises (up to 10 employees), the under 25 age group and/or specific geographical targets.
- Option one – First Enterprise.** First Enterprise are the local Community Development Finance Institution (CDFI) offering business loans to individuals over 18, requiring a minimum contribution of 30%. They target disadvantaged groups and lend money to people who may be unable to borrow from banks and building societies. A contribution to this programme could potentially bridge some, or all, of the 30% gap.
- Option two – Spark competition and business support programme through workshops, web training content, mentoring and coaching.** This follows a model previously used as a variation to the Innovation Centres management and support contract held by Oxford Innovation Ltd. The programme would provide practical business planning and skills training to pre-start and new businesses, and offering more intensive (one to one) specialist support and coaching to those entrepreneurs or businesses with the highest growth potential. This option is likely to engage a number of businesses accessing different levels of support; up to 40 receiving light touch awareness sessions, up to 15 receiving more intensive training and workshops, and 5 short listed businesses receiving intensive ongoing training, mentoring and coaching. The winning business(es) would then receive a prize package which could include (subject to sponsorship) 12 months office space or virtual office tenancy, professional support (accountancy, legal, marketing), website development, professional or sector body memberships and cash awards. The value of the prize is estimated to be in the region of £15,000.
- Option three – outreach business support.** The support would consist of business support assistance to facilitate growth in micro-companies and sole traders covering business planning, financial modelling and forecasting, marketing, signposting to finance opportunities and support where necessary to complete applications for finance, advice on legal issues including patent / copywriting. This option could be delivered as a variation to contracts already held with either NBV or Oxford Innovation Ltd, and is likely to engage a minimum of ten businesses.
- Option four – invest in the Nottingham City Growth 100 project.** The Council could sponsor up to four Nottinghamshire SMEs to take part in the next cohort of the programme. The tailored business and management education programme is delivered across twelve workshops (one per month) where business owners learn from their peers to develop individual business growth plans; models of business growth, best practice approaches from guest speakers explaining how they acquired investment and resources support from mentors (e.g. investors, entrepreneurs) and coaches (e.g. lawyers, accountants,

personal coaches). The County Council has already supported the involvement of two businesses in the programme, which is currently one quarter of the way through the first cohort.

10. **Option five – to develop and run our own business plan competition.** This could be delivered in conjunction with district councils, subject to their interest and availability of funds. The Council would have greater control over the nature and focus of a competition this way, but has limited resource and expertise
11. Finally, Committee requested consideration of allocating the funds to the Wheels to Work project, which supports people into work and training by providing moped loans and other transport solutions. Wheels to Work is already supported by £20,000 in 2013/14, and new outputs and outcomes would need to be negotiated as part of any contract variation.
12. Summary of advantages and disadvantages for the options outlined above :

Option	Advantages	Disadvantages
Option One	<ul style="list-style-type: none"> Existing scheme Encourage more Nottinghamshire businesses to take up loans 	<ul style="list-style-type: none"> Further work would need to be done to ascertain whether the 30% contribution requirement is a barrier and therefore intervention by the County Council is warranted. Would need to discuss with delivery agency how this would work in practice
Option two	<p>This option could be contracted to offer a Nottinghamshire County Council branded business competition with a number of business support benefits including;</p> <ul style="list-style-type: none"> Supporting the three Nottinghamshire Innovation Centres Covering a wide geographical area across the whole of Nottinghamshire Encouraging innovation and / or growth in new businesses across all sectors Engaging a large number of businesses through promotion of the competition and Working with an established partner with a proven track record and wide-ranging business contacts Could be delivered as an extension to an existing tendered contract 	<p>Would need to ensure that the contract is flexible and responsive to our needs and aims</p>

