

Economic Development Strategy 2014-18

Introduction

Nottinghamshire County Council recognises that delivering economic growth and supporting the creation of new jobs is a fundamental role of the County Council. Economic growth is one of the Council's five strategic priorities. This Economic Development Strategy details how the Council will use its own resources and role to facilitate and drive economic growth.

The Strategy sits alongside the Nottinghamshire Growth Plan which was finalised during the spring of 2013. The Growth Plan sets out a number of high-level priorities for securing sustained investment and growth in the Nottinghamshire economy. These will contribute to the stated aim of the D2N2 Local Enterprise Partnership of creating 55,000 new jobs over the next ten years.

The plan will be underpinned by a focus on fairness, equality and delivering economic growth in a genuinely joined-up way with our partners in both the public and private sectors. We want to be recognised as shaping investment plans and priorities in Nottinghamshire over the coming years and leading a collective effort to secure and maintain sustainable and targeted economic growth.

The Council has several key roles to play in delivering economic growth. These can be summarised as follows:

- A champion for growth in Nottinghamshire, influencing the Government, business community and partners to create the right conditions for sustainable economic growth;
- An employer of over 9,400 people, injecting over £414 million through wages into the local economy;
- A provider of commissioned services to over 750,000 residents in Nottinghamshire, spending an average of £500 million per year in the local economy;
- A champion for investment, helping unlock physical redevelopment, including new employment and housing sites;
- An enabler, through our asset holding and planning roles, of capital investments to deliver new jobs;
- An influencer of partners' activities to ensure that investment plans are aligned;
- An investor in key initiatives which will drive future growth and jobs, including fibre broadband, highways and transport improvements, quality work space and infrastructure for businesses at every stage of their development and finance for business growth

Strategic Context and Governance

The Council's draft Strategic Plan 2014-18 was agreed for public consultation by Policy Committee in September 2013. One of its key priorities is 'supporting economic growth and employment'. In order to achieve this, the Strategic Plan outlines a number of key outcomes linked to physical regeneration, job creation, skills development and infrastructure.

Nottinghamshire is covered by two Local Enterprise Partnerships (LEPs) – D2N2 (Derbyshire and Nottinghamshire) and the Sheffield City Region. The County Council's principal relationship is with the D2N2 LEP, of which it is a founding member. Local Enterprise Partnerships are the Government's preferred mechanism for delivering economic growth in England. This is evidenced by proposals for LEPs to oversee European funding investment and the new 'Single Local Growth Fund' in their areas from 2014 onwards.

The critical challenge for Nottinghamshire is to ensure that its economic priorities are understood and are set out within the D2N2 LEP's Strategic Economic Plan. It will be vital for the County to secure its fair share of resources to address the economic challenges and to finance the clear opportunities, allowing Nottinghamshire to fulfil its economic potential.

The D2N2 LEP has indicated that it will consider devolving some responsibility for funding streams to more localised arrangements from 2015. Nottinghamshire partners are therefore considering the most appropriate arrangements to enable this to happen. Any future new governance arrangements may have an impact on the Council's role in terms of economic development and growth and will therefore be kept under review by the Economic Development Committee.

Alongside the other local authorities and together with its public and private sector partners, Nottinghamshire County Council is a Board member of the D2N2 LEP and an active participant in its operations at all levels. The Council will be promoting its ambitions together with those of its partners for Nottinghamshire's economic well-being.

This Economic Development Strategy has been written to reflect the ambitions as outlined in the Council's Strategic Plan and also to enable alignment with the key objectives of the D2N2 LEP. The Economic Development Strategy is split into the themes of 'Jobs, Skills and Training'; 'Business Growth'; and 'Infrastructure and Assets'. This strategy outlines the Council's ambitions in each of these themes and the main drivers for action.

