

**6<sup>th</sup> December 2016****Agenda Item: 4****REPORT OF THE CORPORATE DIRECTOR, PLACE****2016-17 DELIVERY PLAN REVIEW****Purpose of the Report**

1. To update Committee on progress against the 2016-17 delivery plan for the Economic Development Service, highlighting year to date achievements and identification of key work streams of focus for the remainder of the financial year.

**Background**

2. The team works with Councillors, senior officers, partners and the business community, as well as national government, to develop policies and projects focused on the economic prosperity of the County. In addition, the team are involved in facilitating the work of the Nottinghamshire Economic Prosperity Committee, the D2N2 Local Enterprise Partnership, the Nottinghamshire Joint Leadership Board and the Nottinghamshire Business Engagement Group.
3. At its meeting on 22<sup>nd</sup> March 2016, Committee approved its delivery plan and budget allocations for 2016-17. Subsequent budgetary allocations were made at committee in July to ensure that the entirety of the economic development budget was allocated towards activity that supported the economic growth of the county. This report responds to Committee's request for a review of progress.

**Delivery plan review**

4. The Economic Development Strategy concentrates on three themes of:
  - Jobs, Skills and Training
  - Enabling Business Growth
  - Infrastructure and Assets
5. To the end of quarter 2, 176 young people have been taken on as an apprentice with Nottinghamshire SMEs; 31 have completed their apprenticeship and been retained by the employer (100% of completers). 6 young people have secured employment through the Engage2Employ project. Since its April 2014 launch, around £2.35m of the NEDCF awarded to 19 companies. Creating 269 new jobs, 27 apprenticeships, safeguarding a further 446 posts and leveraging in £17.3m in additional investment from banks, other public funds and businesses.
6. Additional key highlights against the Strategy's themes (from March 2016) follow at Table 1.

## Table 1: Key highlights against the Economic Development Strategy themes

### Theme 1: Jobs, Skills and Training

Highlighted Project	Achievement to date
Say YES to an apprentice programme	<ul style="list-style-type: none"> <li>• 176 apprenticeship places</li> <li>• 149 employers supported to take on their first apprentice - 27 of these taking on a second apprentice</li> </ul> <p>Pictured (L to R): Anthony Smith (CEO of ZestBeauty.com), the 100th apprentice to be employed through the scheme Jessica Ibbotson and Councillor Diana Meale</p> 

### Theme 2: Enabling Business Growth

Highlighted Project	Achievement to date												
Inward Investment activity by Marketing Nottingham & Nottinghamshire (MN&N)	<p><b>Inward Investment:</b> For the period April to August 2016, 10 projects that have been converted to successes, yielding a total of 542 jobs.</p> <ul style="list-style-type: none"> <li>• The current pipeline of 'Live' enquiries stands at 62 projects - holding the potential yield of over 2,600 jobs</li> </ul> <p><b>Tourism in Nottinghamshire:</b> Figures revealed in the STEAM<sup>1</sup> 2015 report show "...there was a significant boost to Nottinghamshire's visitor economy":</p> <ul style="list-style-type: none"> <li>• Value of tourism in Nottinghamshire (excluding city) (£m) £1.051bn</li> <li>• Volume of tourism in Nottinghamshire (excluding city) (m) 22.21m</li> <li>• Full Time Equivalent (FTE) jobs supported by tourism 14,218</li> <li>• Average spend per trip £47.32</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>Day visitors</th> <th>Overnight stays</th> </tr> </thead> <tbody> <tr> <td><b>Volume (m)</b></td> <td>20.09m</td> <td>2.115m</td> </tr> <tr> <td><b>Value (£m)</b></td> <td>£698m</td> <td>£353m</td> </tr> <tr> <td><b>Average spend per visitor</b></td> <td>£34.74</td> <td>£166.90</td> </tr> </tbody> </table>		Day visitors	Overnight stays	<b>Volume (m)</b>	20.09m	2.115m	<b>Value (£m)</b>	£698m	£353m	<b>Average spend per visitor</b>	£34.74	£166.90
	Day visitors	Overnight stays											
<b>Volume (m)</b>	20.09m	2.115m											
<b>Value (£m)</b>	£698m	£353m											
<b>Average spend per visitor</b>	£34.74	£166.90											

Integrating Innovation Centres Contract	<p>The Integrating Innovation Centres in Nottinghamshire Contract has continued to provide day to day operational and facilities management to 3 Centres in the County together with an overarching mentoring and business support programme for tenants.</p> <ul style="list-style-type: none"> <li>• At 23<sup>rd</sup> September Economic Prosperity Committee, approval was given to allocate £300k for business property upgrades from the N2 Business Rates Pool.</li> <li>• This is in addition, to the delivery of a new Business Lounge at the Turbine during 16/17. The Lounge will provide a relaxed meeting point for work colleagues or clients. Offering seating, free Wi-Fi, charging points, access to refreshments etc</li> </ul> <p>Pictured: Top left The Turbine at Worksop, top right the Mansfield i-Centre and bottom the Newark Beacon</p> 
---	---

