

## **REPORT OF THE CHAIR, ECONOMIC DEVELOPMENT COMMITTEE**

### **ECONOMIC DEVELOPMENT UPDATE**

#### **Purpose of the Report**

1. To update Policy Committee on key areas of the Council's work on economic development, notably:
  - D2N2 Local Enterprise Partnership: Strategic Economic Plan and Growth Deal
  - N2 Economic Prosperity Committee
  - Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England

#### **Information and advice**

2. Nottinghamshire County Council is a core partner to the D2N2 Local Enterprise Partnership (LEP), having supported its establishment in December 2011. The Council is also a founding partner of the City of Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) which has a remit to consider strategic economic and growth issues in Nottingham and Nottinghamshire. The Council's support for the EPC model was confirmed in a report to Full Council on 16<sup>th</sup> January 2014.
3. The Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England (henceforth 'LGA Commission'), chaired by Sir John Peace, has been set up by the Local Government Association to consider how economic growth can be prioritised in non-metropolitan areas. This follows on from an All Party-Parliamentary Group into the growth potential of county areas that Nottinghamshire County Council supported.
4. Policy Committee requested an update on economic development matters at its meeting before the summer recess. Routine updates on D2N2 are presented to Economic Development Committee on a six-monthly basis.

#### **D2N2 Local Enterprise Partnership: Strategic Economic Plan and Growth Deal**

5. Members will be aware that the D2N2 Local Enterprise Partnership launched its Strategic Economic Plan (SEP) in March 2014. The SEP is the blueprint for future investment across Derbyshire and Nottinghamshire until 2021. It is available here: [www.d2n2lep.org/write/Documents/D2N2\\_SEP\\_March\\_31st.pdf](http://www.d2n2lep.org/write/Documents/D2N2_SEP_March_31st.pdf).

The SEP outlines priorities relating to eight priority sectors and five strategic themes including capital investment priorities for transport, infrastructure and housing.

6. The SEP is a critical document as it forms the basis for the D2N2 European Structural Investment Fund (E-SIF) programme, which will deliver investment of over £200 million in the area between now and the end of 2020. The E-SIF programme is split into two main elements:
  - European Social Fund (ESF) – revenue funding to support activities relating to employment and skills at all levels; social inclusion; community development
  - European Regional Development Fund (ERDF) – combination of revenue and capital funding to support infrastructure for business growth; innovation and research; business support and access to finance

Alongside these two funds are the European Agricultural Fund for Rural Development (EAFRD) and LEADER funds, both of which will support activity to develop the economy in rural parts of Derbyshire and Nottinghamshire.

7. The County Council is heavily involved with the design of the E-SIF programme and will continue to be involved with the next phase, which largely focusses on implementing the programme and launching funding calls (currently anticipated to take place in the early months of 2015). The D2N2 LEP Board will have a local decision-making role in terms of programmes and projects that are put forward for funding.
8. The SEP also forms the basis of the recently announced D2N2 Growth Deal with Government. This Growth Deal focuses on the financial years 2015-16 and 2016-17 and is capital funding only. The fund is a combination of transport, housing and skills capital funding that the Government has brought together into a 'single pot'. Local Enterprise Partnerships were tasked with drawing up priority schemes and proposals for the fund and then negotiated these with the Government. The outcome of the Growth Deal process was announced at the beginning of July.
9. Nottinghamshire secured significant capital investment through the Growth Deal in a range of schemes across the County:
  - Newark Southern Relief Road - £7 million
  - Rolls Royce, Hucknall - £5.8 million
  - Vision University Centre, Mansfield - £2.6 million
  - Superfast Broadband Extension - £2.6 million
  - Worksop Vesuvius works - £2.6 million [through Sheffield City Region LEP]
  - Harworth-Bircotes enabling works - £1.9 million [combined D2N2 and Sheffield City Region investment]

In addition to the above schemes, previous commitments to investment in Nottinghamshire (Gedling Access Road and A57-A60 improvements in Worksop) were reconfirmed.

10. Work is now underway with Government departments to ensure that the approved schemes are able to begin quickly in 2015-16 and draw down the full financial commitments made by the Government. This work should complete over the autumn. After that, the Government is likely to open negotiations with Local Enterprise Partnerships on the next round of Growth Deals.
11. The Chief Executive of the D2N2 LEP, David Ralph, will be presenting an update on D2N2 and the Growth Deal to the Council's Economic Development Committee on 16<sup>th</sup> September.

### **N2 Economic Prosperity Committee**

12. Full Council considered and approved the County Council's participation in the City of Nottingham and Nottinghamshire Economic Prosperity Committee (henceforth N2 EPC) at its meeting in January 2014. The N2 EPC's remit is to:
  - Develop and oversee strategic economic growth and regeneration priorities for Nottingham and Nottinghamshire;
  - Facilitate improved participation of the county's borough and district councils in the D2N2 LEP; strengthen the LEP's democratic mandate;
  - Ensure that growth plans across Nottinghamshire are aligned and responsive to the D2N2 LEP's priorities, thereby enabling the county to attract its fair share of Government investment;
  - Recommend priorities to the D2N2 LEP for specific funding programmes;
  - Simplify the local government landscape around economic development

The N2 EPC has met four times since being established in February 2014. The Leader of the Council sits on the N2 EPC, supported by the Chief Executive.