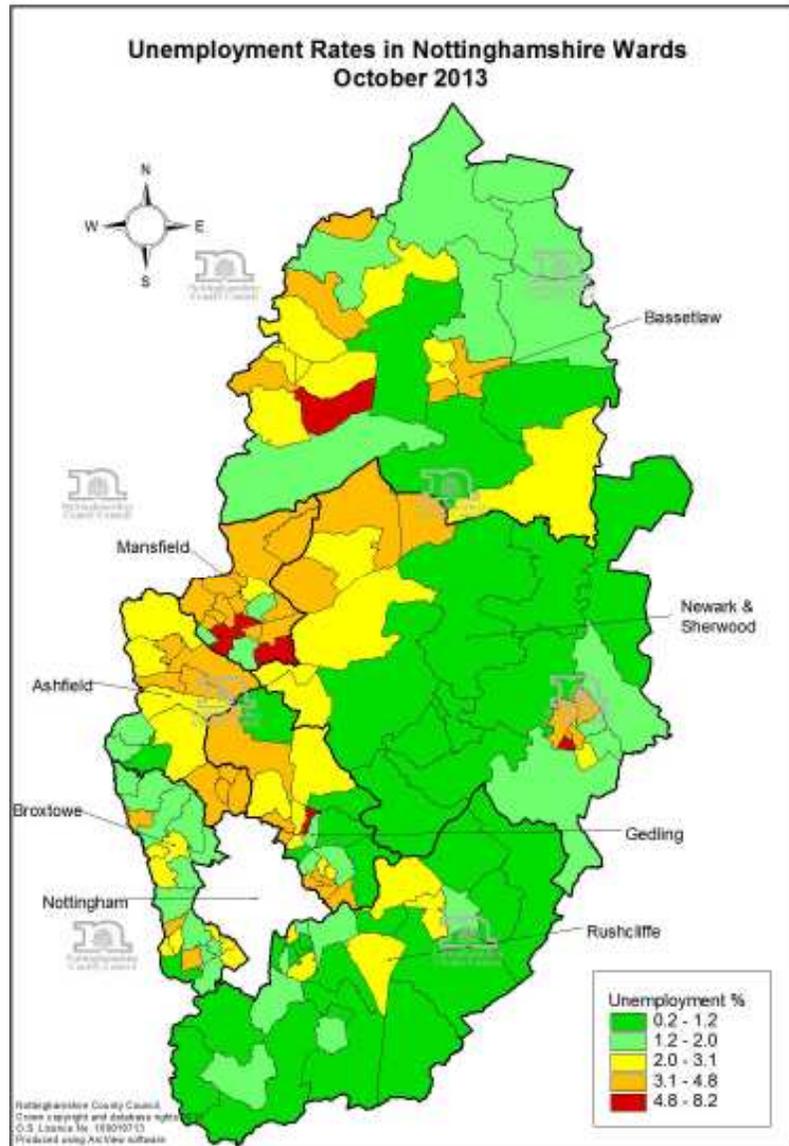
Local Economic Performance

Nottinghamshire benefits from :

- an increasingly mixed economy, not dependent upon one or two sectors
- a robust manufacturing performance
- key growing sectors - low carbon & environmental technologies; advanced manufacturing, logistics, food & drink
- relatively stable levels of employment over a period of national disturbance
- a cautiously positive economic performance given the economic downturn and an improving business confidence
- a growing enterprise culture with significant small business representation and self-employment prospects
- business survival rates comparable with national trends

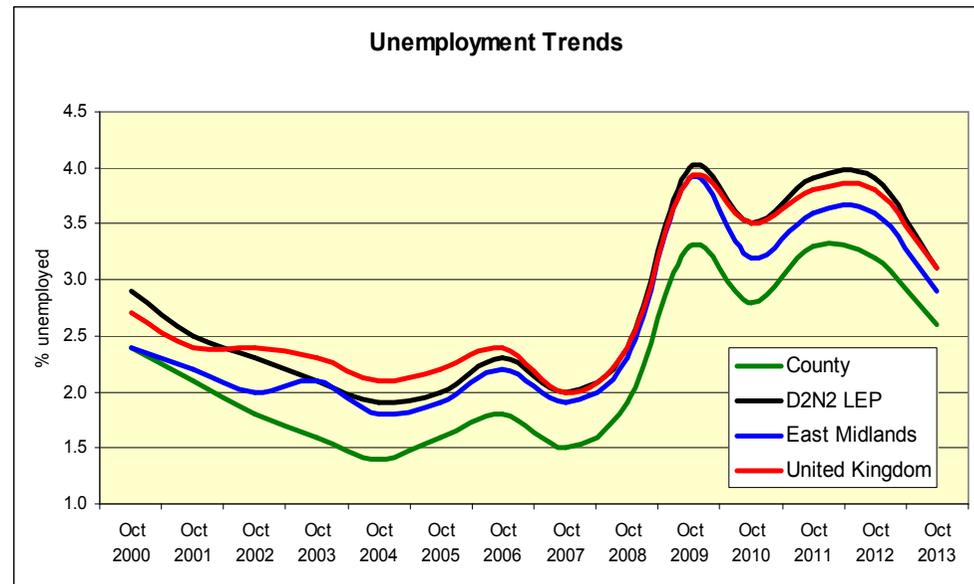
With major challenges from :