<sup>1</sup> STEAM (Scarborough Tourism Economic Activity Monitor) – a tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection

Theme 3: Infrastructure and Assets (continued overleaf)	
Highlighted Project	Achievement to date
Better Broadband for Nottinghamshire	<ul style="list-style-type: none"> <li>• Close to 70,000 premises passed to date, with over 400 areas benefitting from the rollout</li> <li>• 12 vouchers claimed to date as part of newly launched basic broadband subsidy scheme (in operation until 2017)</li> <li>• 88 registered Digital Champions</li> </ul> <p>Pictured: Milly Alonso, a Tenant Involvement Officer for Mansfield District Council. She registered as a Nottinghamshire Digital Champion as part of her work to help residents living in sheltered housing schemes to improve their digital skills - and has been encouraging other volunteers to do the same</p> 

Theme 3: Infrastructure and Assets	
Highlighted Project	Achievement to date
Nottinghamshire Economic Development Capital Fund (NEDCF)	<p>Since its April 2014 launch, around £2.35m of the NEDCF awarded to 19 companies. Creating 269 new jobs, 27 apprenticeships, safeguarding a further 446 posts and leveraging in £17.3m in additional investment from banks, other public funds and businesses. Key figures for June 2016 NEDCF Round 3 at stage 2 appraisal:</p> <ul style="list-style-type: none"> <li>• Funding sought: £1,221,455.00</li> <li>• Leverage: £3,436,589.00</li> <li>• Jobs created: 154</li> <li>• No. companies into stage 2: 16</li> </ul> <p>Pictured: ABM Precast's investment in new crane facilities, being part of an investment facilitated by the NEDCF</p> 

Harrier Park Hucknall	<p>On 11 October a delegation reviewed the contribution the County Council is making to the wider scheme at Rolls-Royce in Hucknall. The Council agreed to pay for and develop the access road off the A611. This will be the new access road for both Rolls-Royce and the business park, now called Harrier Park, Hucknall:</p> <ul style="list-style-type: none"> <li>• 67-acre site providing 1 million sq. ft. of employment space</li> <li>• Could bring 2,000 jobs to the county</li> <li>• Development incorporates 900 homes and a primary school</li> </ul> <p>Pictured (L to R): Councillor Diana Meale and Councillor Alan Rhodes with the site contractors, GallifordTry</p> 
-----------------------	--

7. Appendix A presents a structured review of the economic development delivery plan to the end of October 2016 and includes a summary of the financial breakdown by delivery plan ambition.
8. As illustrated at Table 2, by the end of October 2016, 65% of the overall budget had been spent).

Delivery Plan Ambition Headlines	A	B	C	D
	Budget	Spend to Date	Remaining spend (over next 5 months)	
Jobs, Skills & Training	£71,210	£66,473	£4,737	7%
Enabling Business Growth	£534,039 <sup>2</sup>	£351,285	£182,754	34%
Infrastructure and Assets	£30,500	£12,846	£17,654	58%
<b>TOTAL PROJECT/ITEM COST</b>	<b>£635,749</b>	<b>£430,604</b>	<b>£205,145</b>	<b>32%</b>
<b>TOTAL STAFFING &amp; RELATED BUDGET COSTS</b>	<b>£415,656</b>	<b>£256,738</b>	<b>£158,918</b>	<b>38%</b>
<b>TOTAL BUDGET ALLOCATED</b>	<b>£1,051,405</b>	<b>£687,342</b>	<b>£364,063</b>	<b>35%</b>

**Focus for the remainder of 2016/17 financial year**

9. For the remainder of 16/17 the team will focus on the three work streams of:
- Meeting the commitments of the economic budget in 2016/17
  - Providing adequacy of cover to fulfil (and optimise on) contracted EU/domestic funding programmes (such as ESF Careers Local grant scheme across D2N2 enabling schools to access specialist employability support)
  - Responding to emerging policies (for example Brexit implications and the Government’s proposed Industrial Strategy).
10. Table 3 provides an overview of the three schemes of: High Speed Two (HS2), the Midlands Engine and Midlands Connect, which team members will also continue their active engagement with:

<b>High Speed Two (HS2)</b>	<p>On 15<sup>th</sup> November 2016, Government announced its preferred route for HS2 from the West Midlands to Manchester and Leeds, including a station hub on the existing railway sidings in Toton.</p> <ul style="list-style-type: none"> <li>• A connection to the Nottingham tram system and new connections to existing rail services are proposed, to link the station to Nottingham, Derby and Leicester railway stations</li> <li>• Work is underway on the emerging HS2 Growth Strategy. In this initial phase, focus is being given to four areas: the skills elements of the Growth Strategy, supply chain, more general work with the HS2 Executive Team and acting as the point of contact for the County Council</li> </ul>
-----------------------------	--

<sup>2</sup> £64,433 was added to the original budget e.g. £62,500 for the D2N2 (this is referred to in the appendix) and £1,933 additional capital charges/depreciation to match the costs incurred.