	<ul style="list-style-type: none"> • Web training resource could be accessed beyond the life of the competition • Follows a model already trialled in both Nottinghamshire and in Harborough, Leicestershire. 	
Option three	<ul style="list-style-type: none"> • Existing contract so no competitive tendering required • Tailored support 	<ul style="list-style-type: none"> • It could be difficult to assess the added value of any outreach work for business growth given the existing contracts (both with NCC and government funded) for business support that NBV have. • This option is likely to engage a smaller number of businesses (10) than option 2. • Much of the work may be taken up with identifying and engaging businesses for outreach support.
Option four	<ul style="list-style-type: none"> • Existing programme with contracted delivery partners 	<ul style="list-style-type: none"> • It is too early to be able to assess its effectiveness (in month 3 of a 12 month programme for the first cohort). • The project is Nottingham City Council based. • Further discussion with the City council and their delivery partner would be needed to clarify whether participants could be recruited from any Nottinghamshire district. • This option would only provide support for a small number of businesses (4). • Could be perceived as a more academic-based option and as a 12 month programme may have the potential for greater drop-out
Option five	<ul style="list-style-type: none"> • Would provide an NCC branded competition which could be flexibly designed to meet the desired aims 	<ul style="list-style-type: none"> • There is not currently the in-house expertise and resource to deliver this , so a competitive tendering exercise would need to be undertaken to source a delivery partner. • A tendering exercise would take additional time and resources.
Further fund Wheels to Work	This option would support additional individuals to access and stay in work	<ul style="list-style-type: none"> • This option would not support business development, which was the original aim of the funding.

Reason/s for Recommendation/s

13. Committee is required to consider options for the use of the funds and approve a preferred option.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described in the report.

Financial Implications

15. The cost for delivering the options offered has already been met from the 2012-13 budget. Options two, three and four could be covered through extensions to existing contracts or programmes, requiring a financial waiver but no procurement exercise. Options one and five may require tendering exercises or the negotiation of new service level agreements.

RECOMMENDATIONS

16. That Committee consider the options for the re-use of the £20,000 allocation as outlined in the report at paragraphs 6-12, and agree and approve option two as the preferred option

Report of the Group Manager, Corporate Strategy

For any enquiries about this report please contact: Hilary Porter ext 72146

Constitutional Comments (NAB 27.06.13)

Economic Development Committee has authority to approve the recommendation set out in this report by virtue of its terms of reference.

Financial Comments (SEM 28/06/13)

The financial implications are set out in the report.

Background Papers

Report to Economic Development Committee 11th June 2013 on the Nottinghamshire Micro Loan Fund

Electoral Division(s) and Member(s) Affected

All

9 July 2013**Agenda Item: 8****REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2013/14.

Information and Advice

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and 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 Vice-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. As part of the transparency introduced by the new committee arrangements, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme. It may be that the presentations about activities in the committee's remit will help to inform this.
5. The work programme already includes a number of reports on items suggested by the committee.

Other Options Considered

6. None.

Reason/s for Recommendation/s

7. To assist the committee in preparing its work programme.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

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

Jayne Francis-Ward
Corporate Director, Policy, Planning and Corporate Services

For any enquiries about this report please contact: Martin Gately x 72826

Constitutional Comments (HD)

1. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (PS)

2. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

ECONOMIC DEVELOPMENT COMMITTEE - WORK PROGRAMME

<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>
17 September 2013				
Corporate Economic Development Strategy	To consider and approve a corporate economic development strategy / statement for the County Council.	Decision	Celia Morris	Celia Morris
Experience Nottinghamshire Service Level Agreement	To review performance against the service level agreement with Experience Nottinghamshire.	Information	Celia Morris	Celia Morris
Inward Investment review				
17 October 2013				
D2N2 EU funding strategy 2014-2020	To consider and endorse D2N2 proposals for the strategic framework for EU funding in the area 2014-2020	Decision	Kay Massingham	Kay Massingham
Apprenticeships and youth employment opportunities	Presentation requested at Committee on 11 June 2013 – to include the Council's own approach to such issues.	Information		
19 November 2013				
12 December 2013				
Initial considerations for 2014-15 budget priorities	To consider headline themes for the Economic Development budget in 2014-15	Decision		
Integrated Innovation Centre contract	Interim update report requested at Committee on 11 June 2013	Information		Kay Massingham
14 January 2014				
2014-15 budget	To consider and agree financial allocations for projects and activities in the 2014-15 financial year.	Decision		
11 February 2014				

<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>
11 March 2014				
1 April 2014				
6 May 2014				
3 June 2014				
Integrated Innovation Centre contract	Update report requested at Committee on 11 June 2013	Information		Kay Massingham
1 July 2014				

Last updated 1 July 2013