- population growth, placing demands on services and opportunities for employment
- significant intra-County differentials in economic performance, wealth and income generation
- a recent business deaths over births deficit
- unemployment hot-spots with some very local differentials
- growing youth unemployment



Unemployment - Local Impacts and Trends

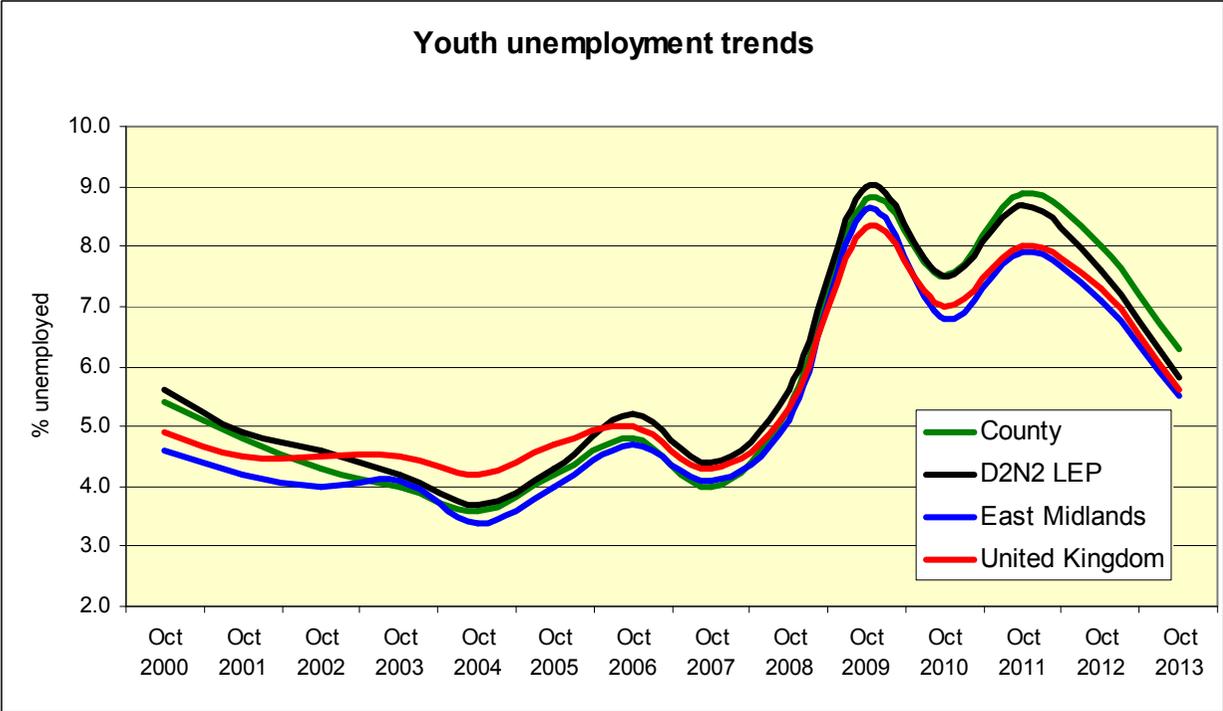
- The proportion of unemployed in the County was 2.6% in October 2013. This compares with the East Midlands (2.9%) and the United Kingdom (3.1%)
- Wards with the highest unemployment rates in the County are Ravensdale in Mansfield (8.2%), Worksop SE in Bassetlaw (6.5%), Lindhurst in Mansfield (6.0%), and Portland in Mansfield (5.9%)
- At a District level Mansfield has the highest unemployment rate (3.6%) followed by Ashfield (3.2%) and Bassetlaw (2.9%). Rushcliffe (1.5%) has the lowest unemployment rate in the County