**(continued) Table 3: Overview of three major schemes**

<b>Midlands Engine</b>	<p>An initiative looking to make the East and West Midlands an engine for growth for the UK economy. Chaired by Sir John Peace, the Lord Lieutenant of Nottinghamshire, the Midlands Engine Initiative is backed by business, local authorities and 11 Local Enterprise Partnerships (LEPs) – including D2N2 LEP:</p> <ul style="list-style-type: none"><li>• The Midlands Engine Prospectus sets out how 300,000 jobs and £34billion worth of growth could be achieved in the next 15 years. There are plans afoot to complete a comprehensive analysis of the Midlands Engine economy, to update its aims and objectives and develop a productivity improvement plan</li><li>• Government is backing the initiative with a £5m trade and investment package to help promote the Midlands Engine overseas, reach new markets and boost exports</li><li>• The Prospectus focuses on five key themes: Trade and Investment; Transport; Research and Innovation, Business Support and Skills</li><li>• The chair of the Leicester and Leicestershire Enterprise Partnership (LLEP), Nick Pulley, has been named chair of the £250 million Midlands Engine Investment Fund. The fund is an amalgamation of revenues from the 11 LEPs across the region, together with a loan of around £90 million from the European Investment Bank. The idea is not to compete with banks and other funding institutions but to fill the gap for companies who may otherwise be at too early a stage to obtain funding. The target is to get it launched to market by the turn of the year</li><li>• Nottinghamshire businesses interested in future trade with China joined the Chinese Investment Summit, hosted by the Chair of EDC and the Chief Exec at NCC on 27 Sept. The Summit was a chance for local businesses to influence and engage with the Council's participation in the Midlands Engine Trade Mission to China (30 October to 5 November). The visit aimed to open up investment opportunities and trade access to the world's largest economy</li><li>• A more detailed report on China is planned for January 2017 Policy Committee</li></ul>
<b>Midlands Connect</b>	<p>£5m collaboration with central government bringing together 28 local authorities and 11 Local Enterprise Partnerships across the Midlands.</p> <ul style="list-style-type: none"><li>• Together the Midlands Connect Partnership and the department for transport is developing a transport strategy that identifies the major infrastructure projects needed to improve the connectivity of our region's key locations to help drive economic growth and power the Midlands Engine</li><li>• The Strategy is due to be published in March 2017</li></ul>

**Reason(s) for Recommendations**

12. Committee requested a review of the delivery plan following its March 2016 approval. Performance to the end of October 2016 is reviewed in this report.

## Statutory and Policy Implications

13. 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 report.

### Financial implications

14. None at this stage.

## RECOMMENDATION

15. It is recommended that Committee considers and notes the review of its delivery plan.

**Tim Gregory**  
**Corporate Director, Place**

**For any enquiries about this report please contact:**

Nicola M<sup>c</sup>Coy-Brown Tel. 0115 977 2580

### Constitutional Comments [SLB 16/11/2016]

This report is for noting only.

### Financial Comments [SES 16/11/16]

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

### Background Papers

- *The Midlands Engine for Growth Prospectus* – 22-01-2015 published online – available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482247/midlands-engine-for-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf)
- *Economic Development Strategy – Delivery Plan and Budget 2016-17* – Report to Economic Development Committee, 22-03-2016 published
- *2016-17 Delivery Plan Budget Proposals* – Report to Economic Development Committee, 05-07-2016 published
- *Midlands Engine Trade Mission to China* - Report to Policy Committee, 21-09-2016 published
- *East Midlands HS2 Growth Strategy Emerging Strategy: Fast Track to Growth* - September 2016 published online – available at: [http://www.emcouncils.gov.uk/write/East\\_Midlands\\_HS2\\_for\\_Website\\_single\\_pages.pdf](http://www.emcouncils.gov.uk/write/East_Midlands_HS2_for_Website_single_pages.pdf)
- *HS2 route to the East Midlands, Leeds and Manchester set out by the government* 15-11-2016 published online – available at: <https://www.gov.uk/government/publications/hs2-phase-2b-decision-document>
- *New statistics reveal welcome boost to Nottinghamshire visitor economy* 15-11-2016 published online – available at: <http://www.incentivetravel.co.uk/agency/36342-new-statistics-reveal-welcome-boost-to-nottinghamshire-visitor-economy>

### Electoral Division(s) and Member(s) Affected

All