



**22nd January 2013**

**Agenda Item: 6**

## **REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY**

### **BUDGET PROPOSALS FOR 2013-14**

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

1. To seek Committee approval for budget proposals for the 2013-14 financial year.

#### **Information and Advice**

##### 2013-14 budget – setting outline priorities

2. The base budget for Economic Development Committee in 2013-14 has been confirmed as £537,000. The base budget includes the approved £218,000 contribution to Experience Nottinghamshire (approved by Policy Committee in September 2012). In addition, £35,000 must be identified from the Committee's budget to meet annual depreciation charges at the Worksop Turbine Innovation Centre. This is a 'nil net' internal transaction, as an allowance for the depreciation charge is included in the base budget. In effect, therefore, the net Budget available for consideration by this Committee is **£284,000** for 2013/14.
3. It should be noted that a separate budget allocation exists for delivery of the Superfast Broadband project. This was agreed at Full Council in December 2011. Up to £150,000 will be made available in 2013-14 to support the delivery of this project, but as it will be met from corporate sources it has not been factored in to this budget paper.
4. As agreed by this Committee in November 2012, allocation of the budget in 2013-14 will be made against thematic headings linked to the Nottinghamshire Growth Plan. Indicative allocations were agreed as follows (have subsequently been amended slightly to reflect the reduced budget as a result of the depreciation charge referenced above):

i.	Competitive Business Growth	£110,000
ii.	Connectivity	£45,000
iii.	Aspiration and Talent	£100,000
	<b>Total</b>	<b>£255,000</b>
5. Further detail and proposed activities under these broad headings is contained within this report and requires the Committee's consideration and approval. The Committee will note that the Growth Plan is designed to capture a wide set of

proposals to be delivered by partners. The following proposals represent this Committee's contribution towards facilitating its delivery.

### Competitive Business Growth

6. This Committee agreed that allocating funding for a business support portal for Nottinghamshire should be a key priority. Subsequent discussions with partners (including Nottingham City Council, the D2N2 Local Enterprise Partnership (LEP) and the Employment and Skills Board) have revealed that several of our partners are considering similar business focussed online resources. Given this position and reviewing proposals being put forward elsewhere by other LEPs, it is proposed that Economic Development Committee approve up to £15,000 towards the development of an online business portal, subject to the conclusion with partners of discussions over content, focus and hosting.
7. Peer-to-peer funding (subject of a presentation on this Committee agenda) has been identified in the Growth Plan as something that the County's business community should pursue. There are a variety of models operating in the UK, some of which are government backed. In principle, though, any fund would be managed by an external partner, who would also be required to secure donations to it. Small scale loans would then be offered through the mechanism to Nottinghamshire businesses. It is proposed to allocate £50,000 towards establishing a Nottinghamshire model. Up to £20,000 of this will be used for set up and modelling costs (which will be openly procured) with the remainder being the County Council's contribution to the funding pot to kick start further investment from the business community and individuals.
8. Finally, it is proposed that the Committee allocate £45,000 towards activity to support new start businesses in Nottinghamshire. This activity will be openly procured though aligned to the pilot start-up work supported during the 2012/13 financial year and set within the context of new / emerging start-up support available across the County. Up to £500 worth of non-cash support (i.e. intensive mentoring; business plan development; access to legal or financial advice) will be made available to entrepreneurs with business ideas or people who have been trading as businesses for less than one year. 90 businesses will benefit from this activity during the financial year.

### Connectivity

9. A lower amount is proposed for the connectivity theme as many of the Growth Plan proposals for connectivity and infrastructure require facilitation and lobbying rather than direct funding, or alternatively require significant capital investment which is not at the disposal of this Committee nor necessarily of the County Council. The finalisation of the Growth Plan may impact on potential future priorities of other County Council Committees (for example on Highway related issues) and at the time of writing this report, discussions continue.
10. Specifically, the Growth Plan highlights the need for a more strategic, countywide approach to bringing forward key development sites. Currently there

is a rather disparate approach, with no real 'County' effort to market major opportunities. The proposal is for a small number of sites (possibly six or seven) to be marketed collectively. This will drive more intensive and proactive inward investment activity, and enable better targeted lobbying for funding and other support towards bringing these key sites to market. This approach might also demand the exploration of more innovative funding mechanisms for which detailed consideration and external support may be required. It is proposed to allocate up to £20,000 towards this activity, which will be delivered under the *Nottinghamshire Business Investment Zones* concept.

11. It is recommended that the Committee allocate £25,000 towards economic development activity in market towns and rural centres in the County. Feedback from the November Committee meeting suggested that this could be used to promote and roll-out the *Business Improvement District* (BID) model to other parts of the County (currently only Beeston and Mansfield have active BIDs). In addition, some of this funding could be used to enhance the economic impact of schemes delivered through the Local Improvement Scheme in consultation with local business / trader groups where located within the County's market towns or through highways and transport (i.e. Mansfield bus station) improvements. Further proposals on the use of this funding allocation will be brought back to the Committee in March.