Source: ONS – Claimant count - proportion of resident population aged 16-64

Source: ONS – Claimant count

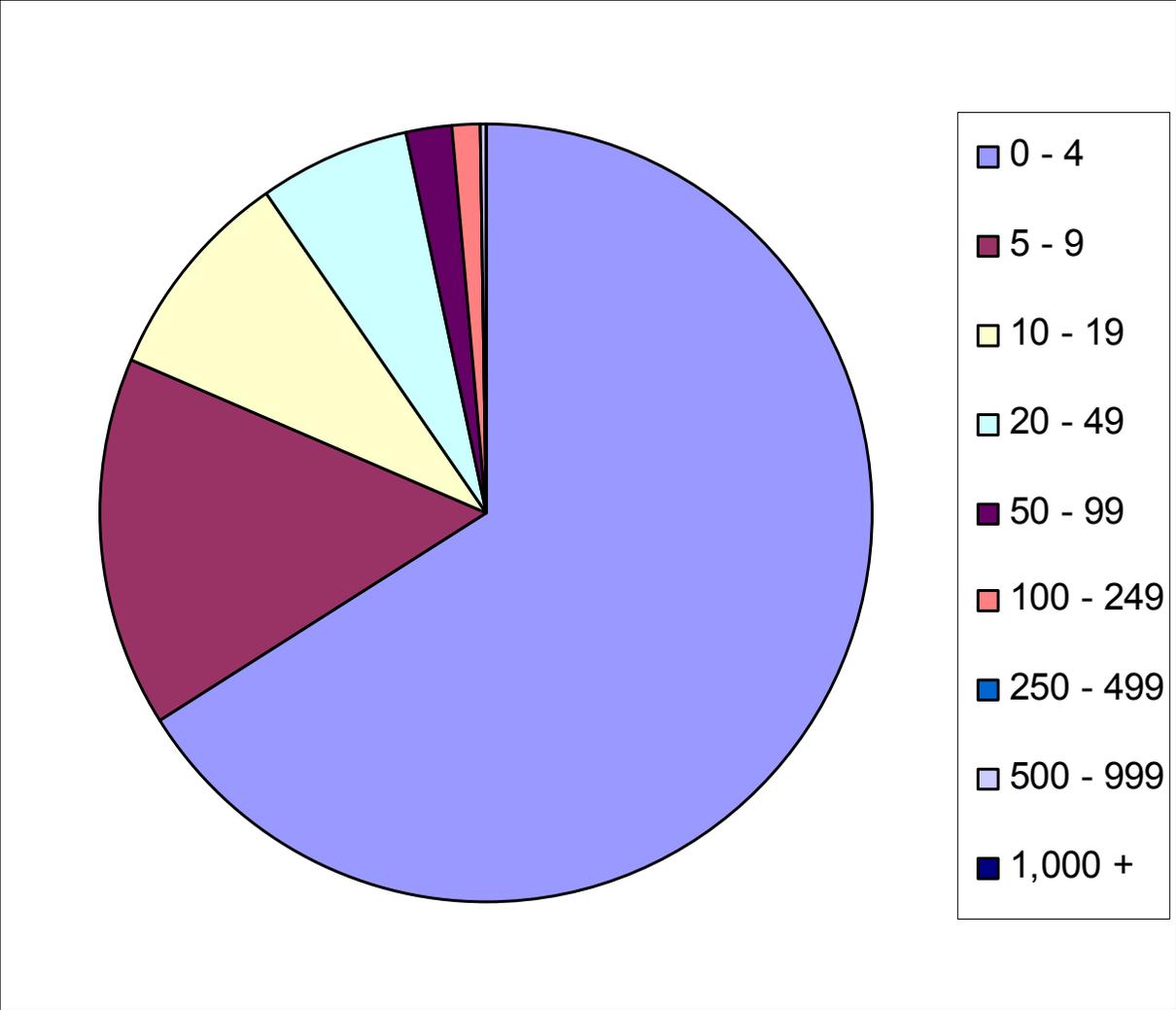
Young People and Unemployment



- Unemployment amongst young people has generally mirrored the national, D2N2 LEP and Nottinghamshire profile in recent years
- However, unemployment amongst young people has been proportionally higher since October 2011
- Up until this point, unemployment for the comparator areas remained relatively similar.

