



REPORT OF THE LEADER OF THE COUNCIL

THE FUTURE OF THE NOTTINGHAMSHIRE ECONOMIC DEVELOPMENT CAPITAL FUND

Purpose of Report

1. To consider the future of the Nottinghamshire Economic Development Capital Fund (NEDCF), with a view to transferring the unallocated balance to act as a contribution towards the priorities arising from the emerging Place Department Strategy such as: influencing and supporting innovation and productivity, investing in infrastructure and raising the skills levels of local people.

Background

2. Policy Committee approval was received on 16th October 2013 to allocate previously unspent capital investment from the Local Improvement Scheme, to a capital fund of £6,000,000 focused on economic development and growth.
3. The scheme is a non-statutory activity, through which non repayable grant payments are made to Nottinghamshire businesses based on applications and an independent assessment process. There have been four rounds of grant awards contributing to job creation and training opportunities for local residents and businesses.
4. The grants have been predominantly used for: investment in land or property to facilitate economic development activity; purchase of productive plant or machinery and; investment to enable expansion of existing/or the development of, new business premises.
5. Over the course of the four rounds, a total of £4,140,217 has been spent, which has contributed to the creation of jobs in the county.
6. There are a further 7 applicants in round four waiting to be informed by the Council if their applications have been approved. The NEDCF operates as a ring-fenced discretionary fund for which the Corporate Director, Place in consultation with the Chair of Policy Committee, has delegated authority to award grants.

Rationale for change

7. There is no doubt that the NEDCF played an important role in supporting the beneficiaries of the fund. However, as the following paragraphs articulate, there are a number of factors in favour of closing the NEDCF and redirecting the remaining balance.

8. 'Your Nottinghamshire, Your Future', the new Council Plan for 2017-2021 sets out the strategic ambition for the future of Nottinghamshire and the Council for the next four years. The Plan is focussed around four vision statements:
- a great place to bring up a family
 - a great place to fulfil your ambition
 - a great place to enjoy later life
 - a great place to start and grow a business
9. The vision statements are supported by 12 overarching commitments, and success factors upon which progress can be measured. The Council Plan will be complemented by the Place Department Strategy which is under development and due for consideration at Policy Committee in December.
10. The Place Department will look to drive productivity and growth to maximise the potential and competitive advantage of the County and will draw upon other key growth strategies, such as: the Midlands Engine Vision for Growth, East Midlands HS2 Growth Strategy and the D2N2 Local Enterprise Partnership Strategic Economic Plan.
11. Emerging priorities include the Council influencing and supporting innovation and productivity as well as investing in infrastructure and raising the skills levels of local people. In order to successfully implement the priorities, there is a pressing need to review how we allocate the available resources to economic development priorities.
12. The NEDCF has a current balance of £1,859,783. There are 7 outstanding bids to the scheme from a number of businesses in the county, seeking £1,247,000 of grant. If we were to consider and approve these bids, the available resource would reduce to £612,783.
13. It is proposed that as part of the review of resources, the current fund is brought to a close and the balance of the fund considered against new priorities in the Council Plan and Place Strategy. Clearly there are risks and implications in closing this scheme at this stage. However taking all those issues into account balanced against the other demands on resources and the alternative funding streams available to bidders it is considered that this decision is balanced and reasonable.
14. There are a range of alternative sources of funding and support for these local businesses including through the Local Enterprise Partnership, the Growth Hub and through the availability of business loans from the commercial market. It should be noted that there are also other publicly backed funds that offer loans to businesses, as opposed to grants that are not repaid, for which businesses in the county could bid.

Other Options

15. The NEDCF ring-fence takes vital resources away from other useful projects that it is considered will provide better outcomes and have more effect than the Fund currently delivers.

Reasons for Recommendations

16. The new Council Plan and Place Strategy have a wide range of priorities and actions to take forward. In doing so we will need to ensure we allocate resources against priorities. There are applicants in round four waiting to be informed by the Council of the outcome of their application to the fund. Those applicants have been kept in abeyance to provide Policy Committee the opportunity to debate the appropriateness of the continuing or closing the final round of the NEDCF. Whilst the companies have been informed of the situation, the Council will need to revert back to them as soon as practicable in relation to their individual application for a grant under the scheme. As appropriate, the bidders will be directed to other sources of funding.

Statutory and Policy Implications

17. 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.

RECOMMENDATIONS

18. Policy Committee is invited to:

- a) agree to a review of the resources allocated to economic development priorities through the Place Strategy and Council budget
- b) agree to close the Economic Development Capital Fund and to vary the capital programme accordingly
- c) inform the outstanding applicants that they will not be awarded the grant they are seeking, for which they will be directed to other sources of funding

COUNCILLOR MRS KAY CUTTS, MBE
Leader of the Council

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Constitutional Comments [SSR 3.11.2017]

The recommendations set out in the report fall within the scope of decisions that may be approved by Policy Committee.

Financial Comments [GB 30/10/2017]

The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- *Nottinghamshire Economic Development Capital Fund* – Round 3 Update – report to Economic Development Committee – 6 December 2016, published
- *The Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 22 March 2016, published
- *The Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 8 September 2015, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 3 February 2015, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 16 September 2014, published
- *Nottinghamshire Economic Development Capital Fund* – report to Economic Development Committee Report - 11 February 2014, published
- *Economic Development Capital Fund* – report to Economic Development Committee Report - 12 December 2013, published

Electoral Division(s) and Member(s) Affected

The NEDCF operates across Nottinghamshire, potentially impacting all electoral divisions. Approvals impacting specific divisions and members have been alerted as projects progressed.