

2 November 2021**Agenda Item: 8****REPORT OF THE CORPORATE DIRECTOR, PLACE****LOGISTICS SECTOR STUDY****Purpose of the Report**

1. The purpose of this report is to seek approval for a maximum financial contribution of £15,000 towards a study of the logistics sector, being developed in partnership with the district councils but led by the County Council, to be met from the Council's Economic Development budget.

Information

2. Logistics is a growing and increasingly important sector within the Nottinghamshire economy. Negative and inaccurate perceptions persist regarding its value and role. This is especially the case in respect of the quality and quantity of its employment opportunities as well as its demands on floorspace and specific locational pressures.
3. A number of factors have influenced significant changes within the sector in recent years - not least, increasing levels of automation within the industry, heightened requirements for a wide range of high level skills and changing and evolving issues within wider supply chains across all industries. Logistics as a sector is playing a key role in the recovery from pandemic and in the development of new national and international linkages following the exit from the EU.
4. This report requests part-funding of a study of the sector and follows discussions between the Council's Growth & Economic Development and Strategic Planning Team, together with district and borough councils.
5. Local Planning Authorities across the Core and Outer Nottingham Housing Market Areas (HMAs) have recently completed an Employment Land Needs Study which was undertaken by 'Lichfields' - a planning consultancy. This work was supported technically by officers from the Growth and Economic Development Team. One of its conclusions noted that economic growth across the wider area has been limited by lack of available large scale strategic distribution sites over the past decade> Further, that studies forecasting need based purely on past trends will significantly underestimate the scale of demand. Commercial agents have expressed confidence that there is capacity in the market for further large-scale Regional Distribution Centres, especially along key motorway junctions and other strategic locations.
6. The Lichfields study recommended that given the scale and economic importance of the issue, a strategic study should be commissioned to help quantify the exact scale of national / regional logistics need across the Core/Outer HMAs.

7. Following further discussions with partners, a balanced proposal for a sector study has been brought forward that will enable planning authorities to quantify the scale of likely logistics sector growth over the next few years and its impact on land use planning. It will also support partners' understanding of and ability to react to the wider growth, skills, supply chain and associated economic aspects. More specifically, the sector study will:
- Recommend a sound approach to sustainably planning for and managing logistics growth over the period to 2040;
 - Identify barriers to and opportunities for growth, which will enable planning for freight and wider transport mode optimisation;
 - Explore the role of the logistics sector in maximising growth in other key sectors and in supporting robust supply-chains across the area
 - Develop approaches to ensure maximum benefits from sector growth are derived locally;
 - Help partners' understanding of the changing labour market objectives within the sector and review how the skills and training organisations can best respond to them;
 - Link with the potential impact on the market of the Freeport proposals, given its importance to and influence on the critical mass of activity already planned for the area, factoring in labour market strains and the impact of proposed incentives;
 - Reflect on accessibility by the workforce and the sustainability of workforce travel given likely locational preferences;
 - Help the partners to understand how the trends post-CV19 have accelerated wider changes, reinforcing the importance of the sector and how technological change will drive skills and new employment opportunities.
 - Help shape action planning with partners on wider logistics related initiatives.
8. A range of district, city and county partners have been approached to support the study practically and financially. The commission will be subject to tender process and will be led by Strategic Planning. It is estimated such a study will cost in the region of £60,000, subject to the checks and balances of the tender process. It is proposed that a contribution of up to £15,000 be offered towards this total estimated cost from this council (precise amount dependant on the outcome of the tendering process).

Other Options Considered

9. The "Do Nothing" option would mean the Council would not be able to influence and benefit from the study as it is progressed. Related, should partners fail to secure the desired level of contributions, the study may not go ahead and the Council's ability to influence and support the development of this key sector will be lost.

Reasons for Recommendation

10. The study will support the Council's ability to influence the best possible growth within this key sector to the benefit of the Nottinghamshire economy and to support its residents gain access to the associated growth in jobs. It will also have a strong tie-in with other key developments being priorities for the Council, including the development of the East Midlands Development Company and the Freeport.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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

12. As referenced above, the maximum contribution of £15,000 can be met from the Economic Development Budget.

RECOMMENDATION

- 1) It is recommended that this Committee approves a maximum contribution of £15,000 towards the logistics sector study.

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Constitutional Comments (EP 05/10/2021)

13. The recommendation falls within the remit of the Economic Development and Asset Management Committee by virtue of its terms of reference. Any contract entered into following the tender process referred to in this report should be in a form approved by Legal Services.

Financial Comments (KRP 05/10/2021)

14. As set out in the report, the maximum contribution of £15,000 can be met from the Economic Development Budget.

Background Papers and Published Documents

Except for previously published documents which will be available elsewhere, there are no additional documents available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Divisions and Members affected

- All