Source: ONS – Claimant count - proportion of resident population aged 18-24

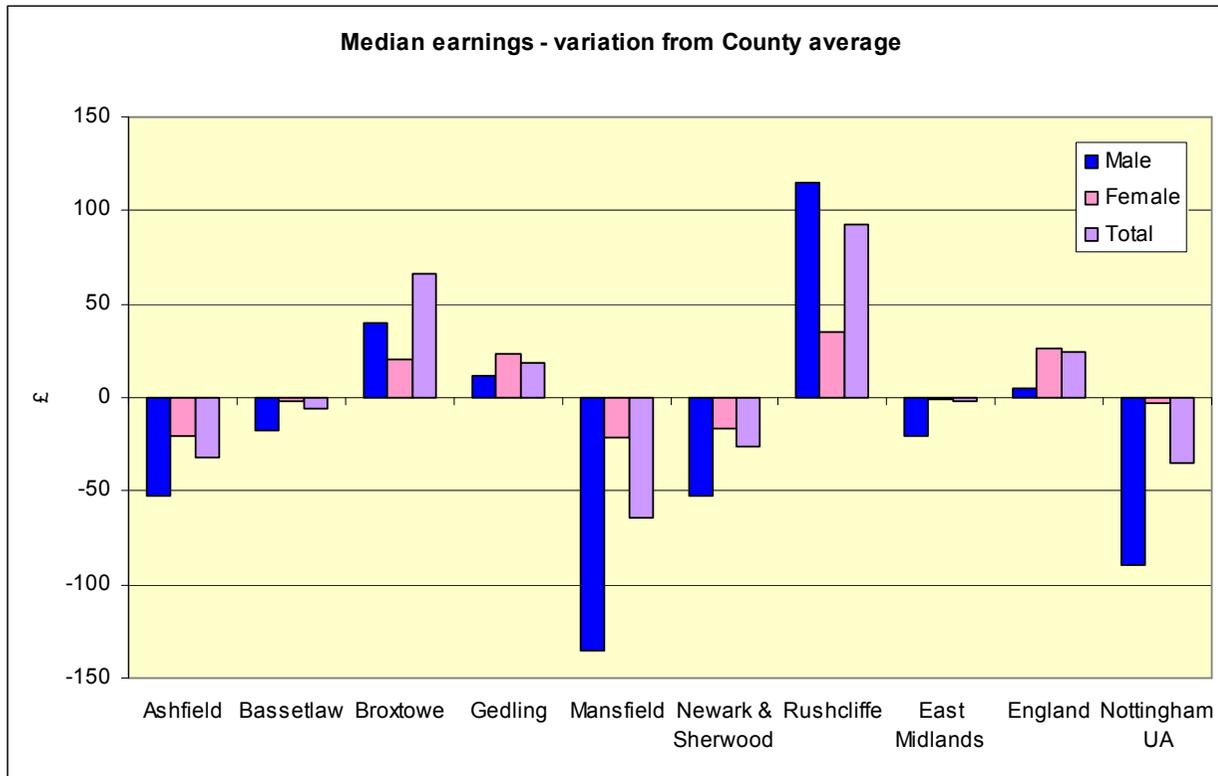
Business Size - By Employees



- Nottinghamshire has over 27,000 businesses, comprising over a third of the numbers within the D2N2 LEP area and three times that of the Nottingham City area
- Nottinghamshire has shifted towards the national figures over the past 20 plus years reflecting a recovery from declining traditional industries and having a make-up increasingly comparable to national figures (in brackets) as follows
 - Micros (0-9) - 81.5% (83.1%)
 - Small (10-49) - 15.1% (13.6%)
 - Medium (50-249) - 3.0% (2.9%)
 - Large (> 250+) - 0.4% (0.44%)