### Aspiration and Talent

12. The Committee received a report at its last meeting on the continued success of the Nottinghamshire Work Clubs. There are currently six Work Clubs operating out of Nottinghamshire libraries with the support of a Work Club Co-ordinator. For 2013-14, it is suggested that expanding the network of County Council backed Work Clubs should be a priority. West Bridgford, Retford and Beeston have been identified as towns in the County with no Work Club provision (either County Council or community sponsored). £60,000 was indicatively allocated to continuing the Work Club programme at Committee. It is proposed that this allocation be approved, and that it will enable expanded delivery of Enterprise Clubs in Nottinghamshire and additional motivational training modules to be delivered. These should support a minimum of 50 people into work, and enable up to 30 new business starts. The proposal includes the continuation of the Work Clubs Co-ordinator post.
13. The County Council has provided long-term support to the Wheels to Work project (run by Rural Community Action Nottinghamshire), which offers mopeds and cycles to young people on a loan basis to enable them to access work. It predominantly targets young people in rural areas or areas that are poorly served by public transport connections. In 2012-13, Wheels to Work will have supported 110 people into work through the scheme. The Economic Development budget supported the project with £30,000 in 2012-13. It is proposed to continue to support the project in 2013-14 given the positive impact it has on youth unemployment, but to reduce the level of support to £20,000.
14. £20,000 will remain unallocated under the 'aspiration and talent' heading. It is suggested that Committee consider best use of this remaining funding at the

March meeting, when an update on the Nottinghamshire Youth Employment Strategy will be presented.

### Outputs

15. A table at Appendix 1 contains the anticipated outputs for the above proposals. These will be built into the relevant contracts, Service Level Agreements and/or project plans.

### Other financial commitments

16. As noted at the last meeting, a budget allocation of £15,000 will be required in 2013-14 to offset any deficit at the Worksop Turbine Business Innovation Centre. The surplus/deficit forecast will be closely monitored throughout the financial year so that any amendments to this allocation can be made if necessary.

### Remaining headroom

17. Taking all of the above proposals into account, £14,000 would remain unallocated from the Economic Development budget. It is proposed that this be allocated to strategic leadership priorities. This will include continued facilitation of the Nottinghamshire Growth Plan; costs associated with running the Nottinghamshire Business Engagement Group and sponsoring key business awards and memberships (i.e. Chamber of Commerce) which benefit the County Council through access to wider business networks,

### **Other Options Considered**

18. Options are set out in the report.

### **Reason/s for Recommendation/s**

19. To secure Committee approval for budget allocations in 2013-14 as outlined in the report.

### **Statutory and Policy Implications**

20. 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.

### **Financial Implications**

21. This report seeks approval for proposed spending priorities in 2013-14, which will then need to be confirmed in the Council's Budget Book.

## **RECOMMENDATION/S**

1. That Members note changes to the budget position as outlined at paragraphs 3 and 4;
2. That Members agree the proposals for expenditure in 2013-14.

### **Report of the Group Manager, Corporate Strategy**

**For any enquiries about this report please contact: Matt Lockley ext 72446**

### **Constitutional Comments (NAB 10.01.2013)**

22. Economic Development Committee has authority to consider and approve the recommendations set out in this report.

### **Financial Comments (DJK 10.01.2013)**

23. The contents of this report are duly noted; the financial implications and expenditure proposals for 2013/14 are clearly identified and allocated across projects.

### **Background Papers**

Report to Economic Development Committee (27.11.2012) outlining priority budget areas.

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

All

## Appendix 1

### Anticipated outputs – Economic Development budget proposals

Priority	Activity	Spend	Outputs	Added value
Competitive Business Growth	Online business support portal	£15,000	1 x online portal developed and live by June 2013  A minimum of 300 individuals / businesses accessing the portal by March 2014	Potential to lever in additional resources by partnering with D2N2 LEP and others
	Nottinghamshire peer-to-peer funding scheme	£50,000	1 x peer-to-peer funding scheme established and launched by Sept 2013  20 grants / loans of up to £5,000 offered by March 2014	Fund manager will be required to lever in additional resources for the scheme – as a minimum to match the County Council's contribution
	New start business project	£45,000	90 Nottinghamshire individuals / entrepreneurs benefiting from up to £500 worth of advice and support	Activity will be commissioned – leverage of additional resources will be assessed
Connectivity	Nottinghamshire Business Investment Zones	£20,000	1 x new inward investment campaign to promote key opportunities in the	Delivered through Invest in Nottingham, to ensure synergy and alignment of resources

			County	
	Investment in market towns	£25,000	TBC at March Committee, but could include:  1 x new Business Improvement District supported  3 x Local Improvement Schemes enhanced	Will require close working with District Council partners and Highways to ensure maximum benefit
Aspiration and talent	Nottinghamshire Work Clubs	£50,000	3 x new Work Clubs established  A minimum of 1,000 Work Club attendances  50 Work Club members securing employment  25 Work Club members taking up training opportunities  3 x Enterprise Clubs supported  A minimum of 250 Enterprise Club attendances	Working with JobCentre Plus and Nottinghamshire employers delivers significant added value  Hosting Work Clubs in libraries gives the opportunity to embed them in a core Council service

	Wheels to Work	£20,000	100 young people supported into work or training through moped loan hire	County Council contribution typically enables RCAN to lever in additional funds from a variety of sources including JobCentre Plus and District Councils
	Youth employment	£20,000	TBC in March	TBC
Additional spend items	Worksop Turbine deficit contribution	£15,000 (est)	A minimum of 45 companies housed at the Worksop Turbine  Occupancy increase from current baseline (Dec 2012) of 74%	The Managing Agents for Nottinghamshire's Innovation Centres (Oxford Innovation) continue to address issues relating to occupancy and income growth at the Turbine. It is hoped, therefore, that the deficit figure suggested here will reduce over the course of the year
	Leadership priorities	£14,000	A minimum of 20 Nottinghamshire business clubs engaged in the Council's economic development work  A minimum of 5 meetings of the Nottinghamshire	



			Business Engagement Group hosted	
			Key memberships continued (i.e. Chamber of Commerce)	
			3 x Nottinghamshire Business Awards sponsored	