13. To date, discussion at the N2 EPC has been dominated by three key issues:
  - The relationship between D2N2 and the N2 EPC, and where the decision-making mandate sits;
  - The D2N2 Growth Deal and Nottingham / Nottinghamshire priority schemes;
  - Governance and potential development of a Nottingham and Nottinghamshire Combined Authority

As noted in previous reports to Economic Development Committee (May / July 2014), lengthy discussions have been held at the N2 EPC and between N2 EPC Members and D2N2 about the prioritisation of schemes within the Growth Deal and the process that underpinned this.

14. The future work programme for the N2 EPC is taking shape and will include:

- Skills and employment
- Business growth
- Place marketing
- Infrastructure and assets
- Economic inclusion

Agenda items under these headings will include an overview of the policy and funding context and assessment of best practice examples of activity in Nottingham and Nottinghamshire.

15. In terms of the development of a Combined Authority for Nottingham and Nottinghamshire, the N2 EPC agreed at its last meeting that it would explore this option further in the light of the decision by Derby and Derbyshire councils to move to a Combined Authority as soon as is practicable and the stated preference of both the Government and the Opposition for Combined Authority models in the future to enable further devolution of powers to local areas.

16. Further updates on progress with the review of options relating to a Combined Authority for Nottingham and Nottinghamshire will be brought to Policy Committee in due course.

### **LGA Commission**

17. The LGA Commission was set up in the spring of 2014 to look at the role of non-metropolitan areas in delivering economic growth. This work aligns with a recent All Party Parliamentary Group (APPG) on Ambitious Growth Deals for Counties and activity undertaken by the County Council Network (CCN) to highlight the fact that counties offer major opportunities for growth and should not be overlooked by Government policy, which consistently targets cities as drivers of growth. The County Council has supported and responded to both the APPG and CCN calls for evidence.

18. The LGA Commission is being chaired by prominent local businessman and current Lord Lieutenant of Nottinghamshire, Sir John Peace. The County Council has facilitated, through the Chair of the Nottinghamshire Business Engagement Group, Trevor Fletcher, input to the LGA Commission from key Nottinghamshire business leaders (of large and small companies).

19. The LGA Commission's call for evidence closed at the end of June. The County Council's response is available on request and focussed on the following issues:

- County areas play a significant role in terms of economic growth. In Nottinghamshire, the county area contributes 64% of the total jobs and 74% of the total population. There are over 24,000 businesses in the county area, over three times more than in Nottingham city;
- Some of our larger towns form conurbations in their own right, with Kirkby-Sutton-Mansfield rivalling cities such as Lincoln in terms of

population, job and company density. County areas also host market towns and sub-regional service centres, which are often thriving economic hubs in their own right;

- Counties generally offer a higher quality of life than cities, with better and more varied housing stock, higher performing schools and better health outcomes. This is tempered by issues relating to access to services in remote areas and resulting isolation, particularly for older people;
- Counties often reflect natural economic areas that have developed over time and that recognise sectoral and locational advantages. Supply chains are particularly important in this regard and can form the backbone of county economies, particularly where there are very large firms or original equipment manufacturers;
- Counties have a complementary offer to those of cities, and one that is characterised by:
  1. availability of land for development and housing;
  2. better transport connectivity;
  3. a more diverse employment and skills base;
  4. better quality of life factors

20. The chair of the Commission is currently reviewing responses to the call for evidence with a view to publishing initial findings and recommendations in the autumn.

### **Reason(s) for Recommendations**

21. Policy Committee requested an update on economic development issues at its meeting in June 2014.

### **Statutory and Policy Implications**

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), 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.

## **RECOMMENDATIONS**

23. It is recommended that Policy Committee notes this report.

**Councillor Diana Meale**  
**Chairman, Economic Development Committee**

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

Celia Morris

Tel: 0115 977 2043 Email: [celia.morris@nottscc.gov.uk](mailto:celia.morris@nottscc.gov.uk)

**Constitutional Comments**

As this report is only for noting, no Constitutional Comments are required.

**Financial Comments [SEM 28.8.14]**

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

**Background Papers**

Report to Economic Development Committee, 19 November 2013: Development of D2N2 EU Funding Strategy 2014-20

Report to Full Council, 16 January 2014: Establishment of the City of Nottingham and Nottinghamshire Economic Prosperity Committee

Report to Economic Development Committee, 6 May 2014: D2N2 Strategic Economic Plan – implications for Nottinghamshire

Report to Policy Committee, 4 June 2014: Consultation Response: proposal to amend legislation relating to combined authorities and economic prosperity boards

Report to Economic Development Committee: 1 July 2014: Update on D2N2 Strategic Economic Plan and Local Growth Deal

N2 Economic Prosperity Committee meeting papers and minutes:

<http://committee.nottinghamcity.gov.uk/mgCommitteeDetails.aspx?ID=416>

LGA Commission: <http://www.local.gov.uk/non-met-commission>

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

All.