Source: ONS – IDBR, UK Business: Activity, size and location 2013

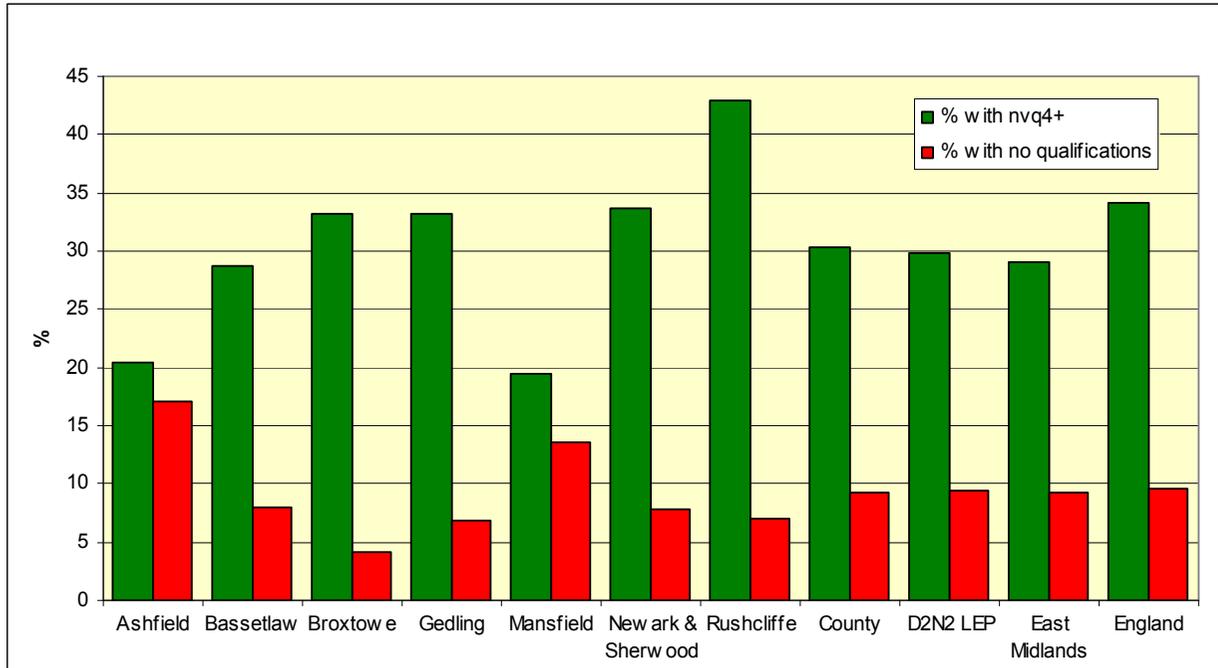
Income Generation



Source: Annual Survey of Hours and Earnings - resident analysis, 2012
County gross weekly pay: Male £499.70, Female £296.00, Total £387.40

- There are some significant intra-County differences. Mansfield, Ashfield and Newark & Sherwood record significantly lower median earnings compared to the County average
- Rushcliffe, Broxtowe and to a lesser degree Gedling show median earnings above the County average
- The figures for Nottingham City will be noted, showing that those living in the City area have median earnings much lower than the County average
- There are marked differences between men and women. In areas where earnings are significantly above the County average, men earn between two to three times more than women. The position is largely reversed in those areas with lower median earnings

Skills & Qualifications



- Around 30% of the County's residents aged between 16 and 64 are educated to degree level or higher. This is slightly higher than the East Midlands but below the national figure of circa 34%
- As with earnings, there are some significant intra-County skills differences. Nearly 43% of Rushcliffe residents have a degree compared with around 20% in the Mansfield and Ashfield areas
- 9% of the County's residents have no qualifications, generally comparable to national and regional figures
- 17% of Ashfield residents and 14% of Mansfield residents have no qualifications compared to 7.3% in Rushcliffe and 7.6% in Gedling.

Source: Annual Population Survey, Jan 2012 to Dec 2012.

Jobs, Skills and Training

Nottinghamshire's economy generates a diverse range of job opportunities across a large number of industrial and service sectors. Historically the County's employment rate has been slightly higher than the national average, but this masks significant variances between different parts of the County, with communities in the north and west showing employment rates that are well below the national average. Jobseekers Allowance rates in some wards in Mansfield, for example, are over 8% compared with a national average of 3%. Employment opportunities in these parts of the County also tend to be lower-skilled in nature, and this is reflected in average earnings statistics, which range from an average of £480/week in Rushcliffe to £322/week in Mansfield. Access to work is an issue across much of the County, particularly in those areas that are further away from the main conurbations of Nottingham and Mansfield-Ashfield.

The County's employment base is predominantly in small and medium sized enterprises (SMEs) although the public sector remains a major employer, particularly in parts of the conurbations. In Gedling Borough, for example, nearly 30% of the population is employed in the public sector. Industrial sector strengths include advanced manufacturing, agri-food production, low carbon energy generation, construction and logistics.

In terms of skills provision, Nottinghamshire benefits from the proximity of three highly regarded universities, specialist agriculture and animal science facilities, four major FE colleges and a large number of smaller training providers. Careers advice for young people and adults is provided by Nottingham and Nottinghamshire Futures, and two welfare-to-work providers also operate in the County.

Priorities

Our priorities for jobs, skills and training are:

- Ensuring the County's young people have the right skills and aspirations to deliver and benefit from economic growth
- Promoting sustainable growth and good employers
- Tackling the barriers faced by people in disadvantaged areas within the County and improving employment and wage rates

Actions

These are intrinsically linked to the two other themes within this strategy. Our actions to deliver against these priorities are as follows:

- Promote apprenticeships as a key route to skilled work by increasing the number and quality of apprenticeships and companies that offer them. Through this action, we will reduce the number of young people not in employment, education or training and support companies to 'home grow' the skills that they require
- Improve educational attainment and strengthen links to the world of work. The County Council will work with partners to stimulate the demand from employers to offer work experience or traineeships to young people. This will mean that young people are leaving education with greater employability skills and a real understanding of the workplace
- Increase the number of good employers. We will promote the importance of good employment practices including the Living Wage to employers across the County. As a result of this action, we will see an increase in the number and visibility of Nottinghamshire employers who invest in their workforce and who are actively demonstrating a commitment to wider social responsibilities
- Promote participation in community learning. The Council invests in Adult and Community Learning Services throughout the County, utilising local infrastructure. This learning often represents the first step towards further training or employment for individuals and families, and



is important in breaking down perceived barriers to learning and earning

- Reduce the number of people who are economically inactive. We will increase levels of participation in training and support services and this will ultimately lead to higher rates of employment in target areas

Enabling Business Growth

The County Council recognises that in order to generate significant jobs growth in the private sector it must work with its partners in both the public and private sectors to create the conditions for businesses to flourish. The Council's own role as a purchaser of goods and services is important in this regard, as is its ability to influence and lobby Government and the D2N2 LEP for greater investment in Nottinghamshire firms.

Significant changes to business support at the national level have been made over the last few years and the business support landscape now looks radically different. Navigating what is out there in terms of hands-on support and growth finance can be difficult, and the Council is keen to play its part in making it easier for businesses to get the support that they need. As the pace of economic growth picks up, it will be more important than ever for Nottinghamshire firms to have a competitive edge and to be well positioned for new collaborations across supply chains, innovation in their companies and export opportunities.

The Council has dedicated significant time and energy to building strong relationships and networks with the Nottinghamshire business community, through initiatives such as the Business Engagement Group and key account management, which involves building trusted relationships with companies across Nottinghamshire that are important due to their size, sector and/or their growth potential. Our business engagement work gives us awareness of the barriers to growth facing Nottinghamshire companies and the ability to identify, broker or develop solutions.

Priorities

Our priorities for enabling business growth are:

- Creating the conditions for business start-up and sustained growth
- Focussing our work on identified areas of growth that align with the D2N2 LEP's priorities
- Promoting the County's assets and opportunities to potential investors

Actions

Our actions to deliver against these priorities are as follows:

- Trial innovative financial products to increase access to finance for Nottinghamshire businesses. We will assess where there are gaps in the market and invest in some financial products to test their viability for Nottinghamshire's business community. We will ensure there is a diverse range of financial products for Nottinghamshire businesses, and that Nottinghamshire gets its fair share of Government investment in firms
- Signpost businesses to quality advice and finance opportunities. We will utilise the key account management process to support businesses, which will enable the Council to take a proactive and long term approach to identifying and meeting a range of business needs e.g. sourcing training, accessing finance
- Utilise our own procurement to drive local business growth and supply chain collaboration. We will aim to increase the number of local companies who secure contracts from the Council and seek to build 'good employer' clauses into new contracts
- Develop sector plans to underpin investment priorities. Sector plans will be developed for Low Carbon, Advanced Manufacturing and Food & Drink. The County Council will work with the D2N2 LEP to influence sector planning with



practical projects and explore funding opportunities for Nottinghamshire businesses

- Continue our support for new start-ups and the growth of small and micro firms through our Innovation Centre network and start-up business support commissioned by the Council. We expect to see business start-up and survival rates keeping pace with the national average
- Consider approaches to place marketing (for visitors, investors and growing firms) with our partners. We will focus our energies on indigenous companies with growth potential, reflecting our aspiration to support 'home grown' talent and to sustain local jobs

Infrastructure and Assets

Nottinghamshire's location at the heart of the country gives it an enviable advantage in terms of connectivity. Major improvements to the road and rail networks are already being progressed and the pipeline of capital investment into the County is relatively strong over the longer-term, particularly with the proposed arrival of High Speed 2. The M1 and A1 corridors offer opportunities to bring forward prime locations for development and the creation of new business parks. International connectivity is available through two airports at the north and south of the County. The County's industrial heritage has also left opportunities with some large brownfield sites which could be prime locations for re-development, many of them having direct access to the rail network and existing power supplies. Former mining sites such as Welbeck and Harworth are good examples of this, as is the former Total oil site at Colwick.

Digital infrastructure is now described as the fourth utility, particularly in terms of attracting new business investment and growth and retaining existing companies. Nottinghamshire is well served by fibre broadband, with 86% of premises in the County already having access. Investment through the public sector will take fibre broadband to 95% of premises, with the potential for further expansion beyond this in the future. The Council and its partners have a crucial role to play in terms of maximising the benefit of the fibre infrastructure and driving demand in the business community.

Across the County there are numerous physical assets that are owned by the County Council and its public sector partners. Gaining a greater understanding of these assets and their potential future use will be important in terms of stimulating growth and

investing in new infrastructure. Our property holding role, considered alongside our collective role with District Councils in terms of planning policy and Section 106 opportunities, could be a significant driver of quality growth in the future.

Priorities

Our priorities for infrastructure and assets are:

- Releasing Nottinghamshire's investment and growth potential
- Maximising opportunities provided by capital investment in digital infrastructure
- Creating more vibrant and sustainable town and service centres

Actions

Our actions to deliver against these priorities are as follows:

- Establish a new long-term capital growth programme aligned to the D2N2 LEP and EU funds. Through this action, we will deliver infrastructure improvements, new private sector jobs and the creation of new workspace
- Develop a collective approach to public sector property and land-holding assets which focuses on enabling growth and sustainable development. This will assist Nottinghamshire to secure a fair share of resources through the D2N2 / SCR LEPs and related sources
- Launch the Nottinghamshire Business Investment Zones initiative, showcasing major development opportunities in the County to investors and funders
- Deliver and promote improved broadband access to over 6,000 Nottinghamshire businesses and 50,000 homes and enable further roll-out of fibre broadband solutions and close the "superfast gap" for the 5% of premises not covered by the existing programme

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- Design and deliver a market stimulation programme to ensure Nottinghamshire maximises the benefits of new digital infrastructure and that it is reflected in the inward investment offer for the County
 - Continue to develop proposals and lobby for investment in Nottinghamshire's transport networks through D2N2 and the Government ensuring that key transport priorities are addressed
 - Work with District and Borough Council partners to identify and prioritise towns and service centres that would benefit from the master-planning approach. We will deliver a range of joint projects and investment proposals to enhance the viability of town